

# Reagan's remedy for the neglected rich

John Kenneth Galbraith was a panelist at the Seminar on Economics held during the 50th Anniversary of the Nieman Foundation at Harvard University May 6-7, 1989. Professor Galbraith is the Paul M. Warburg

Professor of Economics Emeritus at Harvard University.

We have in the United States a significant group of people who are variously called affluent or rich, who had a strong feeling of neglect under previous adminis-

trations, and in these last years, I think, it's been one of the less advertised policies of the administration to do something for that group of people, and with a certain amount of cooperation from the press, that has been accom-

plished. In the tradition of the American democracy, it is not possible ever to say you are openly doing something for the rich. You must have, as David Stockman said, a cover story. And what we have had is a series of cover stories which, on the whole, have covered up policy that has not been without achievement on its own terms.

The most significant first step was the massive reduction in taxes on the upper income brackets, justified by the so-called Laffer Curve, which held, you will all recall, that the less you taxed, the more money you'd get. This was done originally, it is said, on a piece of kleenex, and many people think the paper should have been put to a better purpose. This was one step. The next was the discovery that income government programs, on the whole, were damaging to the morale of the poor. And in consequence, we have the curtailing, and in some case, the reduction of expenditure on housing, education, and other welfare expenditure. The argument is that we must not throw money at any problem with the possible exception of defense. The broad theory combines those two things

— the doctrine that the rich were not working because they had too little money and the poor were not working because they had too much. Thirdly, this gets into the more subtle technical side of economics; subtlety which I share with my colleagues here this morning, that in relation to the large problems that Professor Friedman has mentioned, one should move in macroeconomics for a reliance on fiscal policy with the inevitability of some movement in taxes, to heavy reliance on monetary policy with a use of interest rates, high real interest rates as the weapon, particularly against inflation, and the regime we've had these last years, as I say, of very high real interest rates.

The subtle social effect here is not, I think, as accepted as I would wish. We regard monetary policy in much of our discussion as socially neutral. Actually, this reliance on high interest rates is extraordinarily nice for people that have money to lend. And on the whole, people that have money to lend and those who get high interest rates have more money than people who borrow or do not have money to lend.

continued on page 18

## Pro-choice not anti-life

by Alistair Croll

The abortion issue is a controversial one for which there has been much argument and little solution. The two sides of the argument stand behind their positions with a passion which is almost unheard of these days. And yet there seems to be a variety of points nobody takes into account.

The feuding sides of the issue — pro-life and pro-choice — advocate the birth of the child in every case, or the birth of the child only if the mother wants it, respectively. They take it for granted that their views are opposed, but this is a flawed argument.

A third category, and one in direct contradiction to pro-life, is that of pro-death. Before you call this classification ludicrous, consider the following hypothetical situation: Baby permits are issued to healthy, suitable parents, which allow them to give birth.

In every other case, a pregnant woman must have an abortion by law.

Now, both the pro-choice and pro-life advocates will raise their arms in protest at such a cruel proposition. Their doing so only serves to further illustrate how common their real causes are. The first group advocates freedom and right to life of the child, the second, freedom and right to life of the mother.

Since the decision — to have an abortion or to carry the baby to term — is a personal one, it seems only right that we allow people to form their own opinions, and not enforce our opinions on others. To do so would put us none too far from the "pro-death" point of view, in which one must seek an outsider's approval to make an intimate and highly subjective decision.

I do not advocate abortion; in fact, I am strongly opposed to what seems a senseless, traumatic and avoidable experience. Far better to encourage the use of

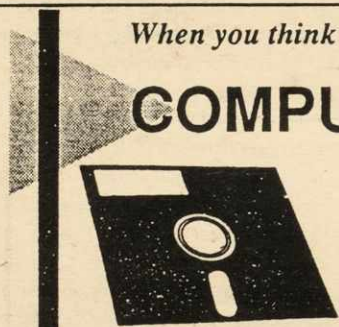
birth-control devices. People who see abortion as a method of birth control are refusing to accept responsibility for their actions.

Since an increase in the use of responsible birth control reduces the number of unwanted pregnancies — and the deaths of unwanted children — it would seem to me that pro-life supporters should concentrate their efforts in encouraging the use of prophylactics. Similarly, since responsible use of birth control leaves a person free to choose (as opposed to becoming pregnant, which severely limits one's options), the pro-choice supporters should rally behind birth control.

While our two previously feuding groups are promoting responsible birth control as a means to further their respective goals, they might notice that they have reduced cases of teenage pregnancy and impeded the spread of social disease.

When you think of

### COMPUTER COURSES ...



think of HENSON COLLEGE

### NEW in January — Just For Students

#### Preparing Student Papers Using WordPerfect

This course combines both the basics of IBM-compatible microcomputer literacy along with skills needed to prepare student papers using WordPerfect 5.0.

#### Preparing Student Papers Using Microsoft Word

This course combines both the basics of Macintosh microcomputer literacy along with the skills needed to prepare student papers using Microsoft Word.

\*\* Limited enrolment

Course Format: 5 Hours Classroom Instruction / 5 Hours hands-on instruction in computer lab

Register in person or by phone at:

Centre for Continuing Studies  
Henson College  
6100 University Avenue (opposite the Arts Centre)  
Dalhousie University  
Halifax, N.S. B3H 3J5

Fee: \$30 Dalhousie Students

(full-time and part-time)  
\$60 Other Students (University and High School)  
Cash, Cheque, VISA and Mastercard accepted

Academic Computing Services, UCIS  
Centre for Continuing Studies, Henson College  
Dalhousie University, Halifax, Nova Scotia

**424-2375**  
FAX (902) 424-7048

MBA

McMASTER UNIVERSITY  
FACULTY OF BUSINESS



McMASTER's Master of Business Administration program provides a balance between broad coverage in all business areas and in-depth specialization in the subject areas of the student's choice.

We offer THREE options to students interested in pursuing MBA studies:

#### CO-OP

Provides the opportunity to enhance academic learning with "hands-on" experience in a variety of business environments. Three paid work terms alternate with four study terms over a 28 month period.

Develops career knowledge and practical business skills, which assists the student in obtaining more meaningful employment after graduation.

#### FULL-TIME

Is normally completed in 2 academic years but may require shorter period for students qualifying for credits.

#### PART-TIME

The McMaster M.B.A. may also be obtained through part-time study, taking up to two courses per term, three terms per year.

For more information and application materials, call or write:

DIRECTOR OF GRADUATE ADMISSIONS  
Faculty of Business, McMaster University  
Kenneth Taylor Hall 118  
1280 Main Street West  
Hamilton, Ontario L8S 4M4  
(416)525-9140, Ext. 4433

M.B.A. AT McMASTER