

Author pulls no punches

by Tom Baker

Gonick, Cy. *Inflation and Wage Controls*, A Canadian Dimension Publication, \$1.95, February 1976, 145 pages.

Cy Gonick's recently published book is an easy to read and valuable resource source for anyone who wants to understand the background to the wage controls. The author being a self-confessed leftist economist, pulls no punches in his critique of Trudeau's approach to the current economic crisis.

Gonick takes on the task of analyzing the mysterious, elusive phenomenon of inflation. He argues that the inflationary spiral, a distinct feature of the past few years, is a product of three decades of faithful applica-

tion of Keynesian economics. Modern capitalist governments try to cushion the economic recessions of the business cycle by deficit financing of government expenditures and encouraging money expansion and credit. This tends to hyperinflate the economy.

In an extended section of the book, Gonick documents the monopolization of capital that has taken place. In Canada, apparently, 200 giant corporations virtually control the entire economy. Even amongst these few corporations, interlocking directorships are rampant. The multinational character of these oligopolies, he maintains, makes it almost impossible for national governments to regulate their economies. Now the business cycle is one single

international cycle. All capitalist economies tend to go into recessions at the same time.

Because of the monopoly control of the economy, prices tend to rise regardless of the stage of the business cycle. This is necessary for the corporations. Even when demand is low and an excess of products exists, prices still increase so that profits can be maintained.

Due to the vital role of these corporations to the capitalist economy, governments feel obliged to protect that at all costs. They will offer forgivable loans, purchase products at inflated prices and even institute wage controls in order to save their corporate friends.

While seeking monopoly control as the main cause of inflation, Gonick also discussed other elements of the economic crisis which he describes as 'stagflation.' The relative economic and military weakening of the United States vis a vis Western Europe and Japan is seen as a destabilizing factor for the international economy. In a briefer fashion he describes the effects of the so called oil crisis and the food crisis. One chapter provides an interesting sociological analysis of the changing character of the workers' movement. A new military and political attitude is appearing, which is a big factor for those who control the economy.

This book details the past 5 years in Canada. The inflationary outbursts of 1973-74 came at a time that most workers were locked into 2 or 3 year contracts. In late 1974 and early 1975 these contracts expired, and labour launched a vigorous catchup campaign to compensate for past losses. From 1971-1974 corporate profits increased by 111%, while wages and salaries increased by only 25%. In 1975 the labour movement was not able to even catchup to its 1971 share of the national income. In fall 1975, as the large public workers contracts became due, Trudeau panicked. In order to maintain profits of the past period an economic emergency was declared.

The wage control program has more than adequately done

its job. Gonick displays some almost unbelievable statistics showing the enormous increase of corporate profits. While the price of food (which the AIB does not control) has temporarily stabilized, all other prices are soaring at almost the same rate as before. Unemployment is greater — 3/4 million out of work. Any downturn in the rate of inflation is a result of the international economic crisis which has belatedly hit Canada; and not any efforts of the AIB.

The author analyzes the concurrent cutbacks in social services like education, health, daycare, unemployment in-

surance, and children allowances. He maintains that the government has initiated this in order to save money that can be diverted into its real priorities like Syncrude, Mackenzie Valley pipeline, Mirabel airport, James Bay Project and of course military expenditures.

The book closes with a call for a completely restructuring of the economy that is not based on profits, but the needs of people.

While not everyone will be able to agree with every idea presented in this work, it is most reading for all who want to understand what is happening there.

NASA gives no support for protest

Oct. 14 will not be a day of protest for the 2600 members of the Non-Academic Staff Association (NASA) according to association president, Mr. Horace Easy.

Union members and all those dissatisfied with wage and price controls are being urged to join a one-day national strike on October 14. U of A's SU Executive decided not to support the day of protest because of the "Questionable legality" and the "detrimental effect on the Canadian economy."

"I think for the atmosphere of this university that I agree that they (SU Executive) are right," commented Mr. Easy "and I also think that the radical people from

the outside impress people more than they should."

NASA members may join the day of protest "according to conscience" said Easy but the association cannot protect the members in the event of subsequent dismissal. "We've left it up to their own conscience. It's not a grievable item. We have a contract and we'll live up to it," he said.

"Personally," stated Easy, "I think the strike is too late. I don't think it will do anything."

Easy did not expect members to actually walk off the job on Oct. 14. "Maybe there maybe three, that's all. I don't anticipate 1 per cent. I don't think one per cent will participate in

Student support McMaster says yes

The Student Representative Assembly (SRA) of the McMaster Students' Union voted by a wide margin to support the CLC day of protest against wage and price controls, at its meeting last Monday.

The final vote was sixteen to four, with four abstentions, to approve the OFS and NUS recommendation that students take part in the October 14 protest.

Executive Committee member Peter Hutton called for McMaster's participation in the protest to be coordinated through the National Student Day Committee, a body recently set up to organize activities for the Students Day due November 9. Hutton asked that activities on

campus be used as the focal point of discussion on the Day of Protest.

Some SRA members voiced concern that approval of the Day of Protest amounted to approval of the policies of certain federal and provincial political parties and that participation in the protest implied support of actions taken by the sponsoring Canadian Labour Congress.

However, MSU President and OFS Executive member, Peter Moore, spoke in favour of the motion, pointing out reports that the Anti-Inflation program had failed and has in fact deceived the Canadian people. He also said that students are directly affected and are among the worst hit by the regulations of the Government program.



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