been documented," he said. "I deny that there is any evidence for a military-industrial establishment."

The industries that produce for the Defense Department represent people skilled in getting money from the Government, said Dr. Stigler. They will build whatever the Government wishes, whether tanks or low-cost housing.

Calling the session with Adams and Melman a disgrace, Dr. Stigler, a former president of the economic association, said that in place of research and evidence, it had produced sermons. "We have two soapboxes and two orators up here."

Dr. Adams, however, couched his denouncement of military industries within a larger economic argument that big industry is often not the result of natural, competitive growth, but the creature of Government action.

"My hypothesis," he said, "holds that industrial concentration is not the inevitable outgrowth of economic and technical forces, nor the product of spontaneous generation or natural selection." Instead, industrial giants often arise by way of "unwise, man-made, discriminatory, privilege-creating Governmental action."

Government creates private privilege through its defense contracts, research and development support, patent policy, tax privileges, stockpiling arrangements, tariffs and quotas and subsidies, said Dr. Adams. An example is the complex of subsidies and production control powers accorded the oil industry where "in the name of conservation the Government does for the oil companies what they could not legally do for themselves."

The military industrial complex is only a special instance of political interference in the market place, the result of which is industrial concentration, said Dr. Adams.

To the extent that industrial giants are the creatures of political power, and not technological necessity, "there is nothing inevitable about their survival" or that of the public policies which preserve them.

EDUCATION

Public Money; Private Control

Colleges and universities in the United States desperately need money; they also need a buffer against the kind of political control that could come with Government subsidies. How to get both at once is the so-called crisis in higher education.

At the moment public money is flowing at growing rates into support of the big private universities. If this trend continues private universities will become increasingly public and loose much of the autonomy they now have, says Dr. Clark Kerr, former president of the University of California.

When that happens, says Dr. Kerr, autonomy of all universities—now protected in part by the standards of private institutions — will be threatened. "The big universities are really on the firing lines these days . . . we've got to have better buffers," says Dr. Kerr.

Dr. Kerr's dismissal from the presidency last year, following student riots and due apparently to political changes in California, sent waves of concern through the academic community and highlighted a threat to university autonomy.

Dr. Kerr advocates as one solution that all universities set up private trustee boards like that at Harvard. The Government would then subsidize higher education with lump sums channeled through the private boards which would be independent of political control. In this way, says Dr. Kerr, public universities could become more private.

"I think there is something to this separation of university and society as there is to separation of church and state," says Dr. Kerr. "I'm a pluralist. I believe in many centers of power."

Dr. Kerr gave his solution at the annual meeting of the American Economic Association in Washington following a symposium on the economics of higher education.

Symposium members focused on the merits and demerits of a student loan bank which would finance the education of any student in the country, at the university of his choice, with up to $15,000. (SN: 9/23/67).

In return a student would agree to pay a tax based on his working income and lasting perhaps 30 years.

The repayment would be keyed to income; some students would never repay the full loan while others would repay more. Such an educational opportunity bank was recently proposed by a White House science committee headed by Dr. Jerrold Zacharias of the Massachusetts Institute of Technology.

Dr. Zacharias, from the audience at the meeting, said "universities should be running scared," facing the prospect of depending on Congressional appropriations every year.

Dr. Alan Cartter, chancellor of New York University, endorsed the bank concept as very promising but questioned whether so much educational cost should be shifted from parents to students.

Dr. Kerr also favors the bank but says it cannot be a total solution to financial troubles of American universities. It should, however, further both university and student autonomy.