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by Carl Noller
Asst. Prof. of Economics

Though the President did not say it, historians will some day note that we have entered a new economic age--new to this country. Wage and price controls were officially proclaimed on August 15, 1971, amounted to a repudiation of the founding principle that free men should guide their own economic destinies. True, this principle of capitalism had been living on borrowed time since before the New Deal. Indeed, it had even been set aside for the duration of World Wars I and II.

But never before in peacetime had wage and price contracts been broken. The reason is not difficult to discern. That it is from the American past, we will not be moving into this brave, new economic world blindfolded. Temporary wage and price controls are operative in this country, and we can look to the experiments of a whole host of nations in this regard.

At least two conclusions are readily apparent after sifting through this mass of data. First, wage and price controls do not prevent inflation; they only postpone it. Second, the failure to do so leads to a temporary measure--but nothing is so permanent as a "temporary" measure.

Inflation, as we know, is a monetary phenomenon. There is no known instance of inflation that was not accompanied by a rising money supply. Also, there is no known instance of wage and price controls eliminating inflation over any extended time period when the money supply was not restricted.

The reason is not difficult to discern. These controls attempt to suppress prices, rather than to deal with those forces causing them to rise. It is analogous to treating measles by painting over the red spots, rather than concentrating on the microbe that causes the disease.

Essentially, there are only two possible outcomes when a system of wage and price controls is adopted. If the controls are rigidly enforced, at least in countries offering any semblance of choice in the process of selecting leaders. Thus, wage or price "relief" is granted to those groups with the most political clout. A rigid experience with rigidly enforced price controls is not extensive, even in totalitarian countries, for such a condition destroys the economic mechanisms itself. Even if a government can assert control over all prices and wages, there are significant variables beyond its control. Foreign suppliers are not subject to domestic wage-price dictates. They can raise prices charged to domestic producers. Natural disasters, like fires, floods, draughts, and winds cannot be legislated away. Their effects may include significant increases in costs to producers.

Tastes and preferences of consumers also change, causing them to shift to different producers and different products. These changes affect costs.

Finally, technological innovations and differential rates of implementation of new techniques will affect costs directly and indirectly. This aspect can be particularly vexing if technological change is slow relative to foreign competitors and proceeds at different rates within industries and between industries domestically. This would result in rapid, extensive changes in market shares serviced by firms with resulting cost implications.

When these uncontrollable changes result in cost decreases, they do not make for a problem, but cost increases either contract profits or create losses. Future competitive capability is sacrificed, if investment funds are not generated to replace old or technically outmoded equipment.

In the face of rigid controls, a profit margin sufficient to provide investment in the firm's future must be attained.

Several avenues are open to make "legal" price increases. In many industries, the posted price is not the actual price at which many transactions are made. By eliminating discounts, sales, and the like, prices are raised without contravening the law. The price charged are always the maximum prices permitted.

Rather than raising revenues, firms may cut costs by using cheaper inputs in the fabrication of the product. Consumers pay the same price but get an inferior product, relative to the prefreeze situation.

There are, however, limits to which either of these expedients can be pursued. Once those limits are reached, one more option remains--diversion of a part of the firm's output for sale at higher, illegal prices. These Black market prices are always higher than free market prices would have been, because the seller demands an extra return for taking the risk of selling illegally. This was mainly the American experience with the black market during World War II.

If recourse to each of these options raises the price to the maximum, cutting quality, and selling on the black market--has been utilized and still an acceptable profit cannot be earned, the firm goes out of business.

Clearly, withdrawal from production to any large degree, cannot be tolerated by governmental leaders. Even state ownership is no solution, as the problems involved in operating an economy with unchanging prices increases exponentially. Hence, even in the totalitarian countries, like the U.S.S.R., where planned prices are promulgated, frequent changes have to be made.

Much greater "flexibility" on wages and prices can be expected in the United States. The decision on which prices or wages to raise, however, is no longer a market decision. It is a political decision, which means that considerations irrelevant to what people want, will pay for, and can produce at various costs, will determine the changes made.

A crucial variable now becomes the political connections and power of the regulated. Those industries, firms, and unions without strong representation in Washington will make a disproportionate competition.

by Robert Keenan

The Valparaiso University Law Review is beginning its sixth year of publication. The Editorial Board feels that this year may mark the beginning of a new era. For the first time, selection to membership on the Review will not be based solely on grades.

A competition leading to possible membership on the Review has been instituted and will terminate about the end of October. Students selected through this competition will then begin to write notes and will be eligible for election to the Editorial Board next Spring.

In past years, membership on the Review was very limited. Only those students who were high in the academic rankings of their class at the end of the first and second semesters could be selected. Now, however, the possibility of becoming a member of the Review will be open to as much as one-half of the second year class.

At the end of each academic year, the Editorial Board will determine, as nearly as possible, what the personnel needs of the Review for the coming year will be. One-half of this total will then be selected on the basis of academic standing at the end of two semesters. Invitations will be issued and the candidates will begin writing notes.

The other one-half of the candidates needed will be selected from among those writing in the fall competition. A list of students eligible to compete will be published by the Review in the fall of the year.

The competitors either select or are assigned a topic for a case comment. All research and writing is done during a six week period and the comments are submitted to the editors of the Review.

Within the next twelve months, the Editorial Board will determine the personnel needs of the Review for the coming year. One-half of this total will then be selected on the basis of academic standing at the end of two semesters. Invitations will be issued and the candidates will begin writing notes.
Nixon's freeze signals new economic age

Support the camel drive

Poachers are ravaging the wildlife of Africa. The few game wardens whom the Kenya government can afford are hard-pressed to prevent the mechanized slaughter of wild animals, especially the big cats.

These African "Buffalo Bills" sell the skins, pelts, and horns to illicit dealers in Europe and America; eventually they are sold to grace the trophy rooms of armchair big game hunters and to adorn their women with exotic ornaments.

Ideally, the source of the demand for the slaughter of these animals ought to be attacked; many women's liberationists, by focusing on the embellishment role often assigned women, are doing just that. The battle for sane and equitable human-ecological relations, however, must necessarily be fought on all fronts, and we can help the outnumbered wardens in Kenya.

The Friends of Africa in America Committee is spearheading a "camel drive" to raise funds for the purchase of camels to be used by game wardens for patrolling the African wilderness. The price of one camel is $600.

By raising that sum, you also may name the camel and receive a commemorative camel bell from the Kenya government. "Rutgers," our contribution to the camel corps, was the fourteenth such camel provided by groups of students and concerned citizens.

If these animals become extinct or excessively rare, the young republics of East Africa will lose tremendous amounts of foreign exchange from diminished tourism. Furthermore, the ecological damage will be irreparable as the earth's weight in the food chain are killed off.

For more information write to Friends of Africa in America, 330 South Broadway, Tarrytown, New York 10591.

The dead are sleeping in their quiet graves. Let us endeavor to turn the terrible lesson to some useful account. The authorities are probably satisfied with having made law and order, though at a terrible sacrifice, and the press has almost unanimously sustained them.

But it should be remembered that almost all men are susceptible to temporary excitements. Mobs are affected with a kind of insanity. The madness of a crowd seems to be infectious. These mob leaders may, in their calm moments be good and quiet citizens. We have seen some of the most sober and moral communities excited into a fury of passion. At any rate, they are brethren and should be handled with love and kindness.

Law and order must be maintained, but it should be done prudently and with the least possible sacrifice. Humanity has its claims as well as law; and it may not be necessary to the maintenance of public order that law-enforcers be norant and misguided men, laboring under a temporary madness, should be shot down like dogs if they can be controlled by means more gentle.

The military acted naturally, under the circumstances. They were placed in an ugly position by the authorities, suffered severely for it, and obeyed their orders. No doubt they regretted the fatal necessity.

Some idea of the probable feelings of those who fired the fatal volleys may be judged from the fact that a brother of Mr. Godney, who was shot dead at the first fire, was a member of one of the companies that fired the volleys.

The coming economic malaise will result because wage-price controls don't even attempt to solve the true problems. In fact, such controls and the thinking that led to their adoption are the problems themselves. Deregulation--or at least a relaxation of "controls"--is the only kind of solution called for.

This last point also explains the trend toward a greater belief in controls proceeded to such an extent that it threatened to not only be entertained as a peacetime remedy, but as a remedy for what is a very minor ecological downturn by historical standards.

By the time thinking had shifted that extensively, the point had long been passed when de-centralization was thought to be a viable solution to the nation's economic problems. Thus, wage and price controls are adopted because people believe that is the only kind of solution called for.

This point last also explains the second conclusion that follows from the wage-price controls experiment--the call that will be coming in the United States for, different controls, when even the most optimistic must concede that wage-price controls have failed.

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Cyronic Suspension allows one to freeze, wait, re-animate

by Brian W. Smith

Cyronic suspension. It’s a new approach to an old wish—immortality, which may yet occur, in a temporal sense. Put simply, the subject is frozen immediately upon his being pronounced legally dead, in the hope that he can in a few years be thawed, cured, and reanimated.

The first such interments of James H. Bedford, occurred in January, 1967; a few dozen persons have since joined him. For the optimistic members of the cryonic interment societies, the problems that may beset them, should they be reanimated after a long period of interment, are minor. Their concern is with more immediate problems, such as the mechanical damage to cell walls resulting from ice formation in protoplasm as the salts withdraw, and the chemical damage resulting from concentration of salts near the cell walls.

Freezing and thawing experiments on rodents indicate a dramatic reduction in mechanical and chemical damage to cells when glycerol is injected as a protective agent. (Glycerol is now being introduced into the circulatory system of the human subject as he is being frozen.) If scientists are skeptical about the feasibility of these schemes, they are not publicly expressing their skepticism.

On social grounds, however, there are outspoken critics of reanimation. Bodelson, a Scandinavian, posed a 21st century world of nightmarish complexity in which a 20th century freeze-out conducts a hopeless search for meaning, understanding, love, moral values, and legal rights.

Certainly “post-mortem” cure and resumption of legal capacity by one formerly “dead” would produce many new legal problems. Would a man be free to remarry if his “widow” were still living? Should one be required to reimburse his life insurance company when he is born again, cryogenically speaking? Should torts be created: negligent care of one cryonically interred (human bodies at -265 degrees C are extremely brittle) or, perhaps, negligent thawing?

Body authorization forms and trust agreements in force for those now interred do include disclaimers of liability. But the present disclaimers may not cover wilful torts to the frozen, nor, perhaps, ultra vires experimentation.

Consider also the impact in the area of criminal law. Assuming in the year 2000 a substantial probability of reanimation, if a man freezes an enemy to get him out of the way, will it be murder of just false imprisonment?

The basic Constitutional questions raised by cryonics is whether the Fifth Amendment right to life includes the right to be reanimated. A discussion of this point in Mr. Hiller’s Jurisprudence class indicates doubt that the right to life should be so broadly construed as a construction Ettinger assumes without discussion.

The student pointed out that “5th Amendment life” appears in the singular and not the plural. But such Constitutional literalism begs the question.

Should a person have a right to reanimation on the ground that he is simply continuing his life after an interim of dormancy, or should he be considered a potential candidate for a new life, such as a fetus in the womb?

Most students felt that these determinations would be left to the society in which reanimation occurs. The criteria used in the society would obviously be derived from the social needs and mores extant at that time.

The initial cost of cryonic interment is about $4500 and maintenance costs are about $300 per year. It seems expensive, but any person with an average income can afford it. The usual method is to purchase a $10,000 life insurance policy payable to a Cryonic Society. To afford a marionette for a child, however, a $15,000 policy would be better.

Authorization forms from next of kin and trust forms should also be prepared. These are supplied on request to all members of the Cryonic Society.

Like Ettinger says folks, “Freeze, wait, reanimate.”

Moot Court team ready for regionals

by W. Dale Weyrich

The briefs are finished—so the hardest part is over as the Moot Court Team gets ready for the Chicago Regionals.

This year’s case involves a fact situation that is based roughly on the Calley court-martial. Petitioners will be arguing that a federal district court should have granted a writ of habeas corpus to “Lieutenant Packs” because his right to a fair trial was alleged, voidly prejudiced by prejudicial pre-trial publicity and by command influence. Respondents (the United States Army) will be contending that the lower court decision should be affirmed.

Valparaiso will send two three-man teams to participate in the competition with teams from the other law schools in Indiana, Illinois and Wisconsin.

The brief for the petitioner was written by Jean Hagins, Karen Hughes and Roger Bradford; while respondent’s was prepared by Steve Gotschalt, Dale Weyrich and Larry Vander Wal. The faculty advisor is Professor Gromley.

The cases for the annual competition are prepared by the Young Lawyers Committee of the New York Bar Association. An attempt is made to give both sides a reasonable basis upon which to argue.

In this year’s case, Lieutenant Packs was convicted of the murder of twenty-two Vietnamese civilians by an Army General Court-martial. After exhausting all the military review procedures, including an appeal to the U.S. Military Court of Appeals, he has now filed a writ of habeas corpus in a United States District Court alleging the following violations of his constitutional rights:

First, that the military judge refused to grant a pre-trial motion asking for an injunction against publicity concerning the alleged massacre in Vietnam and of the pending trial.

Second, that the extensive coverage of the case made it impossible for Lieutenant Packs to get a fair trial.

Third, that command influence made it impossible for him to receive a fair trial because members of the court were hand-picked by the Commanding General who was, of course, their superior officer.

Fourth, that the military judge excluded evidence of American military practices in Vietnam as irrelevant to the charge of murder.

Fifth, that there was insufficient evidence to convict Lieutenant Packs of the crime.

On the basis of Burns v. Wilson, 346 U.S. 137 (1953), respondents will argue that civil courts cannot review military convictions unless the military authorities have failed to give “full and fair consideration” to the accused’s allegations of violation of due process of law. Petitioners will argue that Burns v. Wilson should either be overruled or modified.

Respondents will also be arguing that no trial court judge has the power to enjoin the news media from publishing accounts of the trial, that petitioner has not alleged facts sufficient to show that there was a “probability” of prejudice in the proceedings, that the judge correctly excluded evidence of the alleged American military practices in Vietnam and that there was sufficient evidence to convict Lieutenant Packs. Petitioners, of course, will argue the opposite.

The teams will be graded on the basis of both the arguments and the brief. The two top teams in Regional competition will advance to the National Finals in New York City in December.

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Interview:

Ex-student activist joins Law School faculty

Interview with Winston Nagan by Dee Bruening

"I'm not an activist by nature...some people strive for leadership, others have it thrust upon them.

This statement came from a man rapidly becoming a well-known and well-liked professor here at the law school, Nagan, ex-student activist in exile from the Union of South Africa, now in residence at Valparaiso.

He claims that his undergraduate political activities stemmed in part from the "misfortune of seeing professors and friends beaten and jailed" in their attempt to resist the South African government's strict surveillance and repression of political groups, especially those composed of students.

The government there has banned nearly all non-white political groups and made it a retroactive crime to have been even remotely involved with such groups.

The National Student Association in South Africa was one of the groups banned from organization on the most particular campus Nagan attended. This was after the University of South Africa was taken over by the government.

Nagan himself began an underground branch of this student group on his campus and worked as an informal member of the association's national board. Because of the government's spies and informers, the numerical arrest with no due process, and the complete lack of legal counsel for those arrested, Nagan remarked that "it wasn't hard to become an activist." He used his position in the student association involved setting up a Legal Defense and Aid Fund for the families of students and professors, a Relief Fund Loan and a Prison Education Program which used funds from both South Africa and abroad to help students continue working toward their undergraduate, graduate or even primary education while in prison.

After receiving his B.A. Law degree from the University of South Africa, Nagan was named as a Bransenoise Overseas Scholar for study at Oxford University, Oxford, England.

While in Oxford he worked with the overseas division of the National Student Union in obtaining scholarships to England for needy South African students.

Nagan also worked for several organized relief funds and agencies in England, and was South Africa's representative to the National Student Conference in Nairobi.

Two weeks before he was to return to South Africa from England, however, nearly all of Nagan's fellow workers in the National Student Association were arrested there and jailed. Due to warnings from them, he was forced not to return to his home, and has remained in exile since.

After receiving his B.A. (Jurs) and M.T. (Juris) at Oxford, he came to the U.S. in 1967 under the sponsorship of the Department of State and began further graduate work in law at Duke University in North Carolina.

While at Duke, Nagan worked as research assistant to Dr. Arthur Larson, former director of the United States Information Agency (U.S.I.A.) and well-known attorney and legislator, and also did research work for the firm of Arnold & Cates in Atlanta, Georgia, and taught courses in American government and politics.

Immediately before coming to VU, Nagan received his L.L.M. and M.C.L. (Master of Comparative Law) from Duke, and is currently a candidate for the J.S.D. He is presently teaching courses on Conflict of Laws, Administrative Law and Civil Procedure.

Nagan's activities have not been strictly under the law or political. However, while in South Africa, he represented his state in both cricket and soccer, and at Oxford, participated in rugby as well. Then, at Duke, he acted as player/coach for their rugby team and led them to victory in both the Commonwealth Cup and Richmond Tournaments. Nagan says he also enjoys an occasional game of ping-pong or chess.

Mrs. Judith Nagan, who is the daughter of a former mayor of Radford, Virginia, has quite an interesting background as well. She obtained her B.S. in Sociology from the University of North Carolina where she worked as a research assistant for both a psychiatrist and the Research Triangular Institute.

She then spent one year doing graduate work in the fine arts including painting, sculpture and etching. She also received an M.S. in Sociology from Virginia Polytechnic Institute and State University. Here at Valparaiso, Mrs. Nagan is taking courses in the Department of Music.

The Nagans were married in 1969 in Sweden at the largest Lutheran cathedral in Europe. Their daughter Jean is attending school here in Valparaiso where Nagan is on the way, due to endless "Ideas of March," according to the professor.

A fourth "member" of the Nagan family is their dog Palouka who is a 40-pound combination of Siberian huskies, Shepherd and Australian shepherds. Nagan laughingly said, "We think he has a lot of personality."

When asked if the political situation in South Africa could change, allowing him to return to his parents and brother there, the professor replied that change is possible, "but not in the foreseeable future."

"Jail sentences of three, four and five years are still common," he said, "and there is no due process--people are held indefinitely without trial, banished, or placed under house arrest--and the discretionary powers of the government carry tones of totalitarianism more than ever before."

Phi Alpha Delta Law Fraternity

by Nathan D. Herkamp, Clerk

The Halleck Chapter of Phi Alpha Delta Law Fraternity International is one of the largest professional legal fraternities in the United States.

As a professional fraternity, Phi Alpha Delta seeks to provide men and women in the legal profession with a means of communication and fellowship among students, professors, and members of the Bar and Bench, and to promote professionalism in the practice of law.

Each year Halleck Chapter members address the students and faculty on topics both within and outside of the field of law. Tours of interest to the group are also planned.

The national fraternity publishes a directory listing all graduate members and their addresses. This publication is useful to the student in securing association with a firm upon graduation, and to the practicing attorney in obtaining information and contracts from other jurisdictions.

The national fraternity also makes loans to student members each year based on the need of the student.

Further information is available from any officer or member.

Calendar of Musical Events

November 2 Chamber Orchestra, Charles Mann, conductor GC 8:15 p.m.
7 Faculty Chamber Music GC 4:00 p.m.
13 Dr. June Johnson - Voice Masterclass AM 1:00 p.m.
14 June Johnson, Soprano GC 4:00 p.m.
18 University-Civic Orchestra, Charles Mann, conductor BV 8:15 p.m.
30 William Kroeger, pianist GC 8:15 p.m.

Are you interested in new experiences? Try the "Intimacy Experiment." This experiment was first systematically studied at the San Francisco Transactional Analysis Seminar about ten years ago. Since then it has become a standard part of the repertoire of "encounter" groups.

Dr. Eric Berne discusses it in his book Sex in Human Loving. He claims that it demonstrates that any two people of either sex, starting as strangers or mere acquaintances, can attain intimacy in fifteen minutes or so under proper conditions.

How is it done? Two people just sit close to each other, "eye-ball to eye-ball," and keep eye contact while talking to each other.

It works.

Problems of Recreations

In a certain community there are 1,000 married couples. Two-thirds of the husbands who are taller than their wives are also heavier and three-quarters of the husbands who are taller than their wives are also taller. If there are 120 wives who are taller and heavier than their husbands, how many husbands are taller and heavier than their wives?

The answer will be posted on the SBA bulletin board on Friday.