

## Recession or depression?

## Inflation or deflation?

# Three professors tackle the world economy

In the hope of establishing whether or not Canada is currently enmeshed in a recession, a depression, inflation or deflation, Excalibur sent reporter Cathy Honsl to discuss the problem with some York economics professors.

People think inflation is a bad thing. What's so bad about inflation? People think it will lead to a depression. This is not necessarily so. People expect a raise of 15 per cent a year. The price of things is going up. They get a 15 per cent increase. The price of living goes up 10 per cent. They end up 5 per cent ahead. What's so bad about inflation?

## PROFESSOR EVANS (monetary economics):

Inflation is a monetary phenomenon... After World War II, the United States sought to put a lot of destitute countries back on their economic feet by lending them money at low interest under the Marshall Plan. The fact that American firms invested US dollars in industries overseas helped the United States dollar become the international currency.

The States got into the Vietnam War, and the government needed extra funds to finance it. Rather than raise taxes to finance an unpopular war, the administration opted for "printing more money". This gave the federal reserve bank a more favourable balance that they could spend on the war, from within and from abroad.

## RAKING IT IN

More money meant the Americans had more money to spend. The things they couldn't buy domestically they bought from overseas. Many countries benefited from the Americans' increased spending power. They raked in all the dollars that were floating around and added them to their money supply. These countries had extra money, and the cost of commodities went up, as it usually does when there is more money around. This was one factor.

The oil exporting (OPEC) countries have had something to do with the recent increase in prices. These countries formed cartels and raised the price of oil, and so operating costs for factories went up. If these factories processed food, the increase in the cost of operating the factory due to fuel price increases got passed on to the consumer.

## PROFESSOR SHAPIRO (monetary economics):

Inflation is due to an excessive demand for commodities.

The States diverted its commodities, both human and resource, from consumer goods into armaments. A country can only produce limited amounts of goods, so it began to import goods and services. Extra money printed was used for this. So, with more money floating around, prices go up. Prices go up, wages go up, prices, wages, prices, wages.

## White bread on the rampage

LONDON (CUP/ENS) - A prominent research scientist here says white bread may be killing us.

Dr. Denis Burkitt of the London Medical Research Council has published a study saying the western habit of eating refined carbohydrates, particularly white bread, is a major cause of heart disease, intestinal malfunctions, and cancer of the colon.

These are leading causes of death from non-infective diseases in the affluent nations, while almost non-existent in such underdeveloped continents as Africa. Burkitt found the difference is explained mostly by diet.

The under-developed world eats more cereal fibre, which has little nutritional value but aids enormously in the chemical and bacteriological processes of the intestines.

## PROFESSOR LAZAR:

Two factors are involved in and can be blamed for the present increases in prices and the high stage of inflation we are in. The first is that the major countries are all at the peak of their economic business cycles (Japan, the USA and western European countries). This has produced strong demand pressures for commodities, minerals and so on, demands which are having a hard time being met.

Then you have factors which have had an adverse effect on your "supply". Bad weather has resulted in reduced supplies of various food items. Strikes in the underdeveloped countries, like Chile, have affected the supply of copper and other minerals.

The major developed countries were operating at capacity and could not take the unavailability of much-needed resources and maintain their present development rates. They needed more and were getting less. These factors caused the high rates of inflation that began in 1972 and 1973.

## INFLATION NOW

Why has the present rate of inflation remained? I think the large corporations have been exploiting what amounts to their monopolies. They have been increasing their profit margins at the expense of the consumers. The oil producing countries have a monopoly on oil so they feel free to charge high prices.

Lazar emphasized the need for much tighter controls to be placed on the corporations to prevent them from inflating prices unjustly. While they maintain the increases are due to the increase in the price of commodities, he said, it is only partly due to this.

The account books of the large companies tend not to show an increase in size of dividends to shareholders. Just look at the increases in spending on things like expense accounts of executives, and advertising budgets, the supposed cost of running the business.

## FAT ACCOUNTS

You'll see fattened expense accounts of executives. You'll see

Dr. Buckitt says the solution for the western world is to switch to whole wheat bread.

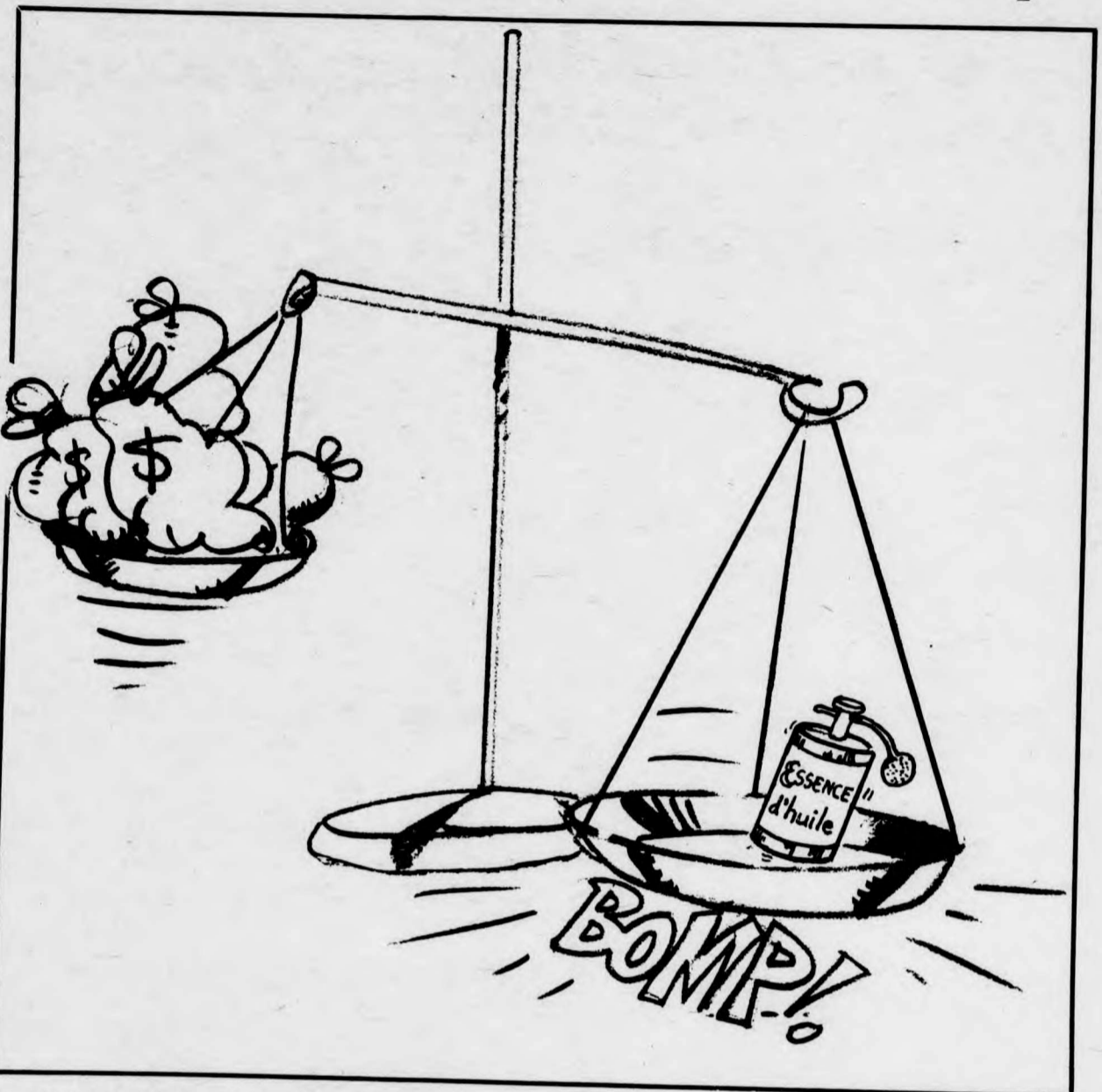
## Biting the nose that guards you

ALEXANDRIA (CUP/ZNS) - Twenty three year old Theodore Oo is sick and tired of being told to turn his stereo down.

Dewey Cotton, private guard in a Virginia apartment block, is badly bruised and awaiting plastic surgery.

When Dewey knocked on Oo's door to tell him to lower the volume, Oo had had enough. He attacked Dewey, lunged at his nose and bit the right half of it off.

Oo has been charged with felonious assault.



Peter Hsu graphic

advertising budgets which have suddenly increased four-fold in a single year. No increase in the "size of market to be reached" from one year to the next could justify increasing advertising costs so much in

one year.

Professor Lazar reiterated a point made by Shapiro, saying inflation wouldn't necessarily lead to recession or depression. Recession, he said, would occur

when there was no growth in the economy for six months. There would have to be a higher rate of unemployment than at present for the country technically to be in a state of recession.

## Status of women still unreleased

By AGNES KRUCHIO

Virginia Hunter, member of the faculty association's women's caucus, had charged in the Globe and Mail some time ago that the senate report on the status of women at York University was being 'suppressed'.

Answering the charge, Johanna Stuckey, chairperson of the eight-member committee, said that the senate subcommittee had a mandate from the senate to make a report on all women at York, not only the faculty women. The report will be released at once, not piecemeal.

"We are doing our best to complete and to release the report as soon as possible," said Stuckey in an interview with Excalibur this week. "I am anxious to release the document myself."

She said the report could be expected sometime in January, but that there could be no guarantees.

"The job has taken much longer than we expected," she said, "mostly because of the difficulty of doing such a study. Many of the statistics we needed were never thought by the university to be important enough, so they were never kept. But the university is realizing the problems and is trying to act on them."

"We on the task force see all the different sections of the report as interconnected. In Ontario nine per cent of all PhDs granted are to women; at York 20 per cent of the faculty are women. We seem better off than much of Ontario; is there an interconnection, and what can we do to improve the ratio at York?"

The task force was set up in April, 1972, to examine the status of women - all women - at York.

Undergraduate and graduate students, part-time and full-time faculty, part-time and full-time staff, librarians, and members of CUPE were to be looked at.

Such things as hiring practices, tenure and promotion, acceptance and rejection of women graduate students, salary comparisons of women faculty members with men of equal qualifications, and such things as motivational and attitudinal sections will cover these aspects. The task force will also study the problems of maternity leave, abortion and childcare facilities.

They have 'pretty well' free access to all the files kept by the university, and one of their major problems, according to Stuckey, was the compilation of data on the support staff.

"That is why the women's caucus of YUFA wants their section out earlier," she said, "because we have had these problems in accumulating data that the university has just never kept."

A letter from the YUFA women's caucus was sent out to Stuckey, signed by 50 members of that subgroup, with the resolution that the faculty women's section of the report should be released immediately. They felt that the results should be out before the contract negotiations were to be completed by mid-February.

"We just do not want the report to be put off for yet another year," said Hunter.

Commented Stuckey: "Even if the report comes out after the contracts are negotiated, the university is obliged by law to revamp its agreements with the women if the contracts are not equitable."

"Having requested the task force

to release the faculty women's section, and failed, there is nothing much else we can do," said Hunter. "But this process of having put pressure on the task force will hopefully speed up the process of accumulation of the report, and the women will be already organized to some extent by the time the report does in fact appear."

While it is very difficult to prove blatant discrimination without going through individual cases file by file, statistical analyses do show trends.

"Most studies do use such methods," Stuckey told Excalibur. "Then you can extrapolate causal relationships between the factors."

About the results obtained to date in the investigations of the task force, Stuckey said they are all confidential until the final report is ready to be released.

## Education class sued for ennui

BRIDGEPORT, CONN. (CUP/ZNS) - A former student at the University of Bridgeport has filed suit against the university saying one of the courses she took was a total waste of time.

Illene Ianniello, now 33 and working mother of three, says she took an education course in which she learnt nothing. Although she complained about the class immediately, the school did nothing to improve it.

She has asked a circuit court to refund her tuition costs, plus wages she lost by attending the course. Even though she got an "A", Ianniello wants a \$450 refund, and vows to take the case to a jury if necessary.