

Inflation boosting corporate profits

Why do workers strike?

Only two things are certain — death and taxes. But now there is something else we can count on — inflation. Most of us can't remember a year when the cost of living actually decreased. Since 1939, except for two minor decreases in 1949 and 1955, consumer prices have risen ever year. They are now about three times their 1946 level.

The roots of inflation in this century can be traced to two trends in the American economy: the growth of giant corporations and the growing involvement of the federal government in economic life. Monopoly price setting and government policy making have combined to make inflation a permanent feature of American life.

Standard economic theory explains changes in prices mainly as a result of changes in the demand for products. When a company lowers its prices to get more business, its competitors are forced to do likewise, unless all the companies in an industry can agree to keep prices up. The more an industry is dominated by a small number of corporations, the easier such collusion becomes.

Many studies have shown that this actually happens. Prices in monopolized industries have risen through each of the six recessions since World War II, while prices in the non-monopolized industries have fallen. A dramatic recent example is provided by the automobile industry. Even though sales of new U.S. made cars fell by more than 20 percent in 1974, GM, Ford and Chrysler refused to cut prices; in fact, they raised prices that year by 9 percent.

Statistical analysis generally supports the claim that prices rise during recessions, that price increases are greater in industries dominated by a few huge firms and that price increases have over the years followed the growing power of giant corporations. Department of Labor statistics show that average take-home pay has declined in real purchasing power since 1967 while corporate profits are 16 percent higher in real dollars. Inflation hides the fact that most corporations now receive a much larger share of the national wealth while most Americans enjoy a declining standard of living.

Pricing decisions of big business since World War II have been influenced by their expectation that government would cut taxes and increase purchases to keep sales and profits up. Billions of dollars have in fact been paid to "defense" contractors, while Lockheed and Chrysler are but the most dramatic examples of federal bail outs of ailing corporations. Big business

knows that government policy will ultimately furnish customers at prices they choose to maintain.

Many companies attempt to protect their profits by raising prices even before costs go up or before government resistance to rising prices stiffens. The corporations have taken to heart the advice of leading business consultant Pierre Rinfret — "The only way to beat inflation is to raise your prices first."

What are working people to do?

Business can raise prices to keep profits up, but workers find their standard of living lowered by these price hikes. People on fixed incomes are even worse off. Short of forcing corporations and government to

reduce or eliminate inflation, all working people can do is demand pay increases and strike for them if necessary — just to stay even. The next time you read that corporate profits are up 16 percent in real dollars over last year, think again about who causes inflation and who suffers from it!

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theirs



Grad fellows push 'spirit of compromise'

After six months of frustrating negotiations, it appears questionable whether the GTF's will have a contract with the University by the end of this academic year. Currently, the negotiations are in a new phase, mediation, which we hope can end the deadlock. We feel it is imperative that both sides approach this phase with a spirit of compromise.

Certain issues on the table lie at the heart of the GTF's concern. In recent years, GTF's salaries have fallen significantly behind with respect to the cost of living index, which is usually a conservative indicator of the actual impact of inflation. This has placed some departments in the precarious position of losing potential graduate student instructors and researchers of a high caliber to other universities, which offer more attractive monetary enticements. This situation should be one of utmost concern to the entire University community, students and faculty alike.

We also feel that it is the right of all employees, full- and part-time to receive adequate health care benefits financed by their employer, since health care is a major financial burden. Though it seems there are contradictory laws regarding University financed health care for GTF's, a

positive effort, either through an official clarification of this situation by Attorney General Redden or through alternative avenues, has been lacking on the part of the administration. We urge the state board of higher education and its representatives on the negotiating team to provide an effective and

acceptable solution to the problem.

Although fair and equitable treatment of GTFs in all departments should be a goal agreed on and aspired to by the administration as well as the GTFs, items that deal with this matter have been a major bone of contention at the negotiating table.

It is inconceivable to us that the University has even objected to an anti-discrimination clause that would ensure the rights of individuals including those not already specifically protected by law. We feel it is to the benefit of all GTFs, faculty and administration, that a contract be worked out that embodies the

principles and speaks to the concerns mentioned above, and that it be signed and accepted as soon as possible.

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Low-cost housing project aided by ex-millionaire

A friend of mine, Millard Fuller, became a self-made millionaire before he was 30. But he and his wife Linda both felt an emptiness in their lives that could not be filled by a gorgeous house, fancy cars, speedboats on their private lake, thousands of country acres and so on.

About 12 years ago, the Fullers abruptly gave away all their assets and dedicated themselves to a new kind of life in the service of others.

For a time Millard worked as a fund-raiser for Tougaloo College in Jackson, Mississippi. Then the Fullers moved to Koinonia Farm, near Americus, Georgia. There, with Clarence Jordan, they initiated a low-cost, no-interest housing program for poverty families which continues to grow today.

In 1973 the Fullers brought

this successful experiment in community development to the heart of Equatorial Africa. Moving their family of six to Zaire, they worked with local people and a handful of American volunteers to pioneer an exciting new kind of missionary effort.

They persuaded the regional government to donate land that had formed a segregation strip between blacks and whites during colonial days. The Zaireans called it 'bokotola', which means "man does not care for others." On this ground a complete new community has been built, through the principles of self-help and cooperation and the power of tremendous faith. It has already inspired similar ventures which are beginning in other areas.

Millard Fuller's new book describing his incredible exper-

ience is titled 'Bokotola' and can be ordered for \$3.95 from "Habitat for Humanity," 417 West Church St., Americus, Georgia 31709. (All profits go back into building projects.)

I would encourage anyone (young, middle aged, or senior citizen) who is considering using a portion of his or her life to help others, to write to Millard at the above address. "Habitat for Humanity" is a new non-profit corporation that has been formed with the support of peo-

ple like me from all over the country to enlarge this effort by: raising funds, recruiting and training volunteers and providing technical assistance for projects both in the U.S. and overseas.

Because I am excited about this whole enterprise, I would like more people to know about it.

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