

# No Free Lunch



**and other myths**

B I L L L O N G S T A F F

**No Free Lunch**  
*and Other Myths*

BY THE SAME AUTHOR

*Democracy Undone: The Practice and the Promise of Self-governance  
in Canada (2001)*

*Confessions of a Matriarchist: Rebuilding Society on Feminine Principles (2003)*

# No Free Lunch

*and Other Myths*

Bill Longstaff



© 2005 by Bill Longstaff

---

All rights reserved. No part of this work may be reproduced or used in any form or by any means without the prior written consent of the publisher.

---

**Ballot Publishing**

15, 101-25 Avenue SW  
Calgary AB T2S OK8  
Tel: (403) 245-9587  
Fax: (403) 244-7739  
ballot@shaw.ca  
www.ballotpublishing.ca

---

**Library and Archives Canada Cataloguing in Publication**

Longstaff, Bill, 1934-  
No free lunch and other myths / Bill Longstaff.

Includes bibliographical references.  
ISBN 0-9689029-2-8

1. Canada—Economic policy. 2. Canada—Politics and government.  
3. Canada—Moral conditions. I. Title.

HN103.5.L66 2005                      971                      C2005-900027-9

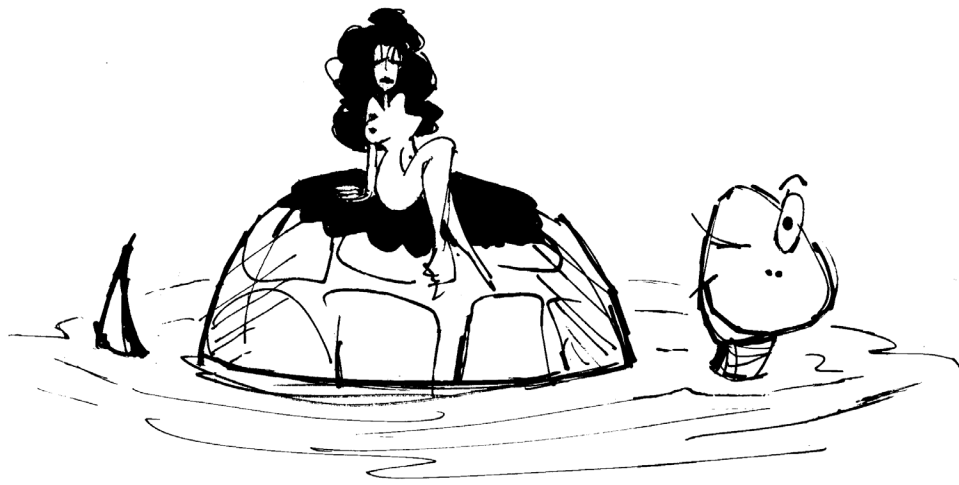
---

- Cartoons by Bill Longstaff
- Cover design by Kevin Franco
- Printed and bound in Canada by Blitzprint

# Contents

<i>Preface</i>	ix
<b>I Money Myths</b>	
<b>1</b> The Free Banquet	5
<b>2</b> OPEC and the Alberta Advantage	17
<b>3</b> The Progress Myth	27
<b>4</b> Must We Compete in the Global Marketplace?	37
<b>II Political Fables</b>	
<b>5</b> Hybrid Democracy	49
<b>6</b> The Small Government Myth	63
<b>7</b> Democracy or Freedom?	75
<b>III Moral Fictions</b>	
<b>8</b> The Romance of Self-reliance: Down on the Farm	87
<b>9</b> The Romance of Self-reliance: Keep on Truckin’	101
<b>10</b> War Stories	111
<b>11</b> Whose Moral Decline?	123
<b>12</b> The Free Will Fable	135
<i>Conclusion</i>	151





**Preface**





**I**n the beginning, only water lay beneath the sky. There being no solid place to dwell upon, the first people lived in the heavens. One day the chief's daughter fell ill and he could find no cure. An elder told the people to dig up a tree and lay the girl beside it. As the people dug, the tree suddenly fell through the hole and dragged the chief's daughter with it. Two swans, swimming on the water below, heard a clap of thunder and looked up to see the sky open and the tree and the girl fall into the water. The swans swam to the girl and supported her, and took her to the Great Turtle, master of all the animals. The Great Turtle called a council. He told the animals that Woman Fallen from the Sky presaged good fortune. He commanded them to find the tree that had fallen and bring up earth from its roots so that they could build an island on his back for the woman to live upon. The swans led the animals to the place the tree had fallen and Otter, then Muskrat and then Beaver dived into the depths. But the dive was so deep that they returned to the surface utterly exhausted, and rolled over and died. Many others tried but they too succumbed. Finally old lady Toad took her turn. She was gone so long everyone thought she was lost forever when suddenly she emerged and before she too died she spat a mouthful of earth onto the back of the Great Turtle. The earth was magical and began to grow. When it was large enough, the animals set the girl down upon it. Still it grew, until it became the great earth island we live upon today.

A true story? Or mere fable? A myth certainly, but myths can be true or false. This particular one was truth to the Iroquois people of eastern North America. It was their idea of how the earth was formed and how people came upon it. It was their

creation myth. To a modern society such as ours, skeptical and replete with hard-won scientific knowledge about the planet and its inhabitants, it is nothing more than an invented, if delightful, little story. Entertaining as it may be, it is naught but a child of ignorance and superstition. Yet even today, in our high-tech, sophisticated world, millions of people insist on believing that the earth and everything on it was created by a single omniscient and omnipotent being on Sunday, October 23rd, 4004 BC, a story deduced by one James Usher, Archbishop of Armagh, in 1650, a tale hardly less fabulous than that of *Woman Fallen from the Sky*.

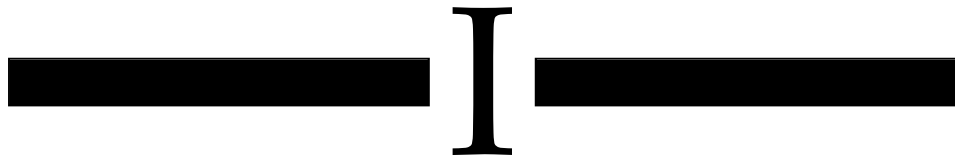
Myths exert a powerful grip, and they are loath to let go even in the face of fact. Just as millions of benighted folk refuse to abandon Bishop Usher's creation fable, it took generations for civilization to come to terms with myth-busting concepts such as heliocentricity and evolution. Not a few among us still have great difficulty with the latter.

Our modern, democratic, capitalist society is replete with myths, not just in matters of faith but in matters of economics, politics and morality. Many are so intricately built into the social fabric their mythical nature goes entirely unnoticed and unremarked upon, even though their influence may be considerable. One of the most popular is the "no free lunch" myth. This myth, in itself based on myths of independence and self-reliance, would have it that no one gets anything for nothing, that there is always a price to be paid, that everything of material value must be earned. A true story? Or mere fable?

We shall see...

Bill Longstaff  
1 January 2005

# Money Myths







The Free Banquet

1



### **Born Lucky**

**L**ouis XVI didn't die lucky but he was certainly born lucky. Issue of the royal lineage of France, at the youthful age of 20 he ascended his nation's throne and assumed all the power and wonderful wealth that entailed.

Included was his royal residence at Versailles, near Paris, seat of the court and of government. Built by his Bourbon ancestor Louis XIV, the Sun King, in the mid-17th century, it was and is one of humankind's most magnificent architectural achievements: a place of palaces, of lavishly furnished and decorated apartments for king, queen, courtiers and ministers; a place of mirrors from Venice, tapestries from Flanders, brocades from Italy; a place of statues, temples, colonnades, pavilions, of shops, stables and kennels; a place of parks, woods, fountains, canals and magnificent gardens; a place of gondolas on a lake, of lions, tigers and a wonderfully ancient old she-elephant; a place of splendour and splendid power. A fairy-tale place for kings who answered only to God.

And what did Louis do to merit his royal lifestyle, including the pleasure of his exotic surroundings and absolute power over a nation of millions? Did he apply exceptional talents, or earn his way up the ladder of success with years of hard work perhaps, or seek a mandate from the people? The answer is no, no and no. He did absolutely nothing. Louis was the recipient of that largesse that has, throughout the millennia of civilization, been the primary vehicle for obtaining land, wealth and power. I refer, of



course, to inheritance, the quintessential example of the free lunch—in Louis' case, a free banquet.

The history of social and political hierarchy is mostly a tale of privilege, of kings and aristocrats lording it over the masses, of a few securing most of a society's wealth and power for themselves, not earning it by the sweat of their brow but getting it for free by virtue of being born into the right family.

We have long experienced a degree of unease about some members of society lording it over others. If we examine the cultures of primitive peoples, we find a strong sense of equality. Hierarchies have always, therefore, gone to considerable effort to justify their privileges, particularly when those privileges include the massive wealth and power that accrued to Louis XVI. The French royalty's justification was as audacious as Versailles: they ruled by divine right. The rulers of ancient kingdoms had gone even further and declared themselves gods, but simply being chosen by God suited the needs of the Bourbons. Answerable to no earthly power, they could do pretty much as they pleased. Getting something for nothing, getting a very great deal for nothing, was raised above the concerns of conscience and any natural sense of justice. At least for a while. The story that Louis' wife, Marie Antoinette, cavalierly dismissed the masses with a witty "Let them eat cake" may be a myth; nonetheless, the masses were breaking down the doors.

If Louis XVI ruled by divine right, then the Divinity eventually forsook him. Unlike his ancestor the Sun King, he did not get to enjoy his unearned luxuries into old age. In 1793, Madame Guillotine answered the command of revolutionaries and summarily removed his head from his body. Marie, too, succumbed to the blade. Versailles was stripped and came close to being destroyed utterly, but it survived and today houses the Museum of French History, a memorial to the free lunch at its most sumptuous.

### **Property is Theft**

The story of Louis and the Bourbons leads us to ask how lineages of kings and aristocrats come into possession of countries,

kingdoms and empires in the first place. The simple answer is, they steal them. Here we encounter the second most important vehicle that down through the pages of history has served to provide land, wealth and power: thievery, the handmaid of inheritance. "Property," the French anarchist Pierre Joseph Proudhon said famously, and quite appropriately, "is theft."

Consider, for example, the history of England. When the Romans came upon this green and pleasant land in the first century BC, it was possessed by the Celts. How they came to possess it is shrouded in the mists of pre-history. In any case, the Romans liked it and decided they would have it. Queen Boudicca led her British warriors in valiant revolt against the conquerors but, to quote the Borg of *Star Trek* fame, resistance was futile, and the Emperors of Rome assimilated her beloved homeland into their ill-gotten collection. They would have stolen Scotland, too, but the Scots proved too prickly for Roman tastes. Four centuries later the Romans gave up on England as well, packed their bags, and left.

New thieves were quick to take advantage. Tribes of Germanic warriors—Angles, Saxons, Jutes—stormed across the channel and claimed England as theirs. So thoroughly did they plant themselves that the country became known as their land, Angle-land or England, and the people of that land became known as Anglo-Saxons or English. Except for occasional interruptions by other Nordic marauders, Anglo-Saxon lords and their kings down to hapless Harold II ruled. On a fateful day in 1066 AD, one William, duke of Normandy, known ever since as William the Conqueror, raised an army, crossed the channel, and stole England away from Harold and his Anglo-Saxon lords. William displaced the English aristocracy and bestowed its fiefdoms on his faithful Norman knights. Then inheritance picked up where theft left off, and the descendants of Norman aristocrats exploited the land, wallowed in its riches, and bullied the common folk of England for nigh on a millennium.

## Manifest Destiny

The English and other Europeans were not content to confine their larcenous adventures to Europe. With an arrogance worthy of divine right they, like the Romans before them, tried to steal the world. Africa, Asia, the New World, they wanted it all. In the Americas, the Spanish crushed older empires from the Aztec to the Inca, broke them with the sword and smallpox, and then parcelled out their lands, including the people who lived on them, to unemployed Spanish aristocrats.

The French and the English brought a somewhat kinder, gentler larceny to the north of the Americas, but the result was much the same. Ultimately, the native people were relieved by brute force, or by subtler forms of coercion, of their ancient territories and sequestered on reserves and reservations to dumbly watch their way of life vanish forever.

When the colonial powers lost their grip, the colonials themselves eagerly assumed the land-grab. King George III's Royal Proclamation of 1763, the "First Nations' Magna Carta,"<sup>1</sup> prohibited European settlement west of the 13 American colonies, reserving it for the "several nations or tribes of Indians."<sup>2</sup> The colonials fumed. Those who wanted to grab yet more Indian land were among the staunchest supporters of the American Revolutionary War. Upon the war's successful conclusion, they claimed sovereignty over the Indian Territory and swarmed across the Appalachians into the valley of the Ohio like locusts, eager to deprive the Indians of their property. They then bought a huge chunk of adjacent empire from the government of France, a party as unentitled to it as they, proving that honour among thieves is not entirely unknown. Other spoils of empire they took at gunpoint from the heirs of the conquistadors. Ultimately, they expropriated almost every square foot of territory from the Rio Grande to the 49th parallel all the way to the Pacific Ocean, leaving only bits and pieces, tiny fragments of the whole, to their original inhabitants. It was called Manifest Destiny.

A nation that prides itself on not being imperialistic has in fact been a major imperial power from its inception, indeed its inception was in large part due to its imperial designs.

In Canada, we too relieved the Natives of their homelands, if less violently. Our imperialism at least, unlike the Americans', stopped at the Pacific shore, and there the Royal Proclamation of 1763 still provides the First Nations with succour. Dozens of native groups in British Columbia have appealed to the instrument that recognized them as nations, an appeal supported by the Supreme Court, to insist that their ancient claims on territory and resources be respected.

But for the most part the ill-gotten gains have long been consolidated and are now passed on through inheritance or sold off for profit. The cycle of theft-inheritance-theft-inheritance has persisted throughout history, in many ways is history; the story of the Americas is essentially the story of Europe or Asia or Africa. In the last 200 years, a third factor—merit—has entered the picture in a big way. Today, much land, wealth and power is actually earned, often gained more by talent, hard work, intelligence and imagination than by either theft or inheritance. Things have changed.

### **The New Aristocrats**

By the 19th century, Western society was caught up in a whirlwind of scientific and technological change that was producing a plethora of ingenious machines and methods making the work of agriculture and industry more and more efficient, and more and more profitable. They changed the way products were made, what products were made, the way work was done, the way people lived their lives—and the way wealth was acquired. They created a revolution, the Industrial Revolution. There had always been men who started with a little and made a lot out of it, but that was exceptional. After the Industrial Revolution it was commonplace. The acquisition of capital, often very large amounts of capital, became a relatively common and quite realizable ambition for a greatly enlarged portion of the populace.

Many of the landed aristocracy were horrified. If wealth and its attendant power were achievable by just anyone, theoretically at least, then what was to become of the advantage of proper bloodlines? Other aristocrats welcomed the new world of privi-

lege. With a head start in the acquisition derby arising from their inherited estates and their social and political connections, they were well-positioned to join the new aristocracy, the aristocracy of accumulated wealth. They became capitalists.

This new aristocracy lacks the stability of the old. Privilege is granted by money, not blood, and whereas bloodlines cannot be easily lost, money can and thus the lineage of privilege that goes with it can also be easily lost. Rags to riches and back to rags in three generations has become a cliché. But an aristocracy it is, carrying not only the pleasures that wealth brings but also power, social and political, as well. Power attaches to wealth like flies to flypaper.

Things have changed but by no means entirely. Inheritance remains in play. Capitalism initiates cycles of acquisition-inheritance-acquisition-inheritance that some insist differs little from the traditional cycle of theft-inheritance. Some lineages might be short but others pass their wealth and its perquisites on for generations, becoming in effect a blood lineage. Names such as Dupont, Ford, Mellon and Rockefeller in the United States and Bronfman, Irving, Richardson, Weston, et al., in Canada testify to the potential longevity of the new aristocratic lineages.

In this country, much wealth is still obtained via the free lunch rather than via merit. In her seminal book *Controlling Interest*, Diane Francis outlines how 32 families, most of them paper entrepreneurs rather than builders, along with a few conglomerates and crown corporations, control half of Canada's non-financial assets.

Thus the free banquet of inheritance persists.

### **Political Prerogative**

One area in which the inheritance route to privilege has dramatically declined is in the political arena. The reason is the growth of democracy. In only 2 1/2 centuries, we have gone from a world with no democracies to a world with dozens. Most countries in the world today are either democratic or at least proto-democratic.

No democracy is perfect, however. Plutocracy persistently creeps in. In our great neighbour to the south, for example, running for political office has become so expensive that if a politician doesn't have wealth, he must at least be its servant, in order to mount a serious campaign. In Canada, too, we have succumbed politically to the sway of wealth; nonetheless, we are beginning to recognize the error of our ways, at least as far as funding is concerned, with two provinces, Manitoba and Quebec, and the federal government banning or severely limiting political contributions from wealthy interests.

Heirs to political/financial fortunes still arise, and even though they have to battle it out on the hustings with the commoners, old money continues to offer considerable advantage. In the 2004 presidential election in the United States, both the Democratic and Republican candidates came from wealthy, influential families with a history of political involvement. Indeed if the Republican candidate, the rather limited George W. Bush, had not come from a well-connected family, he would have been lucky to gain the mayoralty of some small west Texas town never mind the presidency of his country. The United States has a strong tradition of political dynasties, of wealth translating into power: the Bushes, the Gores, the Kennedys, the Roosevelts, among others. Two hundred and thirty years ago, the Americans violently rejected a George who had been imposed on them by aristocracy; today they "elect" one from hardly less of an aristocracy.

In Canada we are little concerned with political power inherited through wealth directly, but a problem remains in any case, through the comprehensive power of wealth exercised via economic dominion and media ownership. One of K. C. Irving's sons once told former New Brunswick premier Louis Robichaud, "My father's never lost a New Brunswick election in his life."<sup>3</sup> In fact, K. C. Irving never ran for political office, but the Irving family practically owns the New Brunswick economy, including all the English-language daily newspapers, and that is good enough. Describing our modern political systems as democratic

is extravagant. They are hybrid systems, part democracy yes, but very much part plutocracy as well.

### **Sharing the Banquet**

“The majestic equality of the law ... forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread.”<sup>4</sup> —Anatole France.

We are curiously ambivalent about someone getting something for nothing. We don't approve of it for the poor. If we must provide charity to keep them off the streets, we will, but sparingly and only until we can wean them off it. We are concerned about them becoming too dependent on handouts and about the harm that this will inflict on their characters. Yet we have no concern about the damage that inheritance, the most lavish handout of all, does to the characters of the rich. Fair play demands that we be equally concerned about their moral fibre and wean them off the free lunch as well.

Most Western countries manifest such concern by levelling inheritance and gift taxes in order to relieve the rich of at least part of their burden. We Canadians callously allow wealth to be passed down from generation to generation tax-free, regardless of the harm done to its recipients. We have progressed little in this regard from the days of the Bourbons.

We must make up our minds. We must stop being hypocrites. If we believe that people should, if capable, earn their own way in the world, if we believe in self-reliance, then we must apply this principle to the rich as well as the poor. This means that, at the very least, inheritance and gifts must be taxed no less than earned income.

We need not concern ourselves unduly with the free *lunches* offered by inheritance. Taxes on a modest family home or small business could be minimal. The free *banquets* are our target. Accumulations of great wealth that potentially create dynasties must be taxed to the point where vast fortunes can hardly be transferred at all but instead revert to the state, to be shared by all. Not only would gift and inheritance taxes reinforce the principle of self-reliance, they would also relieve some of the burden

of income tax from everyone other than those inheriting fortunes. As wealth became harder to keep after death, it would be easier to earn in life, offering less reward for being born into the right family but greater reward for ambition, talent, hard work and innovation. And who could quarrel with that?

---

<sup>1</sup> Deborah Coyne and Michael Valpy, *To Match a Dream* (Toronto: McLelland & Stewart, 1998) 11.

<sup>2</sup> *Ibid.*, 10.

<sup>3</sup> Diane Francis, *Controlling Interest* (Toronto: Scorpio, 1986) 10.

<sup>4</sup> *The Oxford Dictionary of Quotations* (Oxford: Oxford University Press, 1999) 322.







OPEC and the Alberta Advantage

2



**I**n March, 1975, in the Palace of Nations near Algiers, a group of men assembled like the gods of Olympus to do business that would affect the fortunes of the entire world. The usual suspects were not invited—not the leaders of the industrial states, not the leaders of the Great Powers. Assembled at this summit were leaders of heretofore more humble nations.

The meeting was hosted by the president of Algeria, Houari Boumédiène. Among the assembled elite were the Shah of Iran, Saddam Hussein of Iraq, Carlos Pérez, president of Venezuela, and the sheiks of Abu Dhabi and Kuwait. The emergence of these leaders as men of great substance in the world was not because they commanded the most powerful armies or the most powerful economies, but because they controlled the life blood of the industrial age: oil. And because they were united in exercising that control. They were the leaders of the member nations of the Organization of Petroleum Exporting Countries—OPEC—established fifteen years earlier. For them, the meeting was a moment of triumph. They were turning the world upside down. Heads of countries that only months before were of little consequence in international affairs, they could now make the developed world await their whims with trepidation. The crowd applauded as the Shah of Iran embraced and kissed Saddam Hussein. It was an ecstatic moment.

### **The Free Market is for Suckers—from John D. to the Seven Sisters**

The oil men had much to celebrate. Not only had they consummated their control over the world's most desirable commodity, but in addition their countries, or some of them at least, were about to become fabulously rich. The price of oil, under \$3 a barrel only two years earlier was now four times that, and would go very much higher.

Superficially it might seem that what they had accomplished was a victory of a cartel over the free market, but that was not the case. What OPEC had achieved was the victory of one cartel over another. Oil and the free market are not well acquainted.

The oil patch has always conjured up a romantic image of rugged individualists competing lustily in a wide-open market, and there is a lot of truth to this—at the lower levels. Where the real power lies, it is a different story: few industries have produced more vocal advocates of the free market, and few industries have seen less of it. John D. Rockefeller announced late in the 19th century, early in the oil game, "Individualism has gone, never to return."<sup>1</sup>

John D. knew whereof he spoke. Son of a devout Baptist mother who tied him up and beat him when he disobeyed and a patent-medicine-peddling father who taught him how to cheat, he understood discipline and sharp practice like few men. While others toiled in the oil fields of Pennsylvania, the first great oil state, the ex-bookkeeper bought a refinery business and then conspired with other refiners and the railways to undercut the producers with cheap transport. The producers fought back by attempting to constrain production and by getting cheap rates from the railways for themselves but, in a scene that would play out in OPEC a century later, they could not resist undercutting each other. Their solidarity collapsed, leaving the refiners and Rockefeller triumphant. Rockefeller bought out rival after rival and switched from railways to pipelines. He bought up oilfields to integrate his company from production to transportation to refining to marketing. He established the Standard Oil Trust to get around laws which precluded an investor from one state

owning shares in another and hired teams of lawyers to defend his actions while befriending and bribing legislators. He monopolized oil, becoming more powerful than governments. He was perhaps the first modern capitalist, pioneering tactics that would eventually be practised on a global scale.

Ultimately the United States Supreme Court broke up Standard Oil, but that didn't end the monopoly of oil. It simply set the stage for the next act, for the cartel christened by Enrico Mattei, head of the Italian State Oil company, as the "Seven Sisters." Three of the sisters, Standard Oil of New Jersey, Standard Oil of New York and Standard Oil of California, (ultimately Exxon, Mobil and Socal), were daughters of Rockefeller's empire, birthed by the trust-busters. The other major players were two American companies, Gulf and Texaco, and two European companies, Shell and British Petroleum.

### **Sisterhood**

Demand for oil escalated rapidly during and immediately after the First World War, but new supplies were coming on the market from the Middle East, Venezuela and Mexico and the sisters were faced with an oil glut. Competition threatened to get out of hand. Consequently, in 1928, the heads of Exxon, Shell and British Petroleum met at Achnacarry Castle in Scotland, ostensibly to do a spot of hunting and fishing, but in reality to form a cartel. The result was the infamous secret agreement known as "As Is." The three conspirators agreed that companies would accept their current market share and the same proportionate share in any market growth. To avoid gluts, growth in supply would be tailored to demand. Prices were to be rigged, set at the price of U.S. oil in the Gulf of Mexico plus the charge of shipping it from the Gulf to the particular market. If, for example, cheap Middle Eastern crude could be shipped cheaply to a market, that market would still be charged the high "Gulf Plus" price. The agreement violated American anti-trust laws but was accepted by the other four sisters and most other American companies that operated internationally. "As Is" could not be rigidly enforced—it didn't include many smaller companies and the Soviet Union, and it

was, after all, secret—however, it guided the behaviour of the international oil industry well into the 1960s.

The biggest pie in the oil patch was the Middle East, much of which was divided up by the “red line” agreement. Prior to the First World War, one of the great characters of the industry, the Armenian entrepreneur Calouste Gulbenkian, assembled a syndicate that included British Petroleum, Shell and the German Deutsche Bank, with Gulbenkian retaining his famous 5 per cent. After the war, the German share went to France and the Americans were cut in for 20 per cent. The members agreed not to take concessions in the former Ottoman Empire except through the consortium. As considerable doubt existed as to just what the empire had included, Gulbenkian drew a line on a map with a red pencil specifying what he meant. It included all the major oil-producing countries in the Middle East except Iran and Kuwait. Thus did the sisters lock up the Middle East. Anthony Sampson, in his definitive work, *The Seven Sisters*, referred to the agreement as “the most remarkable carve-up in oil history.”<sup>2</sup> It lasted until 1948.

### **The Guard Changes**

Deals involving monopolizing, price-fixing and tax-dodging, between companies and, as necessary, involving governments, were the story of the international oil industry throughout most of the 20th century. In the United States, the oil companies went so far as to collaborate with car makers to undermine public transit thus forcing dependence on their products. At one time, the sisters made up seven of the dozen largest manufacturing companies in the world.

But by the early 1970s, big change was afoot. In 1969, King Idris of Libya was overthrown by a group of army officers headed by a young colonel, Muammar al-Qadhafi. Qadhafi was the catalyst for the shift in power from the cartel of companies to the cartel of oil-producing countries. He took on the companies, broke their solidarity, and bullied them into accepting increased prices for his Libyan crude. His single-handed muscling of the companies, achieving in months what OPEC had failed to do in

years, embarrassed OPEC members into a greater militancy of their own. The companies struggled to maintain a common front under the offensive, but things only got worse as the producers began to demand part ownership of the concessions, led by a former favourite of the companies, Sheik Zaki Yamani, Saudi Arabia's oil minister. As if this wasn't enough, 1973 saw a looming oil shortage. Qadhafi declared that he intended to nationalize 51 per cent of the companies operating in Libya and set a price of six dollars a barrel for his crude, double that of the Persian Gulf.

In October, the oil companies met with OPEC to negotiate a price, as was the practice. Yamani asked for five dollars a barrel but the companies refused. In the meantime, war had broken out as Egypt and Syria invaded Israeli-occupied territory, and the Arabs were threatening an oil embargo of Israel's supporters. Yamani declared that this was the last time they would negotiate prices with the companies. The talks broke down, OPEC set the price of oil on its own, and its Arab members began their embargo. The cartel had passed into new hands. By Christmas the price of oil was US\$11.65.

The OPEC cartel is by no means perfect. Like the producers battling Rockefeller in the 1870s, the modern oil states have conflicting interests. With differing amounts of reserves and productivities, and differing national and international goals, they do not always agree on strategy. The Kuwaitis and Saudis have been accused by the more radical members of being just a portion too sweet with the United States. Even though the price of oil rises and falls with their solidarity, OPEC has brought the oil kings of the Middle East possibly the biggest free lunch in history. Having done nothing to create the wealth, to find it, to produce it, to transport it, to refine it or to market it, just picking up the cheques made them as rich as Croesus.

### **The Alberta Story**

What does this story of cartels and government interference in the marketplace have to do with Alberta? Merely everything. These are the forces that created modern Alberta, a place as fairy



tale in its fortune as Versailles. Just as OPEC created one of the great wealth and power shifts in the modern world, it created the greatest wealth and power shift in Canadian history. Peter Foster, in *The Blue-Eyed Sheiks*, referred to it as “the most significant turnabout in political relationships since the birth of Confederation.”<sup>3</sup>

Alberta’s oil industry did not always show such potential. It didn’t get really serious until 1947 when Imperial Oil (child of Exxon), following a discouraging series of dry holes, drilled into an ancient reef near the small town of Leduc in central Alberta, and the well gushed oil. From satisfying under 10 per cent of national demand in 1947, the Canadian industry, dominated overwhelmingly by Alberta, was satisfying more than 50 per cent a decade later. Alberta crude flowed west into British Columbia and into the Northwestern states and east into Ontario.

And there it ran headlong into a competitor too powerful to challenge on its own—imported oil. Foreign oil could be off-loaded from tankers in Montreal cheaper than it could be shipped by pipeline from Western Canada, yet it was in Eastern Canada that producers were obliged to look for a large and secure market. The major companies, subsidiaries of the Seven Sisters, were not concerned. They bought foreign crude from their parent companies, refined it in their Eastern refineries and marketed it through their stations. No problem there. Independent Alberta companies, on the other hand, desperately wanted secure access to the Eastern markets. They begged the federal government to protect them from the foreigners. In their favour was the election in 1957 of a Conservative government headed by the westerner John Diefenbaker. “The Chief” came through for his western brothers and sisters. Like his predecessor, John A. Macdonald, he instituted a national policy to facilitate east-west trade, in this case a national oil policy which, among other things, established the Ottawa Valley Line. All markets west of the Ottawa Valley were to be reserved for Western crude; markets to the east could continue to enjoy cheaper foreign imports. Ontario consumers were to pay higher than market prices to subsidize the Alberta oil industry, including of course its royal-

ties to the Alberta government. The national oil policy was pronounced in 1960, coincidentally the same year OPEC was formed.

### **OPEC Opulence**

The policy served Western independent producers well until the dramatic events of 1973 after which it was no longer needed. As the OPEC cartel flexed its muscles mightily, driving international oil prices sky-high, immense riches accrued not only to its members but also to non-members such as Alberta which, no longer having to compete with cheap imports, rode its golden coattails to enviable prosperity.

The federal government, fearing the effect of rapidly escalating oil prices on the Canadian economy and feeling also that the windfall should be shared by all Canadians, and led now by an easterner, Pierre Elliott Trudeau, tried to simultaneously keep a lid on the price of crude, capture its share of the bonanza and expand its influence in the industry. Its efforts, culminating in a new national oil policy, the National Energy Program, sparked the bitterest federal/provincial feud in Canadian history.

When it was over, Alberta wasn't as rich as it thought it deserved to be, but it was filthy rich, nonetheless. Oil prices were temporarily maintained below the world price but still managed to triple in two years and quadruple in five, and Alberta would take half the increase in royalties. The province's royalties from oil and gas production rose from \$214 million in 1972/3 to \$1,199 million in 1974/5 and to \$3,410 million in 1979/80. Billions more accrued from lease sales. Alberta boomed, its cities and towns exploded with growth, attracting migrants from British Columbia to Newfoundland seeking a piece of the action. Its political clout increased accordingly. Without OPEC aggression, the National Energy Program and the provincial/federal wrangling that followed, there would have been no Reform/Alliance party and Canada's, to say nothing of Alberta's, politics would be very different. OPEC made many of Alberta's most successful companies and businessmen, including a large slice of its economic oligarchy. Even the hard-driving attitude of Alberta business-

men owes much to the exceptional rewards for hard work that exorbitant oil prices offer.

Since 1973, booms have turned to busts when OPEC solidarity crumbled, but prosperity always bounces back. The big revenue earner today is natural gas, not oil, both bringing in a cornucopia of dollars. In 2003/4, oil and gas revenues flowed in at a rate of \$22 million a day, yielding \$2,700 a year for each and every Albertan.

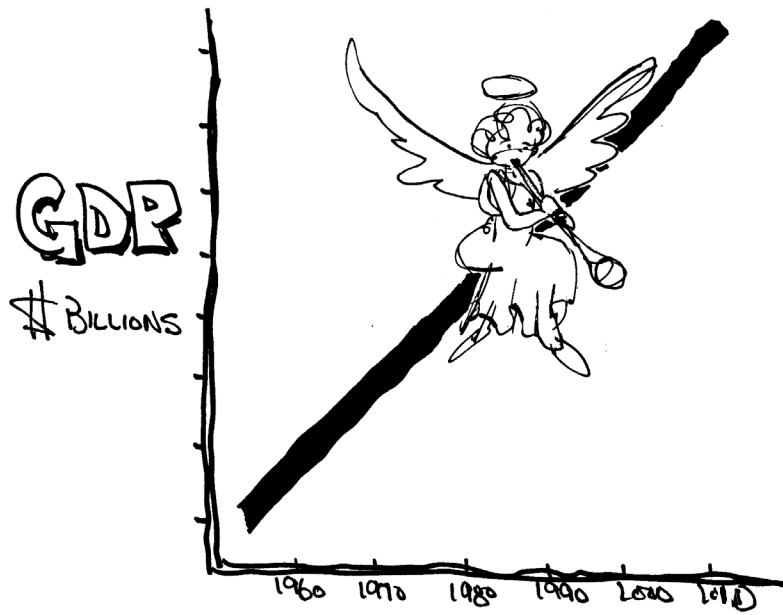
Albertans are inclined to believe their unique prosperity was built on free market principles, a comforting myth for the conservative-minded, but still a myth, still more fable than fact. That anathema of free-marketeers, government interference in the marketplace, has from Diefenbaker to OPEC been the best thing that ever happened to Alberta, providing the province with a free banquet of sumptuous proportions. Albertans should genuflect in gratitude to Muammar al-Qadhafi, catalyst of the oil revolution of the 1970s, or perhaps to Sheik Yamani of Saudi Arabia, prime mover behind OPEC's 1973 machinations. These men, not Peter Lougheed nor Ralph Klein, nor the CEOs of the oil companies, were the architects of Alberta's fortunes.

---

<sup>1</sup> Anthony Sampson, *The Seven Sisters*, 4th ed. (New York: Bantam/Viking Penguin, 1991) 35.

<sup>2</sup> *Ibid.*, 84.

<sup>3</sup> Peter Foster, *The Blue-Eyed Sheiks* (Don Mills: Collins, 1979) 12.





### **Acts of God and the GDP**

**O**n a hot, muggy day in July, 1987, Zeus, god of thunder, lightning and rain, prowled the skies over central Alberta in an angry mood. He threw vast glacial-headed cumulonimbus clouds up high into the sky and sent thunderstorms rumbling across the prairies. Late in the afternoon, one of His great clouds spawned a monster. From the cloud's belly a roaring vortex of air descended to the ground and began to roll slowly toward the city of Edmonton. It entered the city from the south. Brushing the suburb of Mill Woods in the southeast, it tore roofs from houses and toppled steel transmission towers. Then it moved up the east side of the city through the industrial area of Sherwood Park, nimbly tracking between two oil refineries and sparing a major chemical plant, but shredding warehouses and tossing oil tankers about like toys, leaving the park looking like a "huge garbage dump." It veered sharply to hit a trailer park in Clairview and then, its appetite whetted, it turned to the northeast to seek out the Evergreen Mobile Home Park where it exploded in fury. Blowing mobile homes apart like matchboxes, it killed 11 people, including an 83-year-old man and a 15-year-old girl. After delivering two hours of sheer terror, and claiming 27 lives in all, it ambled off into the northeast and vanished.

We might expect that this rage of an angry god, the infamous Edmonton tornado, could be seen only as great tragedy, yet our economy perceives it otherwise. Repairing the property damage

cost a quarter of a billion dollars in insurance settlements alone, all of which added to Canada's Gross Domestic Product (GDP), the principal measure of our economic progress. This demonic storm was then, in conventional economic terms, a howling success—we were better off the day after the storm than the day before.

### **Mad Money**

Framing tragedy as progress is madness, yet the GDP, the monetary value of all the goods and services produced by the country in a year, frequently does just this. Unfortunately, it is our most common measurement of economic, and indeed general, well-being. With near mythical status as a measure of society's overall health, it is quoted ad nauseam as "our standard of living."

The madness lies in its terms. The GDP is the value of all goods and services measured *in terms of money*. If money doesn't change hands, nothing of value occurs.

Housework, for example, and this might come as a great surprise to homemakers, has no value. Unless it is formally paid for—hiring a maid, for example—no money officially changes hands, so it doesn't enter the GDP. Volunteer work suffers the same fate. It makes up a considerable portion of economic activity and is vital to a healthy and civil society, but it is not bought and paid for and therefore remains largely invisible to the GDP.

A sensible system of economic accounting would also consider negatives as well as positives, providing two sides to the ledger, one for the damage done by the tornado and one for the reconstruction; but the tornado didn't get paid for its work, so its destruction is not counted.

Nor is industry's drain on Nature. Trees cut down are counted when they are sold for lumber, and later for finished products, but the cost of the loss of a forest, economically and environmentally, is ignored. Nature is not paid a nickel for her losses, so Her contribution doesn't count. The GDP has no negatives, not even drafts against the environment. The planet could be sucked dry while the GDP soared merrily upward and we

celebrated our progress. The GDP has no interest in the future even though sensible accounting would insist that depleting Nature is depreciating an asset. Nor is polluting Nature a debit. At least not directly. Ultimately, the economic cost of pollution could be immense—drowned cities as a result of global warming could make the Edmonton tornado seem picayune. The cost to nations could be trillions of dollars, all adding to the GDP. Our “standard of living” would soar. Pollution would finally pay off big-time.

This is perverse, but then perversity is part and parcel of the GDP. One of the growth industries in the United States in recent decades has been incarceration. Imprisoning ever-increasing numbers of young men would seem to represent a failure in American society, but the GDP notes the boom in expenditures and declares it a success. Crime counts as a good thing: more money spent on prisons, police, lawyers, courts, the whole paraphernalia of the justice system. According to the GDP, crime definitely pays.

Factors that illustrate social progress may be of little account or even negative. Falling crime rates may lower the GDP. Restorative justice, costing less than retributive justice, appears as regressive rather than progressive. Reducing the disparity between rich and poor is irrelevant.

Even the man who invented the forerunner of the GDP, the Gross National Product or GNP, Nobel Prize winning economist Simon Kuznets, had grave reservations about applying the instrument too broadly. In his first report to the U.S. Congress in 1934, he warned, “The welfare of a nation [can] scarcely be inferred from a measurement of national income as defined above.”<sup>1</sup> He later added, “Distinctions must be kept in mind between quantity and quality of growth, between its costs and return, and between the short and the long run. Goals for ‘more’ growth should specify more growth of what and for what.”<sup>2</sup>

A society judging its progress by GDP performance sees itself in a distorted mirror, sees myth, not reality, sees lies as often as truth.



### **Better Yardsticks**

An indicator that ignores caring work and holds little regard for environmental degradation, that ignores negatives or counts them as positives, that ignores social progress, that is capable of measuring quality of life only in a material sense, and a distorted one at that, lacks moral meaning in a society swimming in money but deficient in social justice and environmental sustainability. More sensible, more humane measurements, are required.

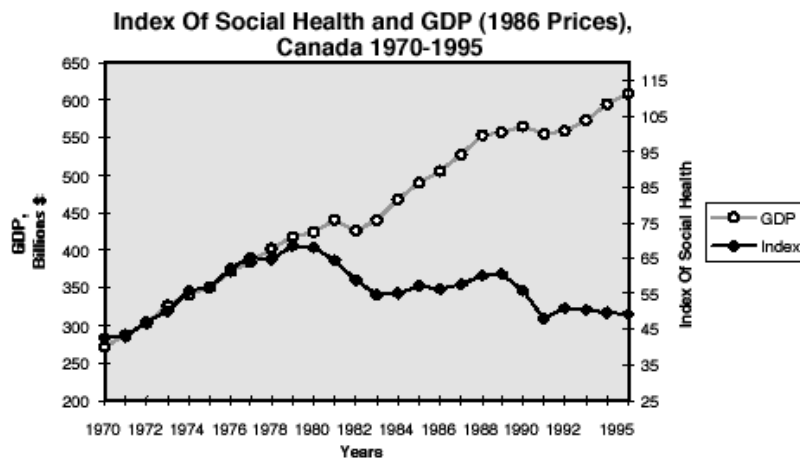
Some economists and others are developing just such tools—tools that speak another language, a language of inclusiveness and balance and sustainability in which all work is measured and Mother Nature is accorded Her proper due. New Zealand activist Marilyn Waring, author of *If Women Counted* and *Three Masquerades*, challenges current economic accounting. She wants more than wages for housewives. She wants nothing less than to “impose reality on the present system, from which will follow a total redistribution of resources. A whole new notion of value.”<sup>3</sup> She is not alone with the idea of new notions of value. Various groups are calling for indexes of economic activity that include human and environmental benefits rather than just market indicators.

A San Francisco-based group, Redefining Progress, has created a more comprehensive measure of progress which they call the Genuine Progress Indicator (GPI), a yardstick that measures something closer to the economy that people actually experience as opposed to an economist’s abstraction such as the GDP. The GPI starts with personal expenditures similar to the GDP but then deducts social and environmental costs such as crime, pollution, loss of leisure time, unemployment, etc., adds in non-monetary contributions such as housework, volunteerism and natural resources, and also adjusts for income disparities. The GPI presents a comprehensive picture of our economic status, not just a monetary one. Redefining Progress further suggests that our tax system should concern itself with the future by taxing waste and pollution more and productive work less. A num-

ber of alternative economic think tanks around the world are applying the GPI to their nations' economies.

GPIs tend to tell a very different story about progress, or perhaps we should say change, than GDPs. The two indicators show roughly parallel progress from 1950 to the mid-1970s, at which point the GPI levels off while the GDP climbs blindly upward, oblivious to anything but the spending of more money, illustrating that the costs of economic "growth" are increasingly outweighing the benefits.

Fordham University's Index of Social Health (ISH) includes such indicators as infant mortality, child abuse, unemployment, average wages, youth suicides, high school dropouts, homicides, affordable housing and income gaps. Echoing the comparison of GPI to GDP, the ISH for Canada rises with the GDP into the late 1970s, then diverges into decline. See Figure 1.



**Figure 1**

**Source:** Social Development Canada, Strategic Direction, Knowledge and Research Directorate, Gatineau, Quebec, © Her Majesty the Queen in Right of Canada for SP-242-02-01E. This paper can be requested from SDC Publications at [pub@sdcdsc.gc.ca](mailto:pub@sdcdsc.gc.ca).

What we have been calling progress appears to be regress. What we have seen as a rising standard of living is in fact falling. The Australia Institute, a think tank based in Canberra that de-

veloped a GPI for Australia, labelled the growing divergence the "voodoo gap."<sup>4</sup>

The Calvert Group of Bethesda, Maryland, an asset management firm guided by the philosophy "a successful investment is one that not only earns competitive returns but also helps to build a sustainable future and enhance quality of life,"<sup>5</sup> has teamed up with futurist Hazel Henderson to create the Calvert-Henderson quality of life indicators that include education, employment, energy, environment, health, human rights, income, infrastructure, national security, public safety, recreation and shelter.

Marilyn Waring suggests we need not only new indicators but also new units. We need to avoid remaining in the dollar trap where ultimately everything is commodified. Perhaps hours worked would provide a better measure of economic progress: how much time do we have to properly enjoy work, leisure, family? Here we would have a more humane measurement.

### **Hope on the Horizon**

Developing a new paradigm of economic progress will not be easy. Most economists are immersed in the old one, as are most politicians, and the current leadership of the world's major economic power is in bed with depleting/polluting industries that are splendidly served by the GDP. Governments and international bodies do, however, seem to be slowly recognizing the weaknesses and fallacies of conventional economic indicators.

Our federal government has established the National Round Table on the Environment and the Economy with the mandate "to play the role of catalyst in identifying, explaining, and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development."<sup>6</sup> Part of the Round Table's work concerns the Environment and Sustainable Development Indicator (ESDI) Initiative, announced in the 2000 spring budget by then Finance Minister Paul Martin who observed, "We must come to grips with the fact that the current means of measuring progress are inadequate."<sup>7</sup> The Initiative attempts to track the effects of "economic practices on the

country's natural and human assets." The indicators are, unfortunately, limited, including five environmental and resource areas and only one area of "human capital"—education. The very term "human capital" reveals the strong business bias of the Round Table. In any case, Mr. Martin offers some encouraging words, "These environmental indicators could well have a greater impact on public policy than any other single measure we might introduce."<sup>8</sup> We can only hope.

Global interest in better measurements was illustrated by the International Conference on Sustainable Development and Quality of Life Indicators (ICONS) held in October, 2003, in Curitiba, Brazil. Over 700 statisticians, government officials and business leaders from around the world met to consider "triple bottom line" indicators that would give environmental and social factors equal status with strictly economic factors, the idea being to replace GDP with what former banker Sander Tideman calls Gross National Happiness (GNH). Brazil has been a leader in developing new indices since hosting the 1992 UN Earth Summit, where over 170 governments agreed to broaden GDP to account for human, social and environmental capital and costs of depletion and social breakdown. A follow-up conference was held in February, 2004, in Bhutan, a country that has been computing a happiness index since 1972.

### **Who is the Servant?**

Economic activity exists to serve the needs of people and can exist only because of Nature's largesse, yet we often behave as if it were the other way around, that people and the environment exist to serve economic activity.

International trade agreements serve as an example. Typically under current trade agreements, if one nation passes a law to protect the environment, another nation may challenge that law as a barrier to trade, as a subsidy. The law may then be forced to yield to the trade agreement. But if a nation lowers its environmental standards to make its products more competitive, an action that is every bit as much or more a subsidy, it cannot be challenged. Attempts to protect food safety are similarly

treated, and maintaining low labour standards provides a competitive advantage that is quite acceptable under trade agreements. The result is the infamous race to the bottom. The cause is people serving trade, or rather serving the global corporations that do most of it, rather than trade serving people.

The only sensible economic system is one that puts service to people and the environment first and evaluates itself in those terms.

---

<sup>1</sup> Clifford Cobb, Ted Halstead and Jonathon Rowe, "If the GDP Is Up, Why Is America Down?" *The Atlantic Monthly* October 1995: 67.

<sup>2</sup> Ibid.

<sup>3</sup> Quoted in Lesley Hughes, "Add Women and Stir ...," *Canadian Dimension* May-June 1997: 19.

<sup>4</sup> Kono Matsu, "A Genuine Progress Indicator for Australia," *Adbusters* Autumn 1997: 59.

<sup>5</sup> [http://www.calvert.com/sri\\_571.html](http://www.calvert.com/sri_571.html)

<sup>6</sup> National Round Table on the Environment and the Economy Performance Report for the period ending March 31, 2003. Treasury Board of Canada Secretariat.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.



Must We Compete in the Global Marketplace?

4



## Markets—Older than History

**A**t a place in Northwestern Ontario the Ojibwa call Kay-Nah-Chi-Wan-Nung, not far from the headwaters of the Mississippi River, from a time before Magellan turned the entire globe into a marketplace by sailing west rather than east to break the Portuguese hold on the spice trade, before the silk road connected Europe and China, before the Sumerians invented pictographs to record their inventories, people gathered from across North America to trade their goods. They camped, fished for sturgeon, planted gardens, gossiped, danced and sang, and buried their dead in spirit mounds. And they traded—obsidian from Wyoming, copper from Lake Superior and shells from Florida.<sup>1</sup>

We have long appreciated the benefits of free markets as places to bring people together and introduce them to the pleasures and the prizes of other cultures. Today we have turned the globe into one great marketplace, but it is a very different one from Kay-Nah-Chi-Wan-Nung with its social and spiritual components. Today it belongs less to cultures than to capitalism, driven by the mantra, “We must compete in the global marketplace,” a mantra whose “must” entertains no alternative. It is of course a myth—in the real world there are always alternatives.

Free markets are, after all, not capitalism, not simply the relentless acquisition of wealth. The traders of Kay-Nah-Chi-Wan-Nung acquired little more than they could carry on their backs. How then were global markets captured by capitalism, by ruth-



less competition, by the insatiable drive for more than the other guy, for more profit, for more market share? Let us turn to the gods for illustration.

### **Why do We Compete?**

One of the great stories of competition, involving both gods and mortals, was the fabulous contest over the favours of the incomparable Helen of Troy.

The story begins when Athena, Hera and Aphrodite vie for a golden apple offered by Eris, goddess of discord, to whomever is the fairest. Zeus announces that Paris, Prince of Troy, will be the judge. Athena offers him wealth, Hera offers power, and Aphrodite offers the most beautiful woman in the world. Paris chooses Aphrodite and she promises him that Helen, wife of Menelaus, King of Sparta, will be his wife. Paris voyages to Sparta where the king treats him royally, but as soon as Menelaus' back is turned, Paris spirits Helen away to Troy.

Menelaus calls upon the former suitors of Helen, all of whom are bound by oath to defend his marital rights, to assist him in regaining his bride. For ten years Troy is besieged until Odysseus comes up with the legendary gambit of filling a huge wooden horse with soldiers and tricking the Trojans into taking it within their walls. Troy falls, is burned to the ground, sacrifices are made, Menelaus regains his beloved Helen, and his fellow Greeks divide up the Trojan women among themselves.

So men fought a war over a woman, what does this have to do with competition in the modern global marketplace of capitalism? Simply everything. When men compete, at some level it is always for women. Even though it may appear to be about another prize, at the level of the genes it is always about sex. At the level of the genes, everything is about sex.

We, whether we be human beings, oak trees or garden slugs, are all designed to fulfill one purpose, indeed the purpose of life—the replication of genes. Our genes program us, selfishly, to one end—getting them into the next generation. Males that have the most success with females are the best replicators, so males'

genes design them to compete for females. Men compete; women, the gender that bears the burden of procreation, choose.

Men compete economically by offering a woman, or women, the most resources, or at least the greatest potential for acquiring resources, and therefore the greatest potential for providing for her and her babies, and therefore the greatest potential for replicating her genes. The more resources a man has to offer, the more useful he is to women, so women's genes, in turn, design them to choose the most successful man. If women are sex objects to men, men are success objects to women.

With the invention of agriculture 10,000 years ago, the potential for acquiring resources expanded exponentially, at least for some men. Many anthropologists believe agricultural civilization succeeded not because it offered ordinary people a better life but because it allowed leaders to exploit those they led in order to amass greater wealth and therefore greater replication potential for themselves. By becoming the most successful of men, often extravagantly so, leaders became the most successful replicators. Richer meant more wives and more children and more resources to ensure the success of those children. Today the rich have no more children than the poor, but the genetic drive for ever more resources persists, nonetheless, even though we may be quite unaware of its machinations. From ancient kings to modern capitalists, men have been driven to achieve status by the same subterranean urge.

### **But, Really, Must We?**

So, as myths often do, "we must compete in the global marketplace" contains a grain of truth. Men must indeed compete. But must nations? Must we all collaborate in a competition of societies where the rewards, as they have from the dawn of civilization, go disproportionately to the leaders? where today that means to global corporations and their overpaid CEOs? where, if the gods of the market are pleased, the rest of us can expect no more than trickle-down?

Most people want to trade and enjoy its ancient benefits, and no doubt most people appreciate that moderate competition

keeps us all on our toes, providing better products and greater choice, but do Canadian workers want to wage economic war against workers in other countries, victoriously putting German workers on the dole, lowering the pay of Japanese workers, despoiling Mexico's environment or confining Asian children in factories? We all want to trade in a civilized manner, indeed as they did at Kay-Nah-Chi-Wan-Nung; we do not want to grind each other down in a race to the bottom as capitalist competition is invariably inclined to do to all but the elite.

Nor do we want the myth and the mantra to diminish the democratic power of government, as it does through deregulation, privatization and the weakening of control over human rights generally, worker rights specifically, and over stewardship of the environment.

We could use an alternative.

### **Enter Co-operation**

Our genes have spoken: men must compete. But they have something else to say: we must also, men as well as women, cooperate.

Evolutionary biologists refer to the inclination of members of some species, including ours, to help each other as "reciprocal altruism" which essentially means if you help me today I'll help you tomorrow. This ability to rely on others in time of need makes each of us stronger and therefore a more successful replicator. Our genes have exploited this rather intuitive fact by including in our design an imperative to be generous to each other, to be kind, to be co-operative.

We can, of course, co-operate toward bad ends as well as good. Hunter-gatherer males co-operated to raid other tribes for women and resources, thus increasing their replication potential in a way they couldn't on their own. This tribal form of co-operation, co-operating with your guys to exploit or gain advantage over the other guys, is very much a part of male culture, from the playing fields to the battlegrounds to the boardrooms. It is, ultimately, just an extension of competition from the individual to the tribe.

This gains us nothing. We are simply led back into competition. Fortunately, the better side of co-operation offers a way out. We are all designed to be altruistic, men and women, and we are designed to behave altruistically to all members of our species (indeed our altruism often overflows to include other species); we are as capable of befriending the stranger as of exploiting him. Therefore, by extending our altruism in its co-operative form to all members of the global society, we can achieve universal success, success for everyone. With competition, success for one party is always at the expense of another; there are always winners and losers. With co-operation, everyone can be a winner.

It is all a matter of emphasis. If we emphasize economic competition, and we do, we live in fear, fear that someone is gaining on us, fear that we might get left behind. If we emphasize economic co-operation, we can all live by hope, confident that reciprocal altruism will guide others to help us when we are in need as we will help them when they are in need. This doesn't mean eliminating competition. It means emphasizing co-operation, elevating it above competition.

But could it work? Could a co-operative pattern be laid out for the global economy that would lay to rest the notion that competition must rule? Can we relegate "we must compete ..." to the realm of myth after all? Let's take a look.

### **The Co-operative—a Success story**

Co-operatives are an integral part of the Canadian economy, ranging from small artist co-ops to large retail enterprises such as the 390,000-member Calgary Co-operative Association which earns \$750 million in annual sales from its supermarkets, liquor stores, gas bars and travel agencies.

This sector of the economy includes housing co-ops, worker co-ops, producer co-ops and consumer co-ops. They are active from the cradle to the grave, from daycares through to funeral co-ops. They are involved in a full range of economic activity: farming, forestry, transport, fisheries, arts and crafts, travel, insurance, banking, manufacturing, food services—the list is long

and comprehensive. Worker co-ops make up a tiny portion of the economy but offer the ultimate example of workplace democracy: workers as their own bosses. Agricultural marketing co-ops operate in all provinces and sell \$14 billion in products on behalf of thousands of producers. Credit unions and caisses populaires are heavyweights in financial services. The Desjardin Financial Corporation, with over five million members and \$100 billion in assets, is Quebec's major private sector employer and most Quebecers' bank of choice.

In co-operative fashion, retail co-ops band together to buy through regional wholesale co-ops, such as Federated Co-operatives in the West (300 member co-ops) and Co-op Atlantic in the East (135 member co-ops). Co-ops are represented nationally by the Canadian Co-operative Association, an umbrella organization whose mission is to "provide national leadership to promote, unite, and develop co-operatives and credit unions in Canada and around the world."<sup>2</sup>

The "around the world" part includes working with co-ops in Africa, Asia, the Americas and Eastern Europe on dozens of projects that "promote, unite, and develop co-operatives and credit unions." As in Canada, co-ops in other parts of the globe are involved in a full range of economic activity and commonly work together to advance the sector. They employ more people than large multinational corporations.

The need for a sharing economy is particularly acute in the Third World. In Asia and Africa, women produce most of the food, yet the great majority of the hungry poor are women and children. Men, it seems, are fed first. And educated first. Most of the world's illiterate are women even though female literacy is critical to ensuring healthy, well-fed families and economic prosperity generally. Co-ops apply directly to this problem. The sharing, consensual nature of co-operative enterprise is more amenable to women than the macho, individualistic nature of competitive enterprise. As a result, women thrive in co-ops. Verghese Kurien, leader of India's highly successful co-operative dairy movement and winner of the United Nations' 1989 World

Food Prize, observed, with a commendable lack of male prejudice, that the best run co-ops are run by women.<sup>3</sup>

Run by women or by men, co-operation works, and it works very well indeed, at every economic level, from local to national to international. However we have chosen to support competitive, autocratic enterprise over co-operative, democratic enterprise, and we are forced, therefore, to deal with the inevitable result: the infamous race to the bottom.

Our challenge, if we prefer a humane world over an unrelenting rat race, if we prefer hope over fear, is to change our emphasis, to encourage the co-operative alternative.

### **A Change of Emphasis: Constructing a Co-operative Global Society**

We have made progress. One in three Canadians is a member of a co-op or credit union as are a billion of the world's people. A good start but still a small part of the global economy and little threat to capitalism. We need to replace capitalism, not nibble at its edges.

Global competition is principally the domain of large corporations. If we are to turn the global economy in a more humane direction, these are the beasts we must tame. Over the long term, we might consider transforming corporations into co-operatives. In the meantime, we can at least democratize them, as we will discuss later, in "Hybrid Democracy."

Governments could, in addition to insisting on more democratic and co-operative corporations, support co-operative over competitive enterprise. They could eliminate income taxes for co-ops, provide low-interest loans, privatize government services to co-ops rather than to private companies, purchase goods and services preferentially from co-ops, and so on.

On the international front, governments must ensure that trade agreements emphasize fair trade along with free trade, ensuring that human rights and a healthy environment are ranked ahead of corporate profit. Fair trade is not only the right thing to do in itself, it usually means dealing with local producers rather than multinational corporations, and local producers often col-

laborate in co-operatives. Indeed, co-ops shine in offering small producers an opportunity for strength in numbers. Fair trade, however, is not enough. Trade agreements must be written in the language of co-operation rather than competition. The goal is co-operative trade over rat race trade, trade that aims to bring people together rather than to pit them against each other.

This will no doubt require changes to current trade agreements and this won't be easy. Corporate-dominated plutocracies such as the United States will have particular difficulty in moderating their priorities, but governments must decide what kinds of societies, including the global society, they want: democratic and co-operative or plutocratic and competitive. Do they want to rise above tribalism or remain mired in it?

When economic globalization is the charge of co-operative enterprises rather than competitive ones, when instead of corporations exploiting cheap labour in the Third World, and using it as a lever to reduce wages and benefits in the developed world, global investment is committed to co-operation, the rights and independence and living standards of all people will be improved. The emphasis will be on development to help the less advantaged, not to exploit them. It will be possible to discard the myth "we must compete in the global marketplace" and replace it with a new reality: "we must co-operate in the global society."

---

<sup>1</sup> Elle Andra-Warner, "Kay-Nah-Chi-Wan-Nung and the Manitou Mounds," *Airlines* (Westjet's inflight magazine) December 2000: 38-45.

<sup>2</sup> Much of the information in this essay was obtained from the Canadian Co-operative Association website, [www.coopcca.com](http://www.coopcca.com).

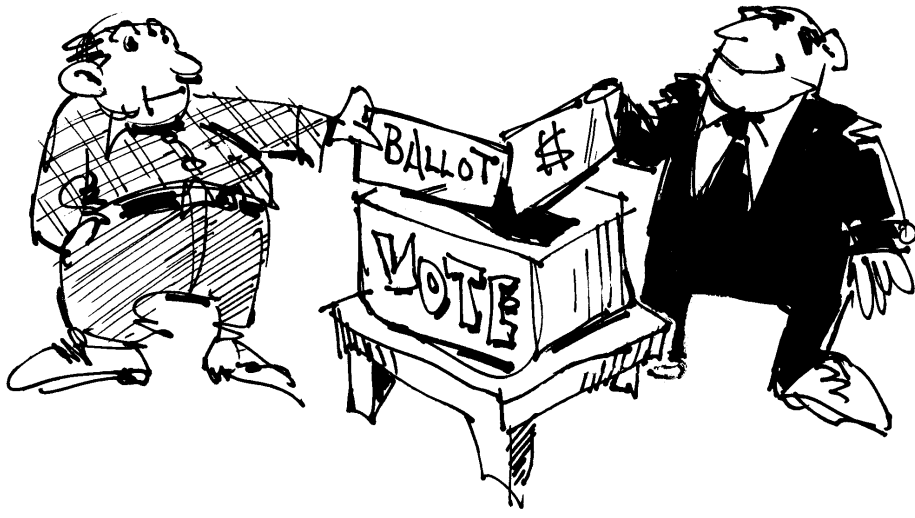
<sup>3</sup> John Stackhouse, "Co-ops Cream of India's Crop," *The Globe and Mail* 3 March 1997: A10.

# Political Fables











### **The Saints Go Marching On**

**T**he Basilica de Nuestra Senora de Guadalupe in Mexico City is the principal shrine to the patron saint of Mexico, the Virgin of Guadalupe. The original church was built on a rocky hill called Tepeyac after a humble Indian convert to Christianity beheld a vision there one cool December morning in 1531. A dark-skinned woman appeared to him in a brilliant light accompanied by celestial music, claiming to be the Virgin Mary and expressing a desire for a sacred house to be built on that very spot. Bishop Juan de Zumarraga, convinced that the Indian had truly experienced a miraculous encounter, ordered a church to be built.

But was the Dark Virgin the mother of Jesus?

The hill, Tepeyac, had a history. The site where the vision had indicated the sacred house was to be built had once been occupied by a Mexica temple dedicated to Tonantzin, Earth goddess, mother of the gods and protector of humanity. Her temple had, some time before the blessed event, been destroyed on the orders of Bishop Zumarraga. Had the Earth goddess cleverly reincarnated Herself in Catholic guise to deceive the priests of the new religion into rebuilding Her ancient sanctuary? Had the Bishop been tricked by a ghost?

We cannot know. But we do know that as Christianity spread across the world it not infrequently absorbed the beliefs and beings of other spiritual cultures, becoming more or less a hybrid theology. But then hybridization is the way of belief. Just

as Tonantzin lives on as the Virgin of Guadalupe, old beliefs often never really die, but continue on in guises more suitable to the temper of the times.

### **Political Faith**

As it is with religion, so it is with politics. And so it is with aristocracy. The guise of the privileged may change as may their manner of exercising their power, but they persist, and they prevail, regardless.

Marx recognized this 150 years ago. He advanced the notion that Western peoples were the victims of a “democratic swindle,” in the sense that the rich, while carefully retaining power themselves through economic domination, use democratic forms to present an illusion of participation that precludes challenges to the system. Marx was echoed in the 20th century by Edward Bernays, pioneer of modern public relations, advisor to corporations and author of *The Engineering of Consent*, who observed, “The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism ... constitute an invisible government which is the true ruling power of our country.”<sup>1</sup>

Marx and Bernays may overstate the case; nonetheless, the idea that Canada is a democracy is more comforting myth than hard reality. We have a hybrid system, part democracy certainly, but part plutocracy as well.

The old landed aristocracy that ruled with arrogant authority for millennia was replaced in the 19th century by capitalists, who practiced a more subtle exercise of power, more in keeping with the ideals of human rights that had captured the imagination of the Western world. In the 20th century, they were in turn replaced by corporate capitalists, masters of subtlety. The aristocracy of bloodlines was, like Tonantzin, reincarnated, assuming the guise of an aristocracy of money, even of a meritocracy, while adopting gentler, less obtrusive forms of influence, all more suitable to the mores of the day. Yet the plutocracy still insists on its ancient right of power greatly disproportionate to its

numbers. Like Bishop Zumarraga, we are tricked by ghosts. We believe we practice the new faith, democracy, but remain guided very much by the older faith of aristocracy.

Corporate capitalists are content to let us govern ourselves much of the time. They have little interest in many of our affairs—gay marriage, gun control, the legalization of marijuana, and such like. But when they perceive the need, a powerful array of instruments ensures them a guiding hand that steers society in a direction amenable to their interests and their system. Financial domination of politics, command of the heights of the economy, ownership and control of the mass media, sponsorship of think tanks, public relations and advertising power, funding of academic research—all merge into a comprehensive network that tangles what democracy we have in a web of corporate influence. It is democracy's most intractable enemy and, perhaps most insidious of all, we pay for all of it.

### **Bourgeois Democracy**

Premier Mike Harris of Ontario enjoyed a particularly pleasant lunch in June, 2000, at the Metro Convention Centre in Toronto. The beef Wellington was very good, but it wasn't the main course. The *pièce de résistance* was the \$2.4 million raised for the Ontario Progressive Conservative Party, a Canadian fundraising record. With tables going at up to \$12,000 each, lobbyists, publicists, and businesses small and very large anteed up to support the political party of their choice.

Political parties that please the plutocrats profit mightily. In Alberta, the business-friendly Conservatives raise three times the money of all other parties combined, overwhelming the opposition with cash. This suggests rule by the corporation rather than by the people, an injury added to by the insult that many of the corporate donors are foreigners who have no right to be involved in our politics at all.

Our politics is corrupted by big money as much as a banana republic's but with far greater subtlety. So ingrained is it into the political system, it appears as a natural and legitimate part of the organism rather than as a foreign body corrupting it, as do the

crude cash-under-the-table methods of less sophisticated regimes. By perfectly legal means, it simply ensures that those parties and candidates most amenable to its interests receive more money than their opponents and, therefore, on average and over the long run those parties and candidates will dominate government.

Nor does the purchase of politics end with ladling largesse into the begging bowls of politicians. Big money supports a host of auxiliaries in its contest with democracy: business organizations such as the Chamber of Commerce and the Canadian Council of Chief Executives; lobby and public relations firms such as Burston-Marsteller and Hill & Knowlton; think tanks such as the Fraser Institute and the C.D. Howe Institute—the list is long and intimidating.

### **The Other Half**

Overarching even politics is the powerful fact that business is one of the two institutions, the other being government, that holds the keys to the money vaults of the country. Most of the money we will ever have, we will eventually hand over to one of these two. Business's economic clout makes it in many ways the equal of government—the other half, so to speak, and in the eyes of some ideologues, the better half.

Small business does not concern us—small business people are individual citizens like the rest of us and deserve individual consideration accordingly— but big business, corporate business, is another matter. Entities that can create or destroy thousands of jobs with a single boardroom decision can easily twist governments around their corporate fingers, regardless of the philosophy of the governments involved. Indeed, they can bend collectivities of governments to their will. Globalization, a noble concept, has been perverted into little more than a license for cheap labour by the power of corporations to shape international trade agreements entirely to their interests while the rights of workers and the health of the environment go begging. But then, when many global corporations are bigger economically than

many countries, we can hardly be surprised that they hold an equal, if not the upper, hand.

A particularly useful property to big money is the mass media. Ancient Athens, the world's first democracy, offered two public forums, both equally accessible to all citizens: the marketplace and the assembly. Every citizen could visit either and inform himself (herselves were not citizens in that benighted city state) of the news of the day and debate with fellow citizens the issues of the day. The marketplace and the assembly were places of equal accessibility because they were public places, owned equally by all the citizens. Our modern democracies also have two public forums—the daily press and network television—but they are owned and controlled by a tiny special interest group, a handful of oligarchs with an agenda of their own.

We are all theoretically free to own daily newspapers or television networks, but in practice only the very rich, increasingly the corporate rich, can afford to. As the American journalist A. J. Liebling observed, "Freedom of the press belongs to those rich enough to own one." Ownership of the mass media by a tiny special interest group of press lords is rather like a town hall meeting run by the richest man in town. Every citizen is free to speak, but the man with the money sets the agenda, decides what the issues are, and determines who speaks and for how long. Freedom reigns, but democracy—the political equality of citizens—is mocked. At the hands of the capitalist mass media, we are as much an indoctrinated society as an informed society.

We have but one independent mass medium: the CBC. Owned equally by all of us, it is our only truly "public" forum.

The Internet serves as a public forum but with little in the way of comprehensive collation. Except for the web sites of major news outlets, it remains something of a grab bag for news and views; however, it has considerable promise, and may yet prove to be a powerfully liberating force for democracy.

We will need it, as even our future increasingly becomes the property of the corporate sector. In a hi-tech society such as ours, the future is often the creature of research, and many of our public research institutions are pandering themselves to corpo-



rations. Indeed we, through our governments, frequently insist that they do, instructing researchers that if they want funding they must “partner” with companies. After all, it helps keep taxes down. It also subjects research to the corporate will. Corporations decide in which directions society will flow and those directions will be designed to maximize their profits, serving the public good incidentally if at all. Chemical corporations, for example, are hardly going to fund research into organic farming, a practice that, if it became widespread, could put them out of business. Agricultural researchers, therefore, are mightily inclined to favour chemical farming. Canadians may prefer an emphasis on sustainable agriculture, but their opinion is irrelevant. Once we insist on “partnerships” in research to save a few dollars in taxes, we betray our right to determine our own future.

### **A Tax by Any Other Name**

Contributing to political parties, sponsoring think tanks, funding academic research, to say nothing of donating to various forms of charity—corporations seem the souls of generosity. Their generosity, however, is in reality our generosity. We are the source of corporate largesse, whether we like it or not. We pay to corrupt our democracy, to hybridize it, to turn it into as much myth as reality.

Every time we buy a product, be it a dozen oranges or a pair of socks, we are paying for everything the businesses that supply it pay for. We pay the cost of manufacturing, transporting and retailing the product. We pay for all the profits made. We pay to advertise it. And we pay a little extra to fund business largesse, whether it be for business organizations, lobby groups, public relations firms, think tanks and political parties, or charities, arts groups, sports organizations, etc. All the generosity of business comes out of the pockets of consumers, out of our pockets.

We might call it a tax. In the dictionary sense of a “burdensome charge” or a “forced contribution,” it certainly fits the description. It isn’t usually thought of as a tax, but then it is so buried in the cost of consumption it usually isn’t thought of at

all. We are very much aware of the taxes we pay to our governments. The GST and provincial sales taxes are slapped onto our purchases, we fill out an income tax form every April, the city sends us an annual assessment notice on our property, and so on. These taxes are thoroughly debated, subjected to much media attention and persistently attacked by anti-tax organizations. The “business tax,” on the other hand, is rarely mentioned. Its invisibility is, like so many of the devices the plutocracy employs to control us, one of its most powerful features. And one of its most insidious.

Consumers, and we are all consumers even if we aren’t all income tax payers, can’t avoid it. You may choose not to buy anything from a company that contributes to a cause you disagree with, but how do you know which companies are contributing? Political parties are required to divulge the names of their major contributors, but private organizations are not. Even discovering which company produces what product can be difficult; corporate ownership has become so vast and complex. In any case, you would be hard pressed to find a company that didn’t contribute to one or more of the kinds of organizations mentioned above. Short of retiring from society entirely, or from life, you will consume goods and services, you will support a range of business-backed special interest groups. You are not free to choose.

Meanwhile, for those citizen groups on the wrong side of the political spectrum to partake of the business tax, raising cash means slogging from door to door, from mail out to mail out, accumulating small donations from individual citizens, and facing a huge disadvantage in public debate and political influence.

Advertising represents a special case of the business tax. We may not appreciate most advertising, given that it is targeted to manipulate rather than inform, but we must pay for its gratuitous presence anyway. And that means we must pay for the mass media also, even though we may have little use for it either. Indeed, we spend many times more dollars supporting commercial TV and radio via advertising than we spend on the CBC via taxes. Commercial television obtains all of its revenues

from advertising and the daily press, most of its revenue; thus we support the corporate media supporting the corporate interest whether or not we approve of either. The “free” press, too, is more fable than fact, captive of plutocratic owners and plutocratic advertisers.

### **Levelling the Political Playing Field**

So what to do? How do we rid ourselves of this troublesome plutocracy? How do we create full democracy out of a hybrid?

It won't be easy. Corporate influence, funded largely by the business tax, is so intricately woven into the warp and woof of our capitalistic society that even gaining public recognition of it is a challenge. Governments have not entirely ignored the excessive influence of big money on politics, however. Measures have been taken, at least in the electoral process.

Both provincial and federal governments have introduced legislation that curbs plutocratic clout and broadens participation in the democratic project. The *Canada Elections Act*, governor of federal elections, allows for partial reimbursement of parties' and candidates' election expenses, restricts election spending and requires disclosure of party revenues. It also provides for an allowance to political parties based on the votes they received in the last election and, of the very greatest importance, severely restricts contributions from corporations and labour unions. Tax credits are offered under the *Income Tax Act* for contributions to political parties.

Provinces, too, have instituted measures to constrain wealth, ranging from minimal legislation in Alberta to the sincerely democratic rules of Manitoba and Quebec. These latter two provinces ban contributions to political parties from both corporations and labour unions. Contributions are restricted to individuals and to a maximum of \$3,000 a year. Manitoba and Quebec, more than the other jurisdictions, mean to limit democracy to citizens, just as it ought to be.

### **Tax Relief**

The job has only begun in dealing with politics. Big money doesn't play the political field merely through largesse to political parties. It uses our hard-earned dollars to support an extensive list of front organizations, business groups, lobbyists and public relations firms. If corporations could no longer buy political parties, they might simply shift more of their spending—our spending, actually—to these third parties. Money is a fluid commodity. The *Canada Elections Act* recognizes this by limiting a third party's spending in federal elections and requiring disclosure of contributors who donate over \$200.

If we really want to rid ourselves of the business tax, we must do more than just reduce its interference in elections. We need to restrict contributions to any organizations that involve themselves in political issues. Contributions to groups that aren't transparently charitable, that aren't serving some clearly apolitical purpose—foundations seeking cures for diseases, professional organizations, amateur sports groups, etc.—should be restricted to individuals and limited in amount. If the Canadian Council of Chief Executives or the Fraser Institute engaged in political activity, and this would be broadly interpreted, they would no longer be allowed to accept money from corporations or other institutions, just as political parties can't in Manitoba and Quebec. Their fundraising would be confined to modest donations from individual citizens. This would not compromise their freedom of speech, only their right to have the public pay for it via the business tax. Corporations would no longer be allowed to spend our money to promote their political agenda while indoctrinating us in the process.

### **Taming the Corporate Beast**

Dealing with the plutocrats' command of government through their command of the economy requires nothing less than collapsing the economic supremacy of plutocracy.

We might start by democratizing corporations, an essential exercise if we are to be serious about democracy. Shareholder corporations are classic plutocracies. They do not offer, as do

democracies, one citizen/one vote, or one shareholder/one vote, but rather one share/one vote. Power is vested in money, not people. To employees, corporations are autocracies, hierarchal institutions, power flowing from top to bottom rather than bottom to top as it does in a democracy.

We could include requirements for democratic structures in their charters or simply legislate those requirements, imposing democratic process on corporate conduct from top to bottom. Boards of directors could be required to include not only worker representatives but also community representatives and possibly consumer representatives as well, thereby enhancing both democracy and co-operation between the various stakeholders. Charters or legislation could institute democratic governance throughout the organization, from the shop floor to the boardroom. Employees would have a say in staff affairs, financial decisions and the choice of managers. These sorts of reforms have already made considerable progress in countries such as Germany. Democracy would be considered a principal corporate goal with profit no more than a yardstick of performance.

These measures would not only bring corporations generally within the purview of democracy but would also go a long way to specifically transform the mass media from servants of the plutocracy into servants of the public. A collegially-run media, with journalists electing their editors and publishers, would bring a refreshing burst of democracy into newsrooms. In the meantime, we would do well to not only strengthen the only independent mass medium we have, the CBC, but also to seriously consider a publicly-owned, national daily newspaper. We need at least one organ in the realms of both network television and the daily press that is wholly ours, wholly democracy's.

Even the most ardent free marketeer recognizes the need for government to oversee markets to ensure they remain competitive. Government monitoring of some kind over the mass media is equally necessary to ensure that we have a full and fair competition of ideas.

## Mastering the Servant

We allow corporations to exist in order to serve us as economic engines, by exploiting resources, by providing goods and services, and by creating jobs. We charter them to do these things. Unfortunately, we have allowed them to become more than servants, even appearing at times to be persons in their own right, worthy of the privileges of citizens. We must put them back in their place, monitor them closely as the economic servants they ought to be, deny them any participation in the election and running of our governments, and not hesitate to punish them and their officers, even revoking their charters if necessary, when they misbehave.



Whether or not Tonantzin lurks about the Basilica de Nuestra Senora de Guadalupe in Mexico City and has claimed it for Her own is of little consequence, except possibly to jealous priests. She was there first, after all, and it would be churlish of us to deny Her sanctuary in Her own place. The plutocracy that haunts the temple of self-governance is a different matter. If we are to have more than a hybrid democracy, more than a democracy as much myth as reality, we must exorcise the plutocratic spirit and consign it to oblivion.

---

<sup>1</sup> Quoted from Edward Bernays' 1928 book *Propaganda* in Christopher Dreher, "The Father of Spin Makes a Comeback," *The Globe and Mail* 11 September 2004: F8.





The Small Government Myth

6





## The End of Small

“Merchants have no country,”<sup>1</sup> famously spoke the great American statesman and founding father of his nation, Thomas Jefferson. Jefferson, an early anti-capitalist, opposed industrializing the United States, believing that freedom required the independence provided by an agrarian way of life. Like Rousseau before him, he believed private property to be of the utmost importance, so important that a free society required every citizen to have a roughly equal share of it. In Rousseau’s words, “No citizen shall ever be wealthy enough to buy another, and none poor enough to be forced to sell himself.”<sup>2</sup> Jefferson believed that large-scale manufacturing corrupted this equality by creating landless, dependent factory workers on the one hand and excessive ambition on the other, so he espoused a society of relative equals: small farmers, tradesmen and small businessmen in a society of small government.

His country industrialized despite Jefferson. By the end of the 19th century, the United States saw its economy dominated by large corporations and powerful capitalists who, as Jefferson rightly predicted, put acquisition ahead of civic duty. A new generation of Americans quarrelled over the result. Progressives revived the argument of capitalism as the enemy of democracy. Theodore Roosevelt’s approach was to confront big business with big government. He expanded the role of president, using it to bust monopolies and provide consumer protection. His ap-

proach won out. In the 20th century, both corporations and government grew to unprecedented sizes.

At the beginning of the 21st century, Americans are divided once again, some concerned with the excessive power of corporations, others with the size of government. And some still yearn nostalgically for the yeoman society of small farmers, tradesmen and small businessmen they see as prevailing in early America. The latter will almost certainly be disappointed, as will their soul mates here in Canada. Jefferson could realistically, in the circumstances of his time, contemplate the small-scale society; we, in the circumstances of our time, cannot. The possibility faded long ago into myth.

### **Bigger Can Be Better**

Comparing your grocery bills after shopping at the supermarket and after shopping at the corner grocery store amply illustrates the advantages of big. As does comparing the variety of products offered. Size alone allows corporations to offer consumers prices and products small companies cannot.

And size often offers superior benefits for workers as well as consumers. Corporations generally provide their employees more compensation than small businesses in a variety of ways: better pay and benefits, more opportunity for advancement, better educational opportunities, etc., and a better opportunity to participate in the one major democratic presence in the workplace—labour unions. During the Alberta Economic Development Authority's right-to-work study in 1995, a number of corporations, including Canada Safeway and Westfair Foods, supported the unions in successfully opposing right-to-work laws. According to *Canadian Dimension*, the Harris Government in Ontario was "inundated by letters from corporate CEOs ... asking them to rethink their plan to scale back workers' rights ..."<sup>3</sup> Small business is not often as supportive of organized labour and the rights of working people.

Rather than fantasizing about the Rousseau/Jefferson ideal of a small enterprise economy, we might better accept the advantages of large enterprises while simultaneously keeping them

under our democratic thumbs as we discussed in “Hybrid Democracy,” keeping firmly in mind that only strong government can subdue and restrain the plutocratic urge.

### **The Inevitability of Big**

The top Canadian news story in 2000 shook Canadian complacency to the core. Many things in this modern, prosperous nation of ours are taken for granted, including our water supply. We expect our water to be clean and safe. Yet in 2000, the water system of Walkerton, Ontario, failed, and failed disastrously. In May of that year, a deadly strain of E. coli bacteria found its way into Walkerton’s water, killing seven people and making over two thousand sick.

An important factor in the tragedy was severe cutbacks by the Ontario government which hampered the ability of the province’s Ministry of the Environment to identify and deal with problems at the utility. The department budget had been cut by 40 per cent and staff by a third as a part of the Harris government’s tax-cutting binge. Like the mad cow catastrophe in the United Kingdom, which followed hard on the heels of the deregulation “industry knows best” measures of the Margaret Thatcher regime, the Walkerton tragedy illustrated that the duties of government are far more pervasive than they were in the past and cannot be curtailed arbitrarily without great risk.

### **Health, Education and Just Getting Around**

In Thomas Jefferson’s time, there was relatively little for government to do, so small government was almost inevitable. Small government today can, by necessity, be little more than a romantic fantasy. Consider, for example, the realm of health. In Jefferson’s day, going to a doctor was likely less efficacious than resorting to old wives’ remedies, and possibly a great deal riskier. Local governments had little to do but ban the selling of putrid meat and pass simple sanitation laws.

In the 20th century, that changed utterly. Today, formal medicine has a host of powerfully effective tools at its disposal: drugs, surgeries, tests, scans, etc., and medicine is only a part of

health. Two hundred years ago, food was locally grown and encouraged only with Nature's natural leavings. Now food is imported from around the world, treated with a range of pesticides and genetically altered. Bacteria genes have been spliced into the DNA of apples and tomatoes to increase their resistance to pests.

Quite aside from the man-made chemicals sprayed on fruit and vegetables and ingested by food animals, thousands of other chemicals, with more developed every year, enter our environment through a myriad of manufacturing processes.

And then there's water. Jefferson no doubt got his water from a local well which, if it wasn't too close to the barn, would prove to be a safe supply. If it was contaminated, only a few people would be affected, and as for E. coli, well, no one had heard of such a thing. Deadly bacteria and viruses, including new and exotic varieties, now spread not only through towns but also throughout the world.

All of this dictates comprehensive involvement of government if we are to have a healthy population. The advanced technology of medicine is expensive and without significant public funding we cannot hope to provide all our citizens with equitable access. Many diseases can now be vaccinated against, but effective control requires broad public planning and execution, as do other public health measures. The staggering array of chemicals we live with, in our food and in our environment generally, requires an extensive network of testing and monitoring, of technicians and scientists, to safeguard our well-being.

As with health, so with education. In Jefferson's time, education was almost a luxury for most people and very few required more than basic literacy to make their way in the world. Even toward the end of the 19th century, many conservatives argued against educating the children of factory workers: not only was it unnecessary for the work they would do, assumed to be the same as their parents, but it would also create unrealistic expectations and lead to dangerous ambitions. The modern world requires a basic education for all and advanced education for many if not most, not as a luxury but as a fundamental need.

Again, without significant government involvement, we cannot ensure the broad access to the learning and training that all citizens deserve and the 21st century economy demands.

Or consider transportation. In early North America, cart trails sufficed. Now we must have superhighways to transport, effectively and quickly, massive quantities of goods of all kinds. Jefferson could hardly have imagined delivering fresh lettuce or oranges from the tropics to the Great White North in a few days. Today, governments maintain the infrastructure to do just that.

### **Lean but Large**

Much political talk these days concerns reducing the size of government—or perhaps just diminishing government. Lean government is desirable, certainly, but small government is hardly even rational. When society reasonably expects sophisticated health care fairly delivered; safe food, fresh and of great variety; clean water at the turn of a tap; efficient sewage disposal; police and fire protection; decent housing for the poor; high-speed, high-volume transportation systems; provincial and national parks to preserve our natural heritage; plus a host of other services, the word “small” does not correlate with government.

Prior to the Industrial Revolution, a government’s principal need for taxes was maintaining its military; today, democracy and a modern economy, to say nothing of simple decency, demand, and advanced technology allows for, a well-educated, well-served, healthy population. The price, however, is high, and taxes must be high to cover it. This isn’t socialism, it’s realism. The only way to return to small government is to return to the 18th century, and few of us are that conservative, or that nostalgic.

### **Tax Fiction**

The best friend of the small government myth is the fiction that high taxes mean low prosperity and conversely, low taxes mean high prosperity. A babble of mass media, conservative politicians, corporate economists and think tanks immerses us in the

notion of tax reduction as a necessary stimulant for economic growth. The facts suggest otherwise.

Many European countries have tax rates higher than Canadians and Americans, yet their economies prosper mightily. Their standards of living are high, their unemployment rates low, their economic growth rates compare favourably to ours, and their companies compete successfully in the global arena. In the 1990s, Denmark and Holland consumed far more of their nation's gross domestic product in taxes than Canada or the United States, yet their economies grew faster. Furthermore, their peoples' incomes were much more equitably distributed, laying to rest any argument that equality deters productivity. These countries prove that it is possible to achieve high economic growth and low unemployment without sacrificing the goal of social equity.

In the 1980s, a country rather like the small Scandinavian countries but on the other side of the world, swung the other way with a low-tax approach. Both left- and right-wing governments in New Zealand dramatically reduced spending, attacked social security, privatized public assets and services, and slashed taxes. The result was a comprehensive disaster. The ensuing decline in New Zealanders' social standard of living might have been expected, but what wasn't expected was their material standard of living remaining stagnant for the next 15 years. The product of the experiment was a declining and dispirited population.

If we think of prosperity as something more than gross domestic product, then progressive European countries such as Denmark soar above that exemplar of the low-tax approach, the United States. If prosperity is expressed in terms not only of sufficient wealth but also in terms of its equitable distribution, in terms of minimizing poverty, in terms of low rates of crime, drug abuse, and other social ills, then these countries are very much more prosperous than the U.S. They make the point that for comprehensive economic well-being, sound social infrastructure is essential. It may also contribute to the very best in economic performance. Relatively low taxes may not only be the enemy of prosperity in its fullest sense but also of the most pro-

ductive economy possible, by not ensuring a thoroughly healthy, well-educated population. Inculcating the big lie of greater prosperity through lower taxes into the Canadian consciousness is one of the great success stories of plutocratic propaganda and its principal vehicle, the mass media.

Progressive European countries and the United States represent the extremes. Canada falls in between—in tax rates, in social infrastructure, in social ills, etc. If we want a healthier country, there can be little doubt where our model lies.

There is no magic formula for how much citizens should spend individually and how much they should spend collectively. In a democracy, the role of government is whatever the citizens deem it to be, no more, no less. Citizens of a relatively macho, individualistic society such as the United States will tend to shrink their government's role whereas citizens of a more feminine, communal society such as Denmark will tend to expand it. The result will vary from society to society and from time to time within each society. People will indeed get the government they deserve.

### **Really Big Government**

We can no longer sensibly confine consideration of our governance to the nation state. Technology brings all the world's people ever closer together and involves us increasingly in each other's affairs. Globalization is upon us. Inasmuch as it offers us for the first time the possibility of thinking of ourselves as one people, as citizens of the world, it can be a very good thing. As the planet steadily shrinks into Marshall McLuhan's "global village," the challenge of how best to govern the village steadily grows. Furthermore, as corporations become global, some larger even than nation states, we are once again faced with Teddy Roosevelt's problem of how to conform them to the citizens' will—this time the will of global citizens, not just those of one country. We can only achieve this through global governance. Big government must become even bigger.

Foremost among our instruments of global governance is the United Nations, an instrument that currently has little power,



acting more as a talking shop and a social agency. If it is to become a global government, it must have the power of government, the power to make the rules for global conduct.

Before it assumes that role, it requires democratization. The Security Council, for example, the senior level of the institution, consists of ten elected members but also five permanent members—China, France, the Russian Federation, the United Kingdom and the United States—each of which has a veto and can, therefore, paralyze decision-making.

China illustrates another problem. Its 1.3 billion people have the same representation in the General Assembly as the 280,000 people of Iceland. China, at least, has a seat on the Security Council; India, with almost a billion people, doesn't even have that. Each Icelander has in effect over 3,500 votes for each Indian's—not exactly the democratic ration of one citizen/one vote. And China illustrates yet another problem. It is represented by a government its people did not choose. Are the Chinese people, or just a ruling clique, being represented at the UN? We don't know. Democratically speaking, the representation is illegitimate. The Icelandic delegates may in fact be representing more people than the Chinese delegates. Clearly, the UN desperately needs a reformed Security Council, proportional representation and, to confront perhaps the most intractable problem, some assurance that delegates represent their people legitimately.

For all its problems and for all their gravity, the UN is our best bet for creating global democracy. In the words of the House of Commons External Affairs Committee, "The world needs a centre, and some confidence that the centre is holding; the United Nations is the only credible candidate."<sup>4</sup> UN organizations such as the International Labour Organization and the UN Commission on Human Rights, as well as international conferences on topics ranging from the environment to women's rights, provide the forums necessary for democratic discussion of and the development of global strategies for matters affecting all of us. Organs such as the UN Children's Fund, which the New York Times once referred to as "one of the most successful

humanitarian programs the world has ever known,"<sup>5</sup> and the World Health Organization even form a rudimentary global welfare state. Justice, too, is globalizing. The international community has established a permanent International Criminal Court to try parties accused of genocide, war crimes and crimes of aggression.

### **Shape of Things to Come**

As globalization proceeds, power drains from those levels of government through which we currently run our affairs, particularly that of the nation state. As desirable as global citizenry may be, we want to maintain a degree of sovereignty closer to home, to create our own kind of local society and not be homogenized into some global average. Global society benefits in turn from maintaining variety. Through diversity in everything from pop culture to political systems, we can compare and improve. Also, in the interest of democracy, we want to exercise subsidiarity—the principle that decisions should be made at the lowest level of government competent to make them—in order to keep decision-making close to the people most affected by the decisions.

We want, in other words, to govern ourselves globally and locally at the same time. Here is the challenge: a generous amount of local autonomy within a framework of global rules. To rise to the challenge, we must first look carefully at the three levels of government we have now: federal, provincial and municipal.

Globalization notwithstanding, we still function primarily as a nation state among nation states and will for a long time to come. Our national government remains, therefore, a fundamental necessity, and because of the broad range of duties it must perform, and to provide a balance to autocratic global corporations, it must have considerable heft. We also need to retain municipal government to deliver services as close to the people as possible in the spirit of subsidiarity. But why do we need provincial government?

The redundancy of this level stands out. One hundred and forty years ago, when transportation and communication were slow, an argument could be made for it. The federal government could seem a long way away, and populations were scattered on farms and villages. But today, transportation is fast, communication is instantaneous and people are concentrated mostly in towns and cities. Most of what provincial governments do, for example health and education, could be done as effectively, and more accountably, by local governments, and the rest, such as resource management and highways, transferred to the federal government. The constitutional rights of provinces could, therefore, be largely devolved to municipalities. Our large cities would finally be relieved of their demeaning and frustrating status as creatures of the provinces.

At a time when big government is essential, we are presented, nonetheless, with the opportunity to downsize government, indeed to get rid of an entire level.

We would still have three levels of government, but now they would be global, national and local. Ultimately, as we become increasingly comfortable as global citizens and increasingly adept at managing our global affairs, the nation state might be allowed to wither away and we will be left with only two levels of government, global and local. We cannot sensibly have small government, but we can eliminate whole levels while bringing global governance closer to home.

---

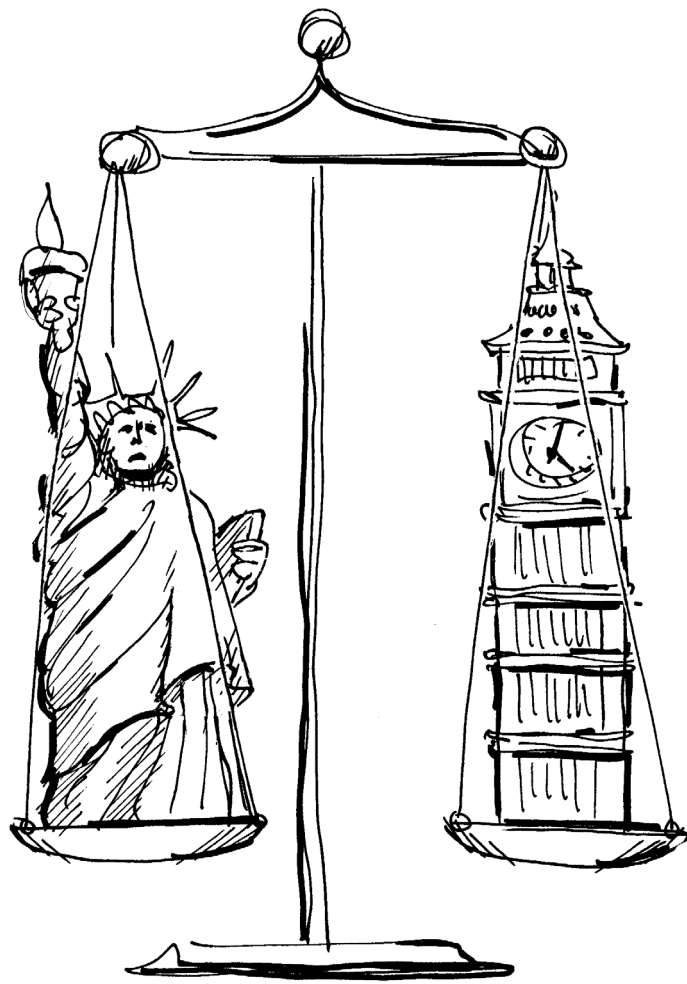
<sup>1</sup> Thomas Jefferson, *Democracy* (New York: Greenwood, 1939) 129.

<sup>2</sup> Jean-Jacques Rousseau, *The Social Contract and Discourses* (London: J. M. Dent & Sons, 1973) 225.

<sup>3</sup> Jason Zeidenberg, "The Counter Revolution," *Canadian Dimension* April 1996: 7.

<sup>4</sup> *Our Global Neighbourhood: The Report of the Commission on Global Governance*. (Oxford: Oxford University Press, 1995) 291.

<sup>5</sup> Michael Kesterton, "Social Studies," *The Globe and Mail* 31 October 1997: A28.



Democracy or Freedom?

7



### **The Theft of Liberty**

**F**or centuries Roman fortunes had waxed under the old gods: under Jupiter, king of the gods and ruler of the air, and his brothers, Neptune, ruler of the sea, and Pluto, ruler of the earth and of the dead, and Diana and Minerva and Cupid and the entire Pantheon of gods, and under the plethora of guardian spirits who guided households just as Jupiter guided the republic and the empire. Then in the fourth century a bold new god captured the empire and swept all the others away. The one and only Christian god arrogantly asserted His supremacy over the known world, and Rome's fortunes fell apart.

Western Europe, relieved of centuries of tyranny, breathed the air of freedom. But only for an instant. Pax Romana was replaced first by chaos and then by new tyranny. As Caesars and their legions marched out, warlords and their vassals marched in. Appointing themselves aristocrats and monarchs, they fought bitterly over the spoils and swallowed up liberty along with just about everything else. For half a millennium, Western Europe had served the interests of the Roman Empire, its emperors and its gods, from which it had been liberated only to serve instead home-grown autocrats and a much more jealous god who still commanded an empire from Rome if only a metaphysical one. Freedom became the property of lords and popes and homage the inheritance of everyone else.

## Ruling Freedom

This is always the way with freedom. It devours itself. Those who are best able to exploit it do so to gain power over others, and freedom then becomes a luxury for the former and a mere dream for the latter. As the philosopher Isaiah Berlin observed, "Liberty for the wolves is death to the lambs."<sup>1</sup>

If freedom is to apply to all, it must be constantly restrained. It must have limits to curb excess, particularly excess of power usurped by a few. We must have rules. A state of perfect freedom—an absence of rules—can last but for a moment.

But who is to make the rules?

There are always emperors and warlords, to say nothing of priests and other ideologues, keen to do that work, but their intent is to capture freedom for themselves, not to ensure that all enjoy its pleasures and privileges. If everyone is to share equally in freedom, then everyone must share equally in making the rules. Here democracy enters the picture. It is nothing more nor less than the citizens of a society sharing equally in making the rules that govern them as a society. A healthy democracy encourages its members to participate fully in that process, thus encouraging freedom while simultaneously constraining it—a paradox, but an essential one. Freedom is essential to democracy, but as its servant not its master.

Having established who is to make the rules, we must next turn to the question of what rules. Here we face a conundrum, a fundamental conflict. If we seek freedom for all, we must have rules; but rules, by definition, restrict freedom. One of the enduring myths of Western society, created in the ferment of the Enlightenment, is that freedom and democracy are essentially one and the same. They are not. On the contrary, they are often opposed. Democracy was devised precisely to constrain freedom in order to ensure its equitable distribution, to ensure political equality.

If we are to resolve the conflict wisely, we must think through this rule-making business very carefully. We must always be concerned about a balance between freedom and the rules necessary for its optimization.

## Writing the Rules

Above all, we must have the queen of rules: the rule of law. We are ruled by law, not by men, and we are, therefore, all equal before the law. Almost everyone will agree on that. Almost everyone will agree also that we should have rules safeguarding certain fundamentals such as freedom of speech, assembly, belief and association. After that, we encounter difficulty. Consensus is hard to come by.

We might first remember that, declarations by Thomas Paine and Jefferson notwithstanding, outside of metaphysical constructions no one has an absolute right to anything. We have those rights that our governments grant us and no more. What rights we *should* have is another matter and quite arbitrary. I can argue for a right—that it would be good for me, or good for society—but others may differ. I can even argue for God-given rights, but whose God exactly? In a democracy we have, more or less, those rights that we collectively tell our government we want.

The balance between liberty and license is often described prosaically as your right to swing your fist until it reaches the end of my nose. In other words, the rules governing a free society should allow the individual the right to do anything he or she pleases as long as it doesn't interfere with others' rights to do as they please.

If only life were so simple. Unfortunately (or fortunately), we are all woven so intricately into the fabric of society that few of our behaviours affect only ourselves. For example, at one time if someone smoked cigarettes, we considered it exclusively their business, not ours. Then we discovered that smoking caused a host of diseases the costs for which we all had to pay, and we discovered further that smokers were inflicting disease even upon non-smokers. It was our business after all, and we made rules accordingly, national rules to prevent the promotion of smoking and local rules to minimize the damage of those who would not quit.

And as social animals, as servants of empathy, we even have a desire to protect people from themselves. We are willy-nilly



our brother's and sister's keeper. This is a path fraught with danger, well-travelled by ideologues more concerned with imposing their dogma than with saving sinners from themselves, an area therefore best treated with extreme caution, especially in a pluralistic society where one man's sin is another man's salvation.

Easier behaviour to deal with is that which causes little harm to anyone, behaviour which connects to society's fabric with only the slimmest of threads. Here, rules make little sense. If the individuals involved do not interfere with anyone else's freedoms, then society has little justification in inhibiting theirs. This is the conclusion that Canadian society eventually came to in regard to homosexuality, once a criminal offence. As long as only consenting adults were involved, the state, as a former prime minister so famously put it, had no place in the bedrooms of the nation. Now the nation leans toward the same approach with the many among us who smoke marijuana, one of those behaviours where the rules themselves cause most of the problems. We might expect in the not-too-distant future to see marijuana subject to no more rules than its rather more troublesome companion alcohol.

### **One for All and All for One**

In taking care to intrude no more than necessary on the freedom of the individual, we must pay particular attention to each citizen's democratic right to participate equally in his or her society. We must avoid another myth, or perhaps just a misunderstanding, about democracy: that it is one and the same thing as majority rule. Again, it is not.

In a democracy, we often have to rely on majority rule, but it is most emphatically not democracy. It is no more than a tool, a method of decision-making that democracy resorts to when consensus cannot be reached. Unfortunately, it can be a dangerous tool, one that can undo democracy itself.

Democracy means rule by the people. Sensibly, this means all the people, not male people, nor white people, nor heterosexual people, not even a majority of the people, but *all* the people.

To the extent that a majority excludes a minority, even a minority of one, it is that much less a democracy. One of the greatest dangers to the proper practice of democracy is the tyranny of the majority. And this, of course, is why we have constitutions, the ultimate set of rules, to ensure that the right of each citizen to participate equally in democracy, and to enjoy the equality of freedom that democracy assures, is guaranteed. We have democracy to protect ourselves against the exploitation of freedom by a few, but we must also protect each other against the abuse of freedom by the majority. Always we seek a balance.

### **Plutocracy—the Warlords of Wealth**

So, when we have established democracy, need we worry any longer about the capture of freedom by emperors and warlords? We can expect threats from outside the free society, of course, but surely not from within? The answer, sadly, is yes, from within as well. Yes, because the force that drives men to seek disproportionate power remains ever with us. As we noted in “Must We Compete ...,” men are by their genetic design driven to acquire status and resources, indeed to many men liberty means above all the freedom to acquire more than their fellows, and with more resources comes more power. Capitalism, which is all about acquisition, feeds off this imperative. In “Hybrid Democracy” we saw how even today the power of concentrated wealth ultimately usurps the power of citizens, usurps democracy itself.

Capitalists are the new Caesars of the globalized world. They seek freedom for themselves, the freedom to command the heights of the economy, to own and control the mass media, to dominate the political process. Like the warlords who swept through Western Europe on the heels of the Romans, capitalists swept through the Western world on the heels of the Industrial Revolution to capture the levers of power, leaving a diminished freedom for the rest of us.

Even that wonderful institution, the free market, can subjugate us to the whims of capitalists. As liberating as it is, it atomizes us, leaving us alone, isolated in our decision-making,

vulnerable to the very expert manipulations of corporations, contrary to the habits of democracy where we decide collectively after free and thorough discussion with others.

The corruption of democracy by wealth is the Gordian knot of freedom. The warlords of wealth are more civilized than their forebears, and we are less tolerant of autocracy, so democracy co-exists alongside plutocracy, but only uneasily. Democracy requires the equality of citizens in the governance of their affairs, and when capitalists undermine that, their freedom must be curbed.

### **Freedom, U.S. Style**

Americans claim to have the freest society in the world, and they may well have, but they certainly don't have the most democratic. Achieving high office in the United States means either being rich or being acceptable to the rich, as exemplified by President George W. Bush, a man who has accomplished little in life without the generous assistance of his family's wealth and connections. Only massive largesse from the corporate sector, particularly the oil industry, lofted "Dubya" into the most powerful position in the world. More imposed by plutocracy than elected by democracy, he has faithfully served the oil industry ever since. He is a true heir of his right-wing Republican predecessor Ronald Reagan, groomed from governor of California to the presidency by three billionaires—publisher Walter Annenberg, department store owner Alfred Bloomingdale and brewer Joseph Coors—who then shared in the rewards.

Even the American constitution, ostensibly written to protect the liberty of the citizen, is now used to protect the plutocracy. The U.S. Supreme Court has ruled that the first amendment forbids restrictions on independent expenditures supporting or opposing candidates in elections, and also forbids restrictions on corporate spending during referendums. In the words of American judge J. Skelly Wright, "The Court thereby effectively declared open season for the influence of concentrated wealth upon initiative and referendum campaigns."<sup>2</sup> Wright suggests that the court has equated spending with speech. It also seems

incapable of distinguishing between individuals and corporations.

Plutocrats, with the support of an amenable judiciary and despite an abundance of evidence showing how big spending has corrupted American elections and referendums, have successfully exploited the myth that freedom and democracy are the same thing. They have manipulated the American constitution's first amendment into corrupting the very thing it was meant to safeguard—free speech. Big money has managed to make an ass even out of constitutional law. Rather than a pillar of democracy, the amendment becomes a tool for the rich to maintain political dominance, an inevitable result of unbridled freedom.

### **Freedom, Democracy and Gender**

Modern democracies experience a constant tension between the individual and the community, between what people should do for themselves and what they should do collectively. The former emphasizes freedom, the latter democracy. This tension is in no small measure a dichotomy between the masculine and the feminine present in all of us. It is in the nature of the masculine, the competitive gender, to set the individual against other individuals, just as it is in the nature of the feminine to emphasize relationships and therefore community.

This dichotomy is represented in all our institutions: in economics between the free marketeer, who would leave our economic destiny to personal choice, and the socialist, who insists that the collective retain control of its economy; in religion between the fundamentalist, who believes that society, women particularly, should be subject to dogma, and the liberal believer, open to and tolerant of other faiths; in politics between the right, insisting on self-reliance, and the left, insisting with equal fervour on collective assurance of social justice; and in the justice system, between a tough law-and-order macho insistence on an eye for an eye, and a feminine interest in restorative justice.

More masculine, patriarchal societies, characteristic of those heavily influenced by fundamentalist religion, such as the United States, emphasize individualism. More feminine, matri-

archal societies, such as Scandinavia, emphasize the collective. The former favours freedom (which makes it highly susceptible to plutocracy), the latter favours democracy.

This helps explain the difference between American society, or at least the Bible belt portion of it, and Canadian society. The Bible belt United States, the land of guns, football, good old boys and that old-time religion, is the most macho society in the western world and, as we would expect, the most individualist and anti-government. Canada, along with the American Northeast and West Coast, is a more feminine land, and consequently more democratic, more trusting of government.

Freedom, with its emphasis on the individual, particularly the competitive individual, might be considered a masculine construct while democracy, with its emphasis on relationships, might be considered a feminine construct. The fact that the two are not only different things but often even opposed things should not, therefore, surprise us, any more than male and female are not only different but often in opposition.

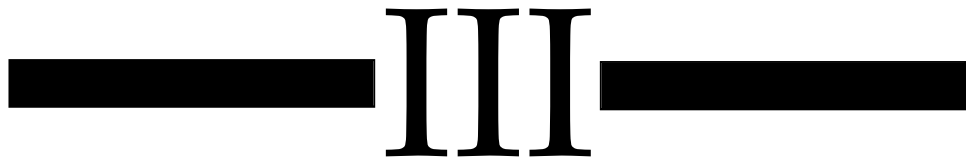
They are, however, also like male and female, necessary to each other. Freedom only achieves meaning through democracy and democracy cannot function without freedom—can't live with 'em, can't live without 'em. They must marry, and as in any marriage, care must be taken that the masculine partner does not assume dominance over the feminine.

---

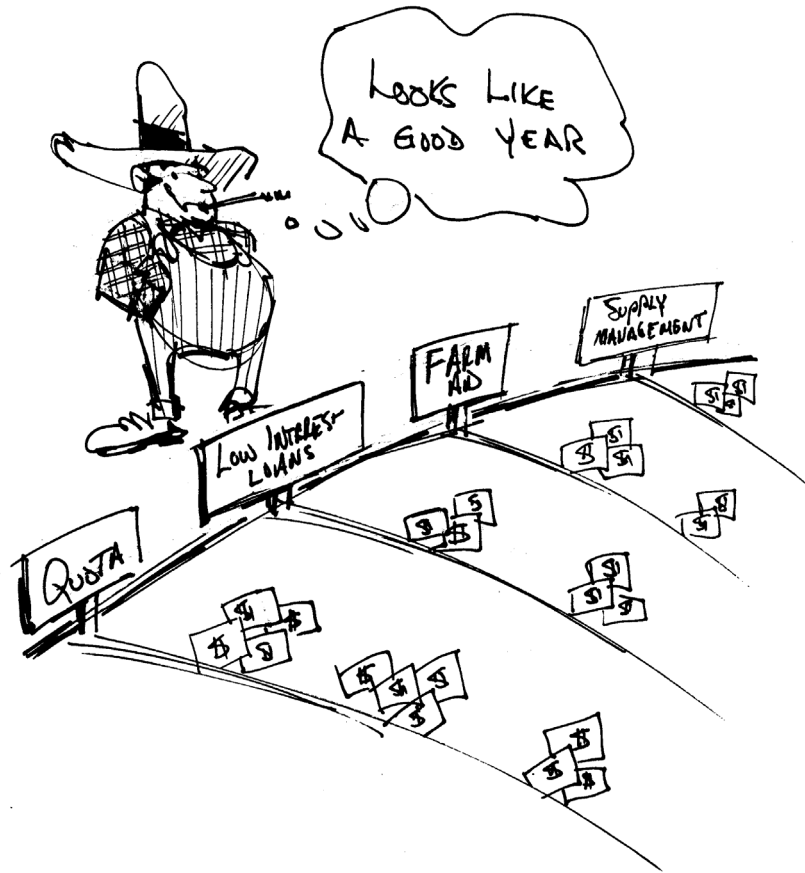
<sup>1</sup> Quoted in Earl Shorris, "Ignoble Liars," *Harper's Magazine* June 2004: 70.

<sup>2</sup> J. Skelly Wright, "Money and the Pollution of Politics: Is the First Amendment an Obstacle to Political Equality?" *Columbia Law Review* May 1982: 612.

# Moral Fictions







The Romance of Self-reliance: Down on the Farm





### **He Who Makes Things Grow**

**T**laloc, eighth ruler of the days and ninth lord of the nights, provider of rain and creator of drought, hurler of lightning and unleasher of storms, was greatly feared by the Aztecs. God of rain and fertility, He was among the oldest of gods, known as Chac to the Mayans, Tajin to the Totonacs and Cocijo to the Zapotecs. He could feed the people, or starve them, as He was pleased or angry.

The priests drowned children to please Tlaloc. The more the children cried, the more He was pleased; the more tears they shed, the more rain He sent, and the more the crops grew, and the more the people and the empire prospered.

In this skeptical age, we no longer drown children to indulge the rain god, but we make great sacrifices to agriculture, nonetheless.

### **Enter Theft ...**

Earlier, we talked about the grand pattern of land acquisition, the cycle of theft and inheritance. North America fits the pattern. From the time that Columbus sailed the ocean blue to the end of the 19th century, Europeans systematically stole the continent from its aboriginal inhabitants. Land that had for eons been the home of hunter-gatherers now was to be the home of farmers and ranchers.

Once the Indians had been eliminated or shuffled off to reserves, North American governments began to generously dole out their ill-gotten gains. In the Prairie provinces, for a filing fee of ten dollars, a settler could obtain 160 acres of free land, "choosing between woodlands, parklands, open Prairies, and hill country."<sup>1</sup> Serfs from Europe were magically transformed into landowners.

### **... and the Free Lunch**

The Prairies could, however, be as fickle as they were productive. Wheat, the heart and soul of prairie agriculture, could succumb to early frost, the ubiquitous grasshoppers and rust. The late-maturing Red Fife, the dominant variety since first arriving in Manitoba in 1876, was particularly susceptible to frost. In answer to the need for an earlier ripening variety, Dr. Charles Saunders of the Central Experimental Farm in Ottawa produced a new wheat he called Marquis, a wheat "destined to extend the wheat belt, improve farm security, and become a hallmark of quality around the world."<sup>2</sup> From free land to Marquis wheat and since, Ottawa has extended great largesse to the western farmer.

Marquis in turn fell victim to the insidious stem rust. Research again came to the rescue. The National Research Council, the federal department of agriculture and the Universities of Alberta, Manitoba and Saskatchewan collaborated to develop new rust-resistant varieties, producing one strain after another, all descendents of Marquis, to keep ahead of the ever-evolving rust. (Research, at public expense, has been critical for the success of agriculture. It has often made the production of various crops profitable, even possible.)

By 1929, Canada had become the world's leading exporter of wheat. And then the sky fell. Economic depression descended, wheat prices collapsed to the lowest in history and, most calamitously, drought seared the plains. Nature took revenge for man's assault against Her soil and turned his handiwork into a dust bowl where grasshoppers ate, and cattle and people went hungry. Great black blizzards of dust turned day into night in

the middle of summer. By the mid-thirties most Prairie farmers were on relief. Tlaloc, it seemed, was very angry.

But instead of crying children, Prairie agriculture was offered the benevolent homage of the federal government, particularly in the form of the Prairie Farm Rehabilitation Act, one of the most enlightened pieces of legislation in Canadian history. The PFRA led to the re-grassing of marginal land that should never have been cultivated in the first place, the establishing of vast areas of community pasture, the creating of tens of thousands of dugouts, dams and irrigation projects to conserve water, the planting of shelter belts, and the encouragement of farming practices more suitable to dry land. Farmers were also greatly assisted by the writing off of millions of dollars of loans, relief claims and taxes by all levels of government.

As the thirties turned into the forties, wheat productivity rebounded and the federal government was paying farmers *not* to grow crops in order to protect them from the low prices of a market glut. Later, crop insurance subsidized by provincial and federal governments helped to reduce the risk of farming.

The handout culture had welcomed the Prairies to modern agriculture.

### **Agrisocialism**

The agricultural handout is an international phenomenon of immense proportions. Via an array of vehicles including direct subsidies for everything from grasshopper control to income stabilization, low-rate or interest-free loans, supply management, irrigation schemes, cheap land leases, agricultural research, and others, the state supplements the incomes of farmers and ranchers. A government program exists, it seems, to cover every financial problem a farmer might face. Journalist William Johnson refers to all this as “a special economic regime which could be called agrisocialism.”<sup>3</sup>

Subsidies approach 60 per cent of the world trade in agriculture, devouring half of the European Union’s budget. Canadian farmers get one out of every five dollars of their income from the state, and this doesn’t include assistance through irri-

gation projects, cheap land leases, research, etc. This is generous, yet much less than the bonanzas received by European and Japanese farmers.

The United States, land of free enterprise, currently headed by that champion of small government and self-reliance, George W. Bush, is now the world's leading subsidizer of wheat farmers.

Canada has a particular reputation for its supply management practices, a subsidy vehicle we have perfected. Dairy, egg and poultry marketing boards set up by the federal and provincial governments in the 1970s, in part to protect the family farm, issue quotas for the amount each farmer can produce. They also set prices and control imports, in effect creating monopolies thereby guaranteeing farmers' incomes (guaranteeing, also, higher prices for consumers). The end result is a subsidy worth billions of dollars picked from consumers' pockets.

Supporters of marketing boards argue that the prices set allow for only a reasonable profit and, therefore, contribute negligibly to higher prices and, in any case, corporate business controls its markets, too. Regarding the latter, they have a point, but then corporations don't have to pay for a quota. Quotas were initially given out free, but over time their value has steadily increased and quota is often now a major asset of a farm. Marketing boards deny that this adds to price, but if the entry cost to farming includes the cost of quota, how can it not? Marketing boards are rather like our old friend the OPEC cartel.

### **Echoes of the Alberta Advantage**

OPEC provided the province of Alberta a handsome advantage with its free lunch for the oil industry. Alberta has, in turn, provided a handsome advantage to its farmers and ranchers in a variety of ways, not the least of which is irrigation.

A large patch of southern Alberta depends on irrigation for its agricultural prowess. If a group of farmers want to irrigate, the provincial government may grant them a water right license (they do not pay for the license), an irrigation district is set up, a board of directors elected, and the farmers exploit public water

resources for their own benefit. They pay a fee per acre irrigated, but this only covers maintenance of the system. The cost of building dams and canals, and even cleaning the larger canals, is born by all Alberta taxpayers, although wealthier districts may pay for a portion at least of the cost of building projects. The government also subsidizes on-farm water supply projects.

Alberta is also generous with its ranchers, offering them access to large tracts of public land for pasture at low, subsidized rents.

Ironically, Southern Alberta, one of the most conservative, "get the government off my back," parts of the country, depends for its prosperity, if not survival, on taxpayer handouts. There are echoes here of the American Southwest. That deeply conservative area also depends heavily on the exploitation of public water at cheap, subsidized rates.

### **The Rural Myth**

If we North Americans no longer fear the wrath of Tlaloc, why do we sacrifice our taxes so wantonly in homage to agriculture?

Journalist Barry Wilson provided a large part of the answer in his book *Farming the System* when he wrote about a "rural ideology" which he described as "the fervent belief in the value of the family-owned and operated farm as the basic unit of food production" and the "corollary belief ... that the farm sector has a special virtue that gives society an obligation to support it and to guarantee its preservation ...."<sup>4</sup> Sociologist E. J. Tyler, referring to the nostalgic view of rural life, observed, "City living was identified with dissipation and heathenism, rural living stressed hard work, self-denial and restraint ... farming and farm life in some way produced a ... superior person."<sup>5</sup>

The ideology would have it that there is something natural, therefore something innately good about agriculture, about working "on the land." This is myth, as false as it is old.

### **The Myth Debunked**

There is, in fact, nothing natural about farming at all. We did not evolve to become farmers; we evolved as hunter-gatherers.

Working on the land throughout most of our history meant living off the land, hunting its creatures and gathering its bounty. Agriculture was never a natural behaviour but an invented one, with us for a mere ten thousand years, the blink of an eye in evolutionary terms. Making a living by farming or ranching is no more natural than making it by plumbing or lawyering.

Indeed, linking agriculture to the natural is an insult to Nature. Nothing, apart from comets crashing into the Earth, has wreaked more damage on Her systems. The Great Plains of North America serve as an example. Agriculture mandated driving into extinction or near extinction the buffalo, the plains grizzly and a host of other species. It meant tearing loose the native grasses and destroying many of the soil organisms. The tough prairie sod, with its dense root systems, protected the land from drought for millennia, but when European farmers tore the sod loose, exposing the soil to the drying of the sun and the blowing of the wind, they turned the land into potential desert, faithfully following the tradition of their predecessors whose practices had produced the vast deserts of the Middle East and North Africa.

Agriculture continues to exhaust the natural environment. Over the last century, water use has increased twice as fast as population with 70 per cent of consumption used by farming. The UN claims that, "The greatest drain on the world's freshwater supplies are inefficient agricultural irrigation systems."<sup>6</sup> Never irrigating Southern Alberta would have saved taxpayers a bundle while doing a kindness to the natural environment. Irrigation in the midwestern United States is depleting the Ogallala Aquifer, a giant sponge underlying eight states from the Texas Panhandle to South Dakota, the largest single water-bearing geological unit in North America. Once considered inexhaustible, water levels are now dropping at over a foot a year. David Pimental, professor of ecology and agriculture at Cornell University, estimates that American farmers pay only one-tenth of the cost of irrigating their fields.<sup>7</sup>

The environment suffers as well, as does human health, from the tonnes of pesticides, fertilizers and manure dumped into it each year, creating a cost the polluters are not required to pay.

### **Sanctuaries of Prejudice**

As for the "superior person," farming has contributed to some of mankind's vilest behaviour. The Atlantic slave trade serves as an example. Once Europeans had successfully stolen the Americas from the Indians, slaves were brought from Africa to serve the new agricultural regime, to serve on sugar, tobacco, rice and cotton farms and plantations. When slavery was finally challenged, rural states fought the hardest to maintain it and, when they lost that fight, to maintain segregation. Farmers, long denied slaves, have been among the most determined opponents of fair play for workers, minimum wages and labour unions.

Rural areas remain bastions of social conservatism, sanctuaries of old prejudices. Social progress, like progress in all areas of human endeavour, in the arts, sciences and politics, flourishes in the intellectual life of cities, not in the stifling conformity of the country.

Myth has it that rural life instructs us all in the virtues of self-reliance, that here are the exemplars of self-sufficiency, of independence from the state. The truth is rather different.

### **The Myth Challenged**

The perceived superiority of the rural way of life has extracted from society "an obligation to support it and to guarantee its preservation." This belief perverts democracy down to this very day. In countries throughout the industrial world, rural constituencies commonly have the same representation in their governments as urban constituencies with far larger populations.

The rural myth is, however, beginning to fall on hard times. Not long ago most of us, even if we lived in cities, grew up on farms and in villages and small towns. There lay our roots. It explained in part our passion for the suburbs, putting ourselves at some distance from the "dissipation and heathenism" of the city. Now we are becoming urbanized. Our roots are increasingly ur-



ban roots. Today, the great majority of us not only live in cities, we are also born and raised in cities. As we urbanize, the idea that the rural way of life makes a “person ... more desirable as a community and national citizen”<sup>8</sup> is losing its grip on the national consciousness.

Even science is knocking the edge off the belief that farming bestowed some ennobling benefit on humanity. As we noted in “Must We Compete ...,” anthropologists are surmising that *Homo sapiens* adopted farming not because it bettered the many—just the opposite—but because it advantaged the few.

### **Cui Bono?**

Both sides of the political spectrum have tended to support subsidizing the family farm in order to protect “the little guy” against the ominous threat of the corporate farm. This, too, is losing its cachet, however, as even the family farm steadily increases in size and asset value. Indeed, with much farm aid depending on the amount of crops sown, the greatest recipients are often the wealthiest farmers. In the United States, for example, 10 per cent of the farmers pocket two-thirds of the handouts.

Many farmers and ranchers are themselves uneasy about agrisocialism. They may be fond of their perks, their cheap loans, their cheap leases, etc., many of which have become so entrenched—subsidized irrigation is a good example—they are no longer thought of as handouts but as normal parts of the rural landscape; nonetheless, the conservative countryside can hardly be overjoyed at being on the receiving end of an embarrassing amount of welfare.

Some of the largesse even defeats its own goal. For example, the cost of quota under supply management schemes has reached levels so high it prevents young people from entering farming, thereby threatening the family farm it was designed to protect. Quota can add a million dollars or more to the cost of buying a dairy or chicken farm. And, needless to say, the public doesn’t benefit from keeping out competitors.

Farmers also get caught up in a classic vicious circle. Prices fall, so farmers get a handout to make up the shortfall. They then

grow more to make more money, and the increased supply drives prices even lower. They seek more subsidy and on it goes. Any benefit consumers might get from the lower prices is more than eaten up in higher taxes to pay for the handouts.

### **Beggaring the Poor**

Perhaps the greatest damage done by massive agricultural subsidies is that done to the Third World. Rich countries can afford generous handouts to their farmers, poor countries cannot. As a result, not only are poor countries prevented from competitively selling their products in rich countries, products that are often their major source of income, but also their farmers may even have trouble competing at home. To quote International Trade Minister Pierre Pettigrew, "The cotton farmer of Mali who needs to have a certain amount of money for his pound of cotton in order to feed his family and educate it, [can't earn] the money he needs ... because a farmer in the United States gets \$160,000 a year, whatever the [market] price."<sup>9</sup> Former Prime Minister Chrétien has said the best assistance rich countries can provide the poor is the elimination of farm subsidies, referring to them as the number one impediment to growth in developing nations.<sup>10</sup> According to Nicholas Stern, chief economist of the World Bank, "protectionism costs developing countries more than they receive in official aid."<sup>11</sup>

Agricultural subsidies, by beggaring the poorest nations of the world, are a major threat to international peace and security.

### **What to Do?**

Subsidies are contagious. If Europe and Japan subsidize their farmers, how can North American governments not do the same to keep their farmers in the game? A tempting argument and not without a grain of truth.

But only a grain. Farming is not, after all, the only risky business. The restaurant industry has a much higher bankruptcy rate, yet we never hear of aid concerts for restaurateurs. They invest their money and they take their chances.

New Zealand, a country heavily dependent on agriculture, eliminated subsidies almost entirely in 1984, and the farm sector is thriving. The action was met with farmers protest-marching on parliament; nonetheless, only one per cent went out of business, farm output is up 40 per cent in constant dollars, productivity has increased six times as fast as before and New Zealand's farmers compete successfully with their subsidized colleagues in world markets. Subsidies now make up only a tiny portion of farm income, mostly in government-funded research. The environment has benefited as marginal land, farmed only to gain subsidy, has been returned to bush, and fertilizer use has declined with the end of fertilizer subsidy.<sup>12</sup>

Farmers would benefit by eliminating subsidies in other sectors as well, for example the long-haul trucking industry. Ending these would improve the competitive position of local farmers.

Much of the answer to the ubiquitous farm handout problem is to be found in World Trade Organization negotiations. Until Europe, Japan and the United States agree to dramatically reduce subsidies, the argument for welfare for our farmers will continue. And the Third World will continue to be punished.

Dealing with this deeply engrained tradition comprehensively will, however, take great patience. While we wait, other approaches would help. Considering that chemicals make up modern farmers' biggest operating expense, bigger even than farm equipment, farmers might greatly reduce their costs by shifting to organic methods. Research institutions could help by focusing their efforts on improving sustainable agriculture, i.e. good husbandry, rather than chemical agriculture.

Most importantly, we have to dispense with the rural myth, the idea of farm life producing "special virtue" or a "superior person" and recognize that farming is a business, an especially important one to be sure, but a business nonetheless, and no more deserving of charity than any other.

- 
- <sup>1</sup> Grant MacEwan, *Grant MacEwan's Illustrated History of Western Canadian Agriculture* (Saskatoon: Western Producer Prairie Books, 1980) 41. Much of my information on the development of prairie agriculture is drawn from Dr. MacEwan's book.
  - <sup>2</sup> *Ibid.*, 100.
  - <sup>3</sup> William Johnson, "Agriculture Gone Mad Is a Threat to Us All," *The Gazette* 5 May 1988: B3.
  - <sup>4</sup> Barry K. Wilson, *Farming the System* (Saskatoon: Western Producer Prairie Books, 1990) 82.
  - <sup>5</sup> *Ibid.*, 85.
  - <sup>6</sup> Steven Chase, "UN Delivers Stern Warning Over Water Use," *The Globe and Mail* 14 August 2002: A9.
  - <sup>7</sup> John Ibbitson, "The Unquenchable," *The Globe and Mail* 15 June 2002: F8.
  - <sup>8</sup> Wilson, 85.
  - <sup>9</sup> "The Gordian Knot of Farm Subsidies," Editorial, *The Globe and Mail* 30 July 2003: A12.
  - <sup>10</sup> Steven Chase, "PM Blasts Europe, U.S. for Harming Third World," *The Globe and Mail* 2 September 2002: A1.
  - <sup>11</sup> Nicholas Stern, "Remove the Barriers," *The Globe and Mail* 2 January 2001: A11.
  - <sup>12</sup> Chris Edwards and Ted De Haven, "Save the Farms—End the Subsidy," *The Washington Post* 3 March 2002.





The Romance of Self-reliance: Keep on Truckin'

9



## The Real Price of Gas

**L**ike oilmen and farmers, long-haul truckers manifest the image of the rugged individualist making his noble, self-reliant way in the world. The truth is, that like the oilman and the farmer, this icon, too, is heavily dependent on the free lunch.

All of us who drive exploit the free lunch more than we might think. In its report *The Real Price of Gas*,<sup>1</sup> the International Center for Technology Assessment (ICTA) itemizes the costs attached to a gallon of gasoline above and beyond those that make up the price at the pump. These include tax subsidization of the oil industry through items such as depletion allowance; program subsidies such as the cost of transportation infrastructure, research and development, and regulation monitoring; protection subsidies such as military spending to safeguard foreign sources; and the vast range of environmental, health and social costs created by environmental degradation and urban sprawl.

The report was issued prior to George W. Bush's immensely expensive "war on terror," an enterprise with roots deep in American protection of energy sources and Bush's rejection of the Kyoto protocols, policies guided by his patrons in the oil business.

The ICTA calculates that when all costs are included, the price of a gallon of gas is five to 15 times the pump price. It emphasizes the difficulty of persuading us to reduce our dependence on the automobile when we are steeped in ignorance of



what it really costs us. It suggests that the best way to alert people to reality is to eliminate government tax and other subsidies for petroleum companies and users and to internalize the external environmental, health, and social costs. If consumers were forced to pay the full price of gas at the pump, they would quite likely adopt an entirely new perspective on the internal combustion engine.

But getting back to truckers. They, too, pay these costs eventually but as citizens, not as truckers. The trucking industry passes all its costs onto citizens. We pay per kilo for goods delivered and then we pay again in all the ways mentioned above. When we pay the trucker's invoice for the delivery of goods, we pay a deceptively low price just as we pay a deceptively low price when we fill up our gas tank.

### **The Real Price of Trucking**

What then do trucking companies pay for? They pay for their trucks, of course, and for operating and maintaining them. They pay the salaries of their drivers and they pay themselves a profit, and they pay overheads for their offices, garages, etc. They also pay user fees such as fuel taxes and licences. Here is where the story offers a challenge: do these fees pay for the cost of the roads that truckers depend upon for their very existence?

The answer would seem to be no. According to a report prepared for the Transportation and Climate Change Collaborative, November, 1995, the fuel taxes and licences paid by large trucks in Canada fell \$450 million short of paying for their fair share of public road costs.<sup>2</sup> A U.S. Department of Transportation Study found that while light trucks were paying more than their fair share of infrastructure costs, larger trucks were paying less, and the larger the truck the greater the discrepancy.<sup>3</sup> Considering that large trucks cause most of the damage to highways (a typical tractor-trailer causes 10,000 times as much damage as a car per kilometre driven<sup>4</sup>) this isn't surprising.

The costs of trucking, however, only begin with roads.

Consider, for instance, loss of life. According to Transport Canada, commercial trucks are involved in almost 20 per cent of

traffic deaths in Canada.<sup>5</sup> Accompanying death and injury are service costs that include policing, insurance and health.

Adding to the direct health costs resulting from accidents are the indirect costs resulting from pollution. The diesel fuel used by trucks notoriously produces fine particulates that are breathed deeply into the lungs. A 1998 U.S. study indicated that heavy diesel trucks emitted more PM-10 (particles less than 10 microns in diameter) than all other road vehicles combined. The emission of these particles was being reduced but at the cost of increasing nitrous oxide emissions.<sup>6</sup>

One unanticipated effect of the North American Free Trade Agreement (NAFTA) was the effect of the increased truck traffic on health. The Commission for Environmental Co-operation, NAFTA's environmental watchdog, reports that pollution from the more than one million trucks crossing the Mexico-United States border between Ciudad Juarez and El Paso is making thousands of children along the border sick, killing some. Almost certainly, the growing truck traffic resulting from NAFTA trade is harming children in other parts of North America as well.

Included in truck emissions are carbon dioxide and other chemicals which contribute to the infamous stew that causes global warming, affecting not only our health but also the health of the entire planet.

Road building in itself eats up millions of acres of land that could be put to better use, for growing food or just leaving them to Nature. In addition, there are the tax losses from the paved-over land. We do indeed pave all too much of paradise.

Trucking also adds to the costs of congestion, the increased operating costs, fuel expenses and pollution from other vehicles because of trucks on the road.

Aggravating all this is the just-in-time manufacturing philosophy which demands delivery of products at precise times, reducing the flexibility of freight transportation and, therefore, its efficiency. Considering that partly loaded trucks use 90 per cent of the fuel of a full truck, just-in-time can almost double fuel use.

But what's the alternative? If we are to have an economy at all, we must move goods. So is there an alternative to trucking?

For short haul, the answer is no. For convenience in moving freight in built-up areas, the flexibility of trucking offers advantages that are hard to beat. But for longer haul, the answer is a resounding yes. The yes refers, of course, to rail.

### **Road Rage**

Rail, however, has for a long time been outthrustled by the vested interests of road.

In the 1930s, the United States had developed excellent electrically driven streetcar systems. One of the finest was the Pacific Electric System in Los Angeles. The smog-free cars (in Los Angeles, no less!) carried passengers and freight over an interurban network stretching out 75 miles from downtown. Then the streetcar encountered what a former mayor of San Francisco described as the "terrifying power of the automobile lobby."<sup>7</sup>

Firestone Tire, General Motors and Standard Oil formed a holding company which bought the Pacific Electric System and motorized it. They wrecked the efficiency of the system by abandoning Pacific's tracks (which it had maintained and paid taxes on) and running diesel buses on public roads and free-ways. Needless to say, the buses were built by GM, "tired" by Firestone and fuelled by Standard Oil. Most importantly, by ruining the system, they guaranteed the switch from public transport to cars (almost invariably, ridership dropped when buses replaced streetcars). Los Angeles, suffocating in the resulting smog, is now spending billions on a new public transit system. GM conspired to motorize electric transit systems in dozens of U.S. cities, including Manhattan, which had the densest system in the world.

The demise of the streetcar was not due entirely to the machinations of the automobile lobby. The streetcar companies oft-cavalier attitude toward their customers didn't help, but of greater importance was the romance with the automobile that swept North Americans off their feet.

## **I've Been Working on the Railroad**

Like the auto industry as a whole, trucking has plenty of lobbying muscle to flex, and does so with great success. Hidden in the hustle are the advantages of rail over trucking for long-haul freight.

First, rail is much safer. The David Suzuki Foundation suggests that there is only one death per ton kilometre caused by rail for every 14 caused by trucks.<sup>8</sup>

Second, rail offers a huge environmental advantage. It is far more efficient in energy use. Although it carries 60 per cent of the overland freight in Canada, it accounts for only 15 per cent of the greenhouse gas emissions in the sector.<sup>9</sup> To move the same load the same distance, trucks burn roughly five times the fuel. Furthermore, rail requires the development of far less land for its routes, thus sparing thousands of acres of agricultural and natural land compared to trucking.

And finally, there is the little matter of economics. Essentially all the costs itemized above are less, in some cases very much less, with rail. Railways, for example, pay the full costs of their infrastructure: roadbeds, bridges, etc. They even pay taxes on the land they use, an income that is lost to governments for highways. The fees paid for larger trucks, on the other hand, don't meet the cost of building and maintaining the roads they use, to say nothing of the hidden costs of policing, insurance, health, environmental damage and congestion.

The economics are particularly advantageous to workers: the rail industry is largely unionized and, therefore, offers better pay and working conditions.

In summary, we have a method of delivering long-distance overland freight that is much safer, much more environmentally friendly, and much cheaper. Indeed, Canadians are particularly fortunate in this respect. Our rail system, with the lowest per tonne kilometre cost in the industrial world, is exceptionally competitive. Why then do we continue to rely so heavily on trucking?

### The Mystique vs. Full-cost Accounting

Part of the reason for our faith in trucks is the male mystique that combines the romance of the road with the masculine love of vehicles; and male myths, as we know all too well from our worship of warriors, die hard. Trucking spreads the mystique broadly—the industry is the major employer of men.

And then there is the “terrifying power of the automobile lobby.” Automobile and truck manufacturing combined with the oil industry is such a massive part of an industrial economy that it makes politicians tremble. Indeed, the oil industry has proved influential enough to capture the presidency of the United States. Rail simply isn’t able to match this kind of clout.

Aiding and abetting the mystique are the hidden subsidies that we provide the trucking industry, not only another example of the free lunch in action but also an example of how the free market can distort the reality of economic activity. Just as we never fully comprehended what the automobile culture did to us, we have never fully comprehended the costs vs. benefits of trucking. The market creates a myth of self-reliance that simply isn’t true.

Ultimately, the taxpayer/customer pays all the costs, of course, but sees much more of a real charge when paying for rail freight. We very much need a system of full-cost accounting that includes, for instance, the damage done by pollution, to properly evaluate what the trucking industry is really worth to us and what it costs us, all of us, not just its customers. We need to expose the mystique.

---

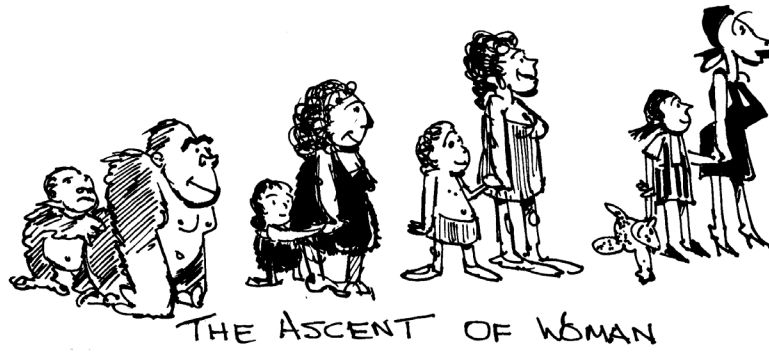
<sup>1</sup> “The Real Price of Gas,” International Center for Technology Assessment, 1998.

<sup>2</sup> “CRASH Facts on Truck Safety and Bigger Trucks,” Canadians for Responsible and Safe Highways, from IBI Group in association with Boon, Jones & Associates “Full Cost Transportation and Cost-based Pricing Strategies,” prepared in support of the Transportation and Climate Change Collaborative, November, 1995, Exhibit 4.12.

<sup>3</sup> James W. Marsh, “Federal Highway Cost Allocation Study,” *Public Roads*, U.S. Department of Transportation, January-February, 1998.

- 
- <sup>4</sup> "CRASH Facts on Truck Safety and Bigger Trucks," Canadians for Responsible and Safe Highways, from Highway Research Board "AASHO Road Test," Special Report 61-E, National Academy of Sciences.
- <sup>5</sup> Transport Canada, Policy Group, Transportation in Canada 2002, 4. Transportation Safety and Security.
- <sup>6</sup> "Freight Transport," *Sustainable Transportation Monitor* April 2001: 3.
- <sup>7</sup> David Gurin, "Analysing Transportation: Technology, Subsidy, Marketing," *Proceedings of the Reconciling Transportation, Energy and Environmental Issues: The Role of Public Transport Conference*, Budapest, 30 May - 1 June, 1994: 88-9.
- <sup>8</sup> "Taking the High Road: Sustainable Transportation for the 21st Century," David Suzuki Foundation, 2 December 1999: 2.
- <sup>9</sup> Dermot Foley, "Fueling the Climate Crisis: The Continental Energy Plan," David Suzuki Foundation, May 2001: 27.









### **Keep the Virgins for Yourselves**

**A**longside Memorial Drive in Calgary, on the boulevard east of the Louise Bridge, a broad sign instructs us, “These native trees are living memorials of men who died for your freedom—1914-18 Veterans Association.” The trees and the sign are poignant indeed, commemorating as they do an immense tragedy, but the words, sadly, are untrue. The young men who perished in the First World War did not die for anybody’s freedom. The war had nothing to do with freedom and should have had nothing to do with Canada. It was an exercise in bloody-minded European hubris, bumbling and deceit, a monument to human aggression and stupidity, and only a ridiculously misguided loyalty to the British Empire and our own innate aggressiveness immersed us in the folly.

The myth of the First World War as a fight for freedom is part of a larger myth that insists we disapprove of war, that we believe war is hell and, therefore, if we go to war it can only be because our warriors are doing their duty in a noble cause. The history of humankind belies the myth. The reality is that our prehistoric forebears were adept and enthusiastic warriors, and we have maintained the knack and the enthusiasm ever since. Killing may offend our moral sensibilities, but we can be quite inventive in replacing doubt with righteousness, even invoking God if necessary. According to the Old Testament, Numbers 31:

They did battle against Midian, as the LORD had commanded Moses, and killed every male.... The Israelites took the women of Midian and their little ones captive; and they took all their cattle, their flocks, and all their goods as booty. All their towns ... they burned.... Moses said to them, "Have you allowed all the women to live?... Now therefore, kill every male among the little ones, and kill every woman who has known a man by sleeping with him. But all the young girls who have not known a man by sleeping with him, keep alive for yourselves."<sup>1</sup>

At a time when the New Testament, a largely pacifist tome, holds sway in Christendom, we are somewhat taken aback at God—not Satan, but God—ordering genocide, in a passage that leaves the Old Testament reading like the *Mein Kampf* of the ancient world. Down through the pages that tell the stories of our species, we read of gods, spirits or medicine men blessing warriors in their bloody business. Our history is in no small way a long-running war story, a story of rape and pillage, of conquest, of empire-building and empire-destroying, of revolution, of neighbour attacking neighbour for land, goods and women.

### **Military Mystique**

Often glorified in the past, war is less admired today. Even the more aggressive nations and their leaders pay lip service to the cause of peace and decry war as a means of pursuing objectives. Nonetheless, the trappings of war remain essential to a nation's status. A failed nation like Russia still has a large voice in world affairs because it has nuclear weapons and the means to deliver them anywhere, anytime. Even countries that cannot feed themselves manage to find billions of dollars to buy guns. North Korea maintains a massive army and terrifies its neighbours with long-range missile tests while its people eat grass. Debt and defence consume most of the Pakistani government's budget while the country spends a pittance on education, health and other social services. When Pakistan formally joined India in the nuclear club, when it had its nuclear erection, Prime Minister Nawaz Sharif asked his people to cut back to one meal a day so they could afford the bomb.

The ability of war and its symbols to unite the tribe and feed its ego was sadly illustrated by the rejoicing of both Pakistani and Indian populations as their countries went nuclear. Festive celebrations exploded in Pakistan at news of the country's first successful nuclear explosions and mosques echoed with prayers of thanksgiving. Over 90 per cent of Indians supported their government's decision to go nuclear even though half the country's population had no electricity and most hadn't water fit to drink.

But we shouldn't be too critical of India and Pakistan for wanting nuclear muscle. If you want to strut on the world stage, and that's hard to resist in a macho world like ours, a nuclear weapon is the best credential to prove you are one of the big boys. And it's unfair to criticize India, bordered by two hostile neighbours with large nuclear-equipped armies, for wanting to join the nuclear club when Britain, France and the United States, all bordered by friendly neighbours, are long-standing members.

Global squandering of funds for armaments is twice that spent on health. According to the U.S. Central Intelligence Agency, at least 30 wars are either going on or about to erupt within or between nations at any one time.<sup>2</sup>

The greatest power on earth, the United States, remains captive to the military mentality. As the only remaining superpower after the end of the Cold War, it had the opportunity to lead the world into a new era of peace, an opportunity it has sadly wasted. Refusing to sign the land mines treaty, opposing an international court for crimes against humanity, proposing deployment of a "star wars" missile defence system that will wreck the 1972 anti-ballistic missile treaty, maintaining thousands of missile-mounted nuclear warheads on high alert, the United States, leader of the free world, behaves like an outlaw nation.

Canadians, too, have been captivated by the military mystique. Our narrative has us coming of age as a nation through our participation in the First World War. The battle for Vimy Ridge, in which thousands of young Canadians died a sordid, pointless death, is often cited as the landmark of that maturity. If

we came of age, it was only in the sense that we joined most of humanity in the worship of warriors.

### **Warrior Worship**

No men are as honoured as those who practice the noble art of war: the warriors, the servants of Mars and Thor and all the other warrior gods that have inspired men to be their most violent.

Prehistoric peoples often considered high status as a warrior the key item in a man's curriculum vitae when measuring him for chief. This has echoes today. U.S. President George W. Bush proudly calls himself a war leader and takes every opportunity to don a flak jacket and mingle with real soldiers.<sup>3</sup> He enthusiastically pursues military adventures and receives high standing in the polls as a result even though his administration has accomplished little else. For years, Prince Philip, consort to Queen Elizabeth II, donned his sailor suit for formal occasions, long after the British Empire, the principal justification for the British navy, had faded away. From hunter-gatherer societies to modern times, military service has been considered part of becoming a man.

Turning men into warriors has always been easy. Combine the natural aggressiveness of young males with a call to duty—the urge of tribalism—dehumanize the enemy, immerse the neophytes in ritual, and you transform the most innocent of boys into the cruellest of killers.

Ritual is particularly important. Brutal initiation ceremonies, repetitive drilling, propaganda, pomp and ceremony—ritual has long introduced young men into warriorhood and thus into manhood. Militaries masterfully create an atmosphere of tradition and duty that nicely camouflages the dirty fact their business is killing other human beings. War is driven principally by genetic impulses, but those impulses are overlaid by thick layers of culture that magnify its mystique wonderfully.

Create a warrior and you create an effective killing machine, a man who will cut down an enemy, an old man, a woman, a child, upon demand. In the Second World War, the sons of the

most humanely progressive nations incinerated hundreds of thousands of innocents, men, women, children and babes in arms, like so much garbage, in Dresden, Hiroshima and Nagasaki. On the other side, men did their duty for the most evil regime in history with enthusiasm and consummate skill. In a particularly perverse example of the esteem in which warriors are held, former U.S. President Ronald Reagan, while on a visit to Germany, attended a ceremony honouring those soldiers, including members of the dreaded SS. The fact they were hit men for Adolf Hitler, the worst mass murderer the world has ever known, was of no consequence. They were warriors and that was good enough.

Warriors are our dearest heroes. Nothing is more offensive to political correctness than criticism of "our boys in uniform."

We may not quite appreciate the joy of battle manifested by Genghis Khan, the macho man's macho man, who exulted, "Happiness lies in conquering one's enemies, in driving them in front of oneself, in taking their property, in savouring their despair, and in outraging their wives and daughters."<sup>4</sup> But when we endure two world wars in a century, along with endless regional bloodlettings, we are inclined to believe the old conqueror's passions still hold sway.

### **Natural Born Killers**

Why do we celebrate warriors? Why is killing other human beings an honourable enterprise? If we despise war, why does it provide our most glorious moments, the birth of our nations? Why is military prowess the foundation of international respect? The answer lies in our masculinity. It is, after all, men who wage war.

We return, as we do with so much disagreeable human behaviour, to our old friend the genetically-driven male imperative to compete, to become a successful replicator. They compete individually, and they compete as groups when the group offers them opportunity to increase their reproductive success.

Our Old Testament example illustrates this very nicely. The defeat of the Midianites allowed the Israelite men to add to their

stock of women: the Midianites were all slaughtered except—nudge, nudge, wink, wink—the virginal girls. Raiding other tribes for women goes back well into prehistoric times. The Israelite men also improved their reproductive potential by stealing from the Midianites “their cattle, their flocks, and all their goods.” The more resources a man has to offer, the more appealing he is to women and to their guardians; and the more resources the tribe has, the better it can provide for the future of its progeny.

The value of rape and pillage to the tribe was so powerful and so obvious the Israelite priests excused the immorality of it all by offering the sanction, indeed the command, of no less a masculine authority than God Himself. They justified genocide with the most hallowed of excuses, “God made us do it.”

Israelite society was polygamous, as most societies have been throughout history, formally or informally. Men have been allowed as many wives, or concubines, or courtesans, or mistresses as they could afford. The more successful a man was, the more resources he accumulated, the more women he impregnated, thus the more successfully he replicated his genes. The one-man/one-woman notion that has taken root in modern society constrains a successful man’s potential, but the genetic drive for success remains in place and continues to activate, often unconsciously, men’s behaviour.

According to *The Guinness Book of Records*, the all-time champion replicator was Moulay Ismail the Bloodthirsty, last Shari-fian emperor of Morocco, reputed to have produced his seven-hundredth son before he was fifty.<sup>5</sup> Moulay’s genes must have been very proud of their design. His sobriquet “the Blood-thirsty” indicates the key to his success.

Conquest, myths notwithstanding, is not the aberrant behaviour of men, it is their intrinsic behaviour.

### **Evolution’s Other Ethos**

Evolution selects differently for women. Men may be eager to spread their attentions broadly, even indiscriminately, but women can only nurture one fertilized egg at a time, a scarce

commodity. Evolution will select for the traits of women who choose good genes to fertilize that egg and who choose a good provider to help care for its product. Furthermore, women cannot afford to risk their investment in aggressive confrontations. Other than for defence, violence is to be avoided.

Thus evolution, in its patient way, designed two patterns for our species, two sets of attitudes and behaviours—two ethos—based on gender, on sex, the master strategy of replication.

Brain scans show that when people are relaxed, sex differences appear in their limbic systems, that part of the brain that lies at the centre of emotion. Most men's brains idle in the evolutionarily ancient "reptilian brain," the area that prompts aggression and mating while most women's brains idle in the more recently evolved cingulate gyrus, an area involved with cognitive flexibility. Women, it seems, are more emotionally evolved than men.

When surveyed about what they wanted to be like, men from a variety of cultures replied,

practical, shrewd, assertive, dominating, competitive, critical, and self-controlled. They sought power and independence above all. Women from the same cultures wanted to be loving, affectionate, impulsive, sympathetic, and generous. They sought to serve society above all. Studies of male conversation find it to be public ... domineering, competitive, status-obsessed, attention-seeking, factual, and designed to reveal knowledge and skill. Female conversation tends to be private ... cooperative, rapport-establishing, reassuring, empathetic, egalitarian, and meandering.<sup>6</sup>

Thus a female replication ethos contrasts with a male one.

Women have been included in the hierarchies of history but only as appendages of men. Whether peasant wife or consort to the king, their role was confined to keeper of hearth and home. No power for her; power was the property of the patriarch and she, his property. Yet women are the principal, although not the sole, keepers of this other ethos that offers an alternative to patriarchy and machismo and perpetual violence.



### An Alternative

If we choose global harmony over global chaos, even if for no other reason than the potential for military and environmental destruction has become greater than we and our planet can bear and now threatens everything, we must first dispose of the myth that peace is our natural state. We must recognize that, on the contrary, aggression is innate in men, that conquest of our fellow humans and of Nature derives from what we are. We have been and are still driven by a masculine impulse that predisposes us to violence, to the glorification of war and to the worshipping of warriors. A peaceful world can only be achieved by recognizing and containing this impulse.

Second, we must redirect the masculine ethos to bringing out the best in men rather than the worst, by encouraging men to obtain status not by violence and intimidation, but by earning respect through wisdom, intelligence and skill, by exercising their talents and by hard work. Most importantly, we must rely heavily on the feminine in all of us and seek to create a world based principally on the feminine ethos. This includes achieving security not through the trappings of war, but through commitment to a compassionate, equitable global society.

And third, we must elevate women to the first rank in all our institutions, allowing their intrinsically more humane instincts to be our primary guide.

---

<sup>1</sup> Numbers 31, *The Holy Bible* (Oxford: Oxford University Press, 1989) 166.

<sup>2</sup> Associated Press, "One-third of World Embroiled in Conflict," *The Globe and Mail* 30 December 1999: A10.

<sup>3</sup> The president is something less than a warrior, however, having avoided the Vietnam War—a war against Godless Communism, the perfect war for a conservative Republican—by hiding behind his family's wealth and influence and then, when reporting for National Guard duty became too inconvenient, going AWOL.

<sup>4</sup> W. Smith, "Happiness Is," letter, *The Globe and Mail* 28 July 1999: A13.

<sup>5</sup> *The Guinness Book of Records*, 1994, 63.

<sup>6</sup> Matt Ridley, *The Red Queen* (Toronto: Maxwell Macmillan Canada, 1993) 258–9. Ridley's source for men's and women's preferences was *Sex Differences* by K. B. Hoyenga and K. Hoyenga (Boston: Little Brown, 1980) and for con-

---

versational differences was *You Just don't Understand* by Deborah Tannen (New York: William Morrow, 1990).





Whose Moral Decline?



### **Progress and Regress**

**H**omosexuality is illegal. Women are excluded from power in business and politics. Almost all immigrants have white faces. Sex is socially acceptable only in marriage. Status Indians, the first inhabitants of the land, are not allowed to vote. Abortions are dangerous back-street affairs. Birth control is illegal. Criminals are whipped and hanged.

This medieval accounting may sound like ancient history, but it isn't. All these things were woven into the fabric of Canadian life only half a century ago, in the 1950s. Since then, we are tiresomely told, moral values have gone downhill. The question to be asked, obviously, is whose moral values?

Certainly values have changed as have many behaviours as a result, often radically, but are the changes moral declines? In some cases, perhaps. Crime has increased and that is certainly regressive. The increase, however, may be due less to a decline in values than to a change in demographics. Crime is largely a young man's game, and with the baby boom increase in young people we should have expected an increase in crime. Now that the baby boomers are aging, the proportion of young men in the population is declining as is the rate of crime. Other behaviours, such as drug abuse, have increased as well and the change meets with broad disapproval.

Moral decline in some areas is balanced by moral advance in others that even most conservatives support. An example of immense social progress is the recognition of equal rights for

minorities and women, part and parcel of a decline in prejudice generally. Much of our strengthened social infrastructure has also met with general approval. All political parties in Canada support medicare, for example.

### **A Matter of Perspective**

But much of the change in the latter part of the 20th century was good or bad, moral progress or moral regress, in the eyes of the beholder. Consider the removal of homosexuality from criminal law in Canada, in accordance with the belief of the justice minister responsible that, "there's no place for the state in the bedrooms of the nation."<sup>1</sup> To progressives, this was healthy social evolution. Social conservatives, on the other hand, although they would no longer admit to wanting to incarcerate gays, remain uneasy about acceptance of their behaviour and continue to resist full equality for them.

Other social change, such as the legalization of abortion, draws the lines more sharply. While no one prefers abortion, feminists and progressives generally consider cheap, safe access as nothing less than a woman's right to control her own body. Social conservatives consider it murder and insist that it be considered as such in the criminal code.

Sex outside of marriage, once taboo, now an integral part of our mating manners, also has its supporters and detractors. If approached responsibly, with respect for all concerned, most people today see no reason not to enjoy the pleasures it has to offer. Others see it as an affront to God.

Progressives welcomed the end of capital punishment as inevitable if civilization was to advance. Social conservatives, often showing a remarkable lack of Christian forgiveness, remain partial to nooses and lethal injections. It is no coincidence that the United States, where fundamentalist religion holds particular sway, is the only country in the West that continues to execute people for antisocial behaviour. Progressives are lured more and more toward restorative justice, particularly with youthful offenders, while conservative sentiments lean toward retribution, often confusing justice with vengeance.

Entertainment, too, contributes to the moral divide. In contrast to the chaste romantic comedies and musicals typical of the 1950s, modern movies—to say nothing of television, novels and other amusements—ignite the screen with fantasies of the flesh, hetero and homo. The muted aggression in adventure films and thrillers of that older era has evolved into graphic, blood-splattering violence, usually accompanied by language unsuitable, according to the Motion Picture Association of America, for children under the age of thirteen. Some see all this as profoundly offensive, others as simple reality, essential to honest narrative. Even pornography does not bring agreement: conservative concerns revolve around sex, progressive concerns around violence.

It's all very much a matter of perspective.

### **The Times They are A-changin'**

In the 1950s, a moral consensus reigned—a conservative consensus. Those were halcyon years for social conservatives. The patriarchal mores were consistent with the macho atmosphere that reigned after the all-consuming military success of the Second World War.

It could not last. In an open, pluralistic society subject to the easy flow of ideas engendered by modern communications, repression is soon challenged. The 1950s conceit that all society could cleave to one simple, monolithic set of values was an illusion.

The 1960s exploded in challenge. Almost everything in the old conservative model was assaulted, even the most sacred of cows, the belief that young men should, upon the command of authority and without moral investigation, become warriors. The initial explosion quickly subsided, but change has continued. Equality for women, minorities and gays has been rigorously advanced; sexual mores transformed; abortion and the dissemination of birth control information legalized; immigration given a colourful face; treatment of criminals civilized; social justice and infrastructure greatly strengthened. The change has been rapid. Only a short time ago, most people opposed homosexual



marriage, now most support it. Of those under thirty-five, two-thirds support it. The new paradigm is much more progressive, less conservative; more human-centred, less God-centred; more matriarchal/feminine, less patriarchal/macho.

Social conservatives see much of this as a decline in moral values. Whether or not we agree, we can appreciate their concern. They have been forced to watch many of their cherished beliefs questioned, debated and rejected. Even political correctness, once the almost exclusive prerogative of conservatives, particularly in the defence of things military and religious, has now been adopted by liberals.

Progressives, on the other hand, see ... well, progress.

Objectively, perhaps all we have seen is change, but it seems to be change that is better adapting our social mores to a modern, complex, pluralistic society.

### **The Tolerances of Tolerance**

The change that has taken place has dramatically increased liberty but it has not, despite the lamentations of social conservatives, meant licence. Tolerance has its limits in the new paradigm. Contemporary society considers people's sex and family lives their own business unless they are harming others. Then it is a very different matter. For example, we see a greatly reduced tolerance toward wife beating and child abuse, behaviours that up until fairly recently were left to the family itself, which is to say they were left to fathers.

The global family has seen similar change. Only a short time ago, national sovereignty was as supreme as the privacy of the family, but today we no longer recognize the right of dictators, the supreme political patriarchs, to treat their citizens any way they want. The extradition claim on Augusto Pinochet, NATO's intervention in Kosovo, the creation of an international court for crimes against humanity, all speak for a greatly reduced tolerance for the bullying of ordinary people. The international court in itself, an impossible dream only a few generations ago, is one of humankind's greatest achievements in its pursuit of justice.

As tolerance of individual choice increases, tolerance of abusive choice diminishes.

We have also become increasingly intolerant of the cavalier and exploitive treatment of Nature so common in our past. The gods that we invented quite naturally focused their attention on us. The Christian God made the planet, indeed the universe, for us, His chosen species. "Let us make man in our image, after our likeness," the Old Testament God proclaims, "and let them have dominion over the fish of the sea, and over the fowl of the air, and over the cattle, and over all the earth."<sup>2</sup> It was ours to husband, to tame, to exploit. We were a thing above Nature. But this is changing. Whether due to the breakdown of patriarchy, or advancing knowledge, or necessity, or just sheer horror at what we are doing to our planet, a sharing attitude toward Nature is growing, as is an intolerance of abusing and despoiling Her. Younger generations are beginning to see an environmentally-friendly philosophy as essential, as serving a sacred trust. Ironically, as we focus morality more on the individual we become, in the sense of recognizing connectedness, more global.

### **Situating Morality**

Flexible morality is anathema to the authoritarian mind. Yet what other kind is possible in a complex, open, pluralistic society where a host of moral codes present themselves and all can be compared and challenged? The only answer, if civil peace is to prevail, is tolerance and compromise. Moral considerations must depend more on circumstances, on situations, more on the application of broadly accepted principles and less on sets of rules. Moral responses must centre around the needs of people rather than the dictates of arbitrary deities and their rulebooks. Morality today requires more faith in our fellow humans and less in gods. Dogma is losing its grip.

Situational morality has an ancient provenance. Circa 30 BC, Rabbi Hillel Ha-Babli pronounced, "Whatsoever thou wouldst that men should not do to thee, do not do that to them. This is the whole law. The rest is only explanation."<sup>3</sup> The good rabbi was, of course, expressing the golden rule, versions of which

have been stated down through the millennia, from Confucius to Mohammed. It remains as appropriate for the third millennium AD as it was for the first century BC. Evolutionary biologists have confirmed that it is not mere philosophy but is embedded in our genes, in our very design. They call it reciprocal altruism and we discussed it in "Must We Compete ...."

The problem with God-centred morality is not so much in the rules as in the arrogance that the rules must apply to everyone. People-centred morality leaves everyone to their own rules as long as their behaviour doesn't interfere with or harm others. Where behaviour may affect others, rules are to be determined by everyone, not just by a few priests, or rabbis, or imams, or whatever. People-centred morality is democratic. God-centred morality is theocratic and patriarchal. Its rules must always be imposed. Its absolute values, immune to compromise, make it exclusive and its exclusivity becomes a problem in a pluralistic society. It relies on permanent codes and is intolerant of alternatives. People-centred morality relies on relationships and on general values such as kindness and generosity and is open-minded. It embraces tolerance. It is inclusive.

One wonders if a society can ever do its moral best under a system of God-centred morality. The finest art, the best science, the most progressive politics, are achieved when many ideas are allowed to compete and people allowed to choose. Why should morality be any different?

All this is not to say that God-centred moralists, as rigid as they are, don't indulge in situational ethics themselves when it suits their purpose. Christians preach "thou shalt not kill," yet if the killing is in the interests of the church, it may be deemed a "just war" and endorsed by prayers accompanying its warriors into battle. Those fundamentalists who most adamantly oppose abortion are often also the most ardently vengeful in seeking the execution of criminals. Authoritarians, like the rest of us, are quite capable of convenient rationalizing, of submitting principle to passion or profit—it's in our nature.

### **Situating the State**

In the political realm, people-centred morality has expressed itself in the welfare state, one of the most successful and stabilizing of human endeavours, and one of the most compassionate and equitable. Throughout history, the good life was usually the exclusive property of the rich and powerful. Not any more. Via the welfare state, abetted by technological advance, we have created the most humane and broadly prosperous societies ever. Western nations now ensure that most of their citizens are equipped with the basic necessities of life, good health care, education and the opportunity to improve themselves, and have dramatically reduced poverty among the less fortunate and the aged. Countries such as Denmark, the Netherlands and Sweden have eliminated poverty almost entirely, to the point where it affects only a few per cent of their people, a remarkable moral achievement.

God-centred, Old Testament, myth-riddled, rule-driven morality is the morality of the desert. Designed for tribes, it simply isn't suited to the high-tech, pluralistic civilization of the modern nation state. Its aggressive macho soul, its passion to control man and Nature, threatens us along with the environment in which we live. Fortunately, humanism appears to be ascendant. The patriarchal hegemony is broken. A more liberal, more feminine, set of mores has asserted itself and captured the hearts and minds of whole populations.

### **Patriarchal Remains**

Nonetheless, the two sides continue to spar. They not only disagree on moral values, they often think the other's values are immoral. And although the patriarchs have suffered half a century of retreat, they have by no means given up their struggle for dominance. It is, after all, their nature to dominate. In many ways, their values continue to command the high ground. Witnessing a conflict-seeking media collaborate with demagogic politicians to turn elections into battles of easy emotions and superficial thinking, or observing the obsession of modern capitalists with mergers and market share, or simply witnessing the

mindless pursuit of growth, we realize that much behaviour has not yet descended from a plateau of macho excess.

Capitalism, revitalized by the collapse of communism and facilitated by globalization, increasingly asserts its authority over the nation state. Patriarchal political parties such as the religious right-dominated Republican Party in the United States and dogma-driven Harris Conservatives in Ontario have achieved considerable success. The corporate-controlled media, obsessed with sensation, confrontation and violence, throw up all too many journalists whose forte is insult and provocation rather than reason and wit.

The patriarchs have had their way with values and morality throughout most of history. They only feel whole when they are in control. In the 1950s, they were masters of the world and their decline in status has left them bitter, a phenomenon sometimes described as the “angry white male syndrome.” They are particularly offended by the welfare state, “big government” as they are wont to call it; they perceive government assuming responsibility for the needy as an erosion of the power of that stronghold of patriarchy, the church. They see their loss of power as a slide into the abyss that can only be reversed by a restoration of a proper moral order—their moral order.

They are not entirely immune to progress. Few today would forbid comprehensive opportunity to women, subject gays to the criminal courts, or accept discrimination against minorities, even though they have supported all these injustices in the past. Perhaps this is only because they wouldn't dare but, giving them the benefit of the doubt, it is possible their values have been enlightened, their horizons broadened.

Nonetheless, they still accept or even encourage gross economic inequality, still oppose full participation of gays in society, still oppose women's control over their own bodies, still see brute force as the best antidote to crime, still recognize the right of the rich to dominate civic life, and still believe that unregenerate capitalism will solve all of our economic problems and most of our social and environmental problems as well.

Accepting that the second half of the 20th century was a period of declining values caters to the patriarchal agenda. It is a myth, even a lie, to a liberal sensibility, dealing a lot with dogma and little with morality.

---

<sup>1</sup> Although Justice Minister Pierre Trudeau made the phrase famous, it was coined by journalist Martin O'Malley, whom Trudeau thanked for the quote.

<sup>2</sup> *The Bible, Authorized King James Version* (Oxford: Oxford University Press, 1997) 2.

<sup>3</sup> Ralph L. Woods, ed., *The World Treasury of Religious Quotations* (New York: Hawthorn Books, 1966) 395.





The Free Will Fable

12





**N**ow the serpent ... said unto the woman, "Yea, hath God said, 'Ye shall not eat of every tree of the garden?'" And the woman said unto the serpent, "... of the fruit of the tree which is in the midst of the garden, God hath said, 'Ye shall not eat of it, neither shall ye touch it, lest ye die.'" And the serpent said unto the woman, "Ye shall not surely die: For God doth know that in the day ye eat thereof, then your eyes shall be opened, and ye shall be as gods, knowing good and evil."

And when the woman saw that the tree was good for food ... and a tree to be desired to make one wise, she took of the fruit thereof, and did eat, and gave also unto her husband .... And the eyes of them both were opened, and they knew that they were naked; and they sewed fig leaves together, and made themselves aprons.

... And the LORD God called unto Adam, ... "Where art thou?" And he said, "I heard thy voice in the garden, and I was afraid, because I was naked; and I hid myself." And He said, "Who told thee that thou wast naked? Hast thou eaten of the tree ...?" And the man said, "The woman ... gave me of the tree, and I did eat." And the LORD God said unto the woman, "What is this that thou hast done?" And the woman said, "The serpent beguiled me, and I did eat." ... Unto the woman He said, "I will greatly multiply thy sorrow and thy conception; in sorrow thou shalt bring forth children; and thy desire shall be to thy husband, and he shall rule over thee." And unto Adam He said, "... In the sweat of thy face shalt thou eat bread, till thou return unto the ground; for out of it wast thou taken: for dust thou art, and unto dust shalt thou return."

... Therefore the LORD God sent him forth from the garden of Eden.

Genesis 3 from the Old Testament both introduces and illustrates the central importance of free will to Christian mythology and thus to the Western world. God apparently valued moral autonomy so highly that he endowed Adam and Eve with it knowing that they might choose evil and, indeed, tempting them to do so.

### **Serial Killing and Lady Luck**

The state of Texas has been referred to as the biggest serial killer in the United States, executing 24 people in 2003 alone. As God dismissed Adam and Eve from the Garden of Eden for making the wrong choice, so does Texas dismiss murderers from its earthly paradise. Former governor George “Dubya” Bush, who went on to become president of his country, signed death warrants with the conviction of a true believer, consigning dozens of men and women to lethal injection. Fundamentally Christian, Mr. Bush believes strongly in free will, in the notion that success or failure in life results from the deliberated decisions of autonomous beings. If a man commits a crime, it is by conscious moral choice, therefore he is, like Adam and Eve, wholly responsible for his actions and their consequences. If you can’t do the time, don’t do the crime.

Mr. Bush’s enthusiasm for punishment is understandable. Few issues yield more political capital in the United States than crime, and no position on an issue is more politically correct than being tough on law and order.

Nonetheless, his righteousness seems a trifle excessive. Not always a moral paragon himself, and having achieved almost everything he has in life less from his own abilities than from the influence of his wealthy family and their friends, having benefited more, much more, from good luck than great effort, you might expect him to empathize with those whose inheritance and connections were as disadvantaged as his were advantaged, with those whose luck was all bad. Yet he seems oblivious that

the men and women who languish in Texas prisons and who succumb to the executioner's needle were set on their paths by misfortune as surely as he was set on his path to success by inheritance of wealth and influence, by the free banquet.

Even those more compassionate souls who recognize this truth are inclined to believe that incarceration is principally a matter of bad choices, a misuse of free will. But what if free will is a myth? Then where is the fault?

We have talked at length about reward gained by the free lunch as compared to reward earned by one's own efforts, by the productive use of free will. Perhaps we have been too hasty and too generous in our use of the term "earned."

### **From Darwin to Dawkins**

Throughout most of history, our understanding of our species' behaviour derived from philosophy and empirical observation. Now science is increasingly becoming our guide. Through advances in biology and the neurosciences, we are learning fundamental facts about how we are designed, including how our attitudes, emotions and drives are designed into us and how our behaviours respond.

We start with Charles Darwin, he of *The Origin of Species* and *The Descent of Man*. Darwin didn't discover evolution, but he did discover how it worked—its mechanism. He called it natural selection. Organisms are constantly subject to random mutations and Nature selects for those offering an advantage, something that makes the organism more fit, more capable of reproducing itself than its unchanged competitors. With greater reproductive success, the change spreads throughout the evolving population that is the species, and thus the species changes.

The Austrian monk and botanist Gregor Mendel then recognized that the passing of traits from generation to generation—heredity—was predictable. It followed rules. Parents passed traits down to their offspring in discrete units. By the early 20th century, the units had a name: genes. Genes were found to be real things, links in a chain made up of deoxyribonucleic acid (DNA), a molecule capable of replicating itself and

synthesizing the stuff of life. DNA reveals the innermost secrets of living things, allowing us to unravel the mysteries of why species, including our own, are the way they are.

In the 1960s two naturalists, William Hamilton and George Williams, revealed one of the most important and most startling truths about life on earth: organisms, including us, *Homo sapiens*, are nothing more nor less than vehicles by which genes replicate themselves. Less than the children of God, we are the instruments of molecules. Evolutionary biologist Richard Dawkins, in his seminal book *The Selfish Gene*, refers to us and our fellow species as “survival machines,” created by genes for their own selfish “purpose”—replication.

### **The Kindness of Vampires**

Biologist Gerald Wilkinson, studying vampire bats in Costa Rica, observed an intriguing behaviour. A bat that has had a good night, finding a fat cow to feed off, will return to the hollow tree in which it roosts gorged with blood, replete with resources we might say. If a colleague’s luck has not been as good and it returns empty-stomached, the first bat will disgorge blood to feed it.

Superficially, this seems a surprising thing for the bat to do. Keeping in mind that its genes, like all organisms’ genes, design it for their replication alone, why would it give up resources that could contribute to that purpose and instead offer them to a competitor? We would consider a businessman who gave his profits to a competitor to be a fool, unless of course the competitor had suffered a tragedy and was in need of charity. Then we would recognize the workings of conscience. But a bat doesn’t have a conscience. It is a creature of instinct. It doesn’t learn morality at its mother’s knee nor does it read the Bible, yet it is as generous as the Good Samaritan.

Our first guess might be what William Hamilton described as kin selection. Many creatures have genes that program them to be good to their offspring in order to ensure their offspring’s success and therefore the success of the genes they inherit. We are programmed to be generous to other kin as well; after all, we

share as many genes with our brothers and sisters as we share with our children. The general rule is the closer the relative the greater the generosity.

But kin selection does not explain the generosity of the bats. They are not necessarily closely related to their roost-mates. Biology's explanation suggests a powerful imperative with wide-ranging ramifications, an imperative that explains the bats' beneficence, and the Good Samaritan's, and ours, to those with whom we share no familial genes. It explains kindness and a host of other human feelings and behaviours. Biologist Robert Trivers called it reciprocal altruism. We are generous to others in their time of need in the expectation that they will be kind to us in our time of need. Thus is each reciprocator made stronger—"fitter" from its genes' point of view. Reciprocal altruism is an evolved strategy that helps each individual's genes get passed along into the next generation. Kindness pays.

### **Do Cheaters Prosper?**

But what if a member of the group cheats? What if it accepts help but never reciprocates? It would gain strength while all others were weakened. It would gain a substantial advantage in the reproductive sweepstakes. We would expect, therefore, that if a cheater gene appeared, and it surely would over the great length of evolutionary time, it would prosper.

In fact, it has appeared and it does prosper, but only to a degree. Other genes have appeared that counter the cheater gene and allow vampire bats—and us—to suspect, detect and guard against cheaters.

Vampire bats live together for long periods of time (they have a life span of up to 18 years) thus get to know each other very well. They groom each other frequently, paying close attention to the stomach area. Surreptitiously, they learn whose belly is full and whose isn't and, therefore, who is generous and who isn't, and they respond accordingly, sharing with those who share, refusing those who don't. They seem to be quite capable of keeping track, aided by the largest neocortex—the thinking/memorizing part of the brain—of any bat species. Among

carnivores and primates, neocortex size compared to the rest of the brain is very much related to the size and complexity of their society, explaining humans' uniquely large neocortex. Reciprocal altruism makes us smart as well as kind.

We, like the bats, are altruists or cheaters, good or bad, by design, not by will.

### **Gene Power**

Genes design much more into our moral sensibilities than reciprocal altruism. In "Must We Compete ...," we illustrated the extremes of aggression to which males are driven by selfish genes with the story of Helen of Troy, an entire nation plunging into war over the desire of one man for a woman. As further, if simpler, illustration, consider the perilous life of the male spider. Female spiders of many species are much larger than the males, often ludicrously so, and they are programmed to eat anything smaller than themselves. A randy male, therefore, runs a serious risk. Sex could cost him his life. Consequently, male spiders tend to approach the objects of their desire with caution. Some carefully court the female and engage in foreplay; some surreptitiously restrain her with a strand of web; some lock her jaws shut during copulation. Regardless of his precautions, the male is well advised to make a hasty retreat once the deed is done. If he is too slow, he is lunch.

Being eaten alive is in no one's best interest, but the spider, like Menelaus of Sparta, is a romantic fool. He risks death for sex, he cannot help it, his genes program him that way. Why do they do this to him? The answer is simple: they program him in their best interests, not his. Once his genes are safely inside the female and on their way into the next generation, the male is redundant—as good a use as any for him is nourishment for those genes. He is, you might say, simply feeding his family.

And so our genes have their way with us. These mindless molecules, in their blind devotion to replication, make us kind, or cruel, or loving, or jealous, or greedy, whatever suits their single purpose. Being possessed of self-consciousness, we invent elaborate explanations, justifications and excuses for our behav-

our, but we are as motivated as much by instinct, by subterranean impulse, as the bat or the spider.

Throughout most of history we have not understood that our emotions, our attitudes, our behaviours, like our bodies and their functions, are designed by molecules that inhabit each and every cell in our body. Most people don't understand it today. So we have developed an assortment of theological explanations, including free will, but even our desire to be free, no less than the need and the ability to create theology, is a product of a brain created by genes. We can examine and even attempt to override the imperatives of our genes through conscious thought but that thought, too, is ultimately a product, in some convoluted way, of their design. There is no escape from biology.

But genes are not the only masters of our moral development. Our environment, too, often plays a critical role.

### **Bad Luck Brains**

In 1937 in the village of Al Auja, near Takrit in Iraq, a man abandons his family—his wife and a baby boy only a few months old. The mother remarries, to a distant cousin. The cousin is a brute. He torments his stepson, subjecting him to vicious physical and verbal abuse, referring to him as a “dog” and the “son of a whore.” He turns the boy to theft, teaching him to steal chickens and sheep from the neighbours for sale in the market. The boy is a quick study, he is never caught nor punished for his crimes. When he is ten years old, he escapes his stepfather's house and goes to live with an uncle in Baghdad.

But the damage is done. The sorry little chicken thief goes on to fulfill his psychopathic destiny on a grand scale, becoming undisputed leader of his country and one of the most brutal dictators of the late 20th century, a cold-blooded killer who had fifteen hundred political opponents shot in one year alone and in an exquisitely sadistic twist, charged their families for the bullets. He is, of course, Saddam Hussein.

In our society we are, fortunately, not concerned about psychopaths rising to such positions of power—democracy pretty well takes care of that—nonetheless, if we look to the back-



ground of our serial rapists, murderers and other violent criminals, we find exactly the same source: dysfunctional family life.

The most important of scientific pursuits, the study of the human brain, has resulted in one of the most important discoveries ever: a child's potential, including its emotional development, is determined largely by its environment in its first few years. It is in infancy and childhood that we develop, or fail to develop, our capacity for empathy, for curiosity, for confidence, to learn and communicate, even to make friends.

An infant's brain contains billions of neurons that organize in response to the child's experiences, with windows of time for acquiring essential capacities. Its environment plays a key role in determining whether the cells, circuits and chemicals of its brain will develop properly, whether the wiring will be healthy or impaired. Connections used will become permanent, the unused will die. For the rest of its life, it will continue to organize those that survive but it will develop no new ones. Just as a child kept in a dark room for the first five years of its life will be forever blind, a child deprived of healthy nurturing in its early years will grow up to experience difficulty with sharing, co-operating and socializing, and when this failure is excessive because of particularly noxious abuse and neglect, the child is inclined toward a life of antisocial behaviour, including crime.

### **FAS**

A second rich source of antisocial behaviour is brain damage. Brain damage is also all too common among dysfunctional families, arising predominantly from fetal alcohol syndrome (FAS), a result of alcohol abuse during pregnancy. In severe cases, it produces a retarded child with a sociopathic personality, often complicated by, among other things, facial deformities and hyperactivity. Such a child is cursed. It is doomed to a lifetime of not being able to cope with society, of not being able to appreciate society's rules or its purposes. As many as 50 per cent of young offenders suffer from alcohol-related birth defects, and perhaps as many adult offenders as well.

Criminals are made, and they are made early, long before they are capable of conscious choice.

And often they are made serially. Generation after generation, grievous sins are committed behind closed doors, and dysfunctional families pass the art of abuse down to their children like a kind of inheritance. The sins of the fathers do indeed fall upon the sons.

### **Measuring the Mind**

One of the recently revealed pieces of the puzzle that is the human brain that both awes and amuses is the fact you can place the end of your finger on your forehead, just above the eyebrows toward the right side, and know it is within centimetres of your conscience. Even more amazing is that our conscience can be physically measured and observed in action through brain-scanning techniques. Our conscience is not, as we have long thought, a theological abstraction, but is in fact an organ resident in our skulls.

Our moral compass lies in our orbital prefrontal cortex and its communication with other structures in the brain. Here lies our social intelligence, our emotional regulation, our impulse control—our conscience. If the orbital prefrontal cortex, or associated regions, or the connections between them, don't develop properly or are damaged, if our neuronal communications are malfunctioning, we are unable to properly regulate our emotions and reactions; thus our behaviour may be inappropriate, even antisocial, even criminal.

Scans of the prefrontal cortices of convicted murderers have shown less activity than in nonviolent controls. Impulsively violent people also appear to have smaller prefrontal cortices and exhibit difficulty with tasks involving that part of the brain. Furthermore, they have abnormal levels of neurotransmitters, the chemicals that carry messages throughout the brain. In other words, their consciences are impaired, they don't work right.

Victims of this disorder may commit antisocial acts, but they are no more guilty of choosing to be antisocial than someone with schizophrenia or Tourette's syndrome. They do not choose

to have impaired consciences. When they threaten society they must, of course, be sequestered, just as we quarantine people carrying contagious diseases, but they should be sequestered to protect the public and for treatment of their condition, not for punishment. They have been punished more than we can imagine already.

### **Conscience Repair**

We do not yet know how to fix a damaged conscience. All we can offer is early diagnosis and therapy—empathic approaches rather than punitive ones. If the condition is diagnosed early enough, a victim may be able to avoid debilitating antisocial behaviour altogether and live a happy and constructive life. Drug and psychological therapies, even electronic implants, hold promise that one day we will be able to repair a malfunctioning conscience, perhaps even cure a serial killer. As we gain ever greater knowledge of the brain, aberrant behaviour may eventually be considered more a health problem than a crime problem, and crime considered more a symptom than a sin. The very idea of punishment may become obsolete.

But regardless of how we respond to crime, the ultimate answer lies in eliminating its root causes, dysfunctional child-rearing and fetal alcohol syndrome, not in building larger prisons. Once again, we must turn to the pre-eminently feminine virtue of healthy nurturing. When all women have healthy pregnancies and all children have healthy infancies, crime will be reduced to a minor nuisance.

But enough of dysfunction. The environment that creates us has many facets other than the circumstances of the womb and of infancy, as important as they are. Let us turn now to that infinite realm of influence termed culture.

### **Memeland**

Unlike bats and spiders, our natures are determined by culture as well as by genes and our early environment. We construct moral systems, write Bibles and Korans and Bhagavad-Gitas,

and codify laws to guard against cheaters, while vampire bats, poor benighted creatures, must resort to examining bellies.

Just as our physical nature is determined by bits of deoxyribonucleic acid called genes, our cultural nature is determined by bits of knowledge called memes, a word coined by Richard Dawkins as a cultural replicator equivalent to genes. As genes can be replicated, memes can be imitated and passed thereby from person to person and from generation to generation. What the gene is to biology, the meme is to culture. A meme can be a word, a story, a tune, a fashion, a belief, an idea, a technique, a symbol, any bit of knowledge that can be imitated, passed from one person to another in time or place, and even survive over generations. Groups of memes, from entire cultures or philosophies to the alphabet, may be termed “memplexes,” equivalent to the groups of genes that make up the genomes of organisms.

Our memes have a power over us that some writers suggest can be equivalent or even superior to that of our genes. Psychologist Susan Blackmore, in her book *The Meme Machine*, argues that the evolutionary advantage of spreading memes, i.e. imitation, drove our genes to design our brains ever bigger and better until they were capable of inventing the master tool for imitation, language. Not only did genes and memes work together and reinforce each other to create human intelligence, the memes were the boss. If Blackmore is right, by creating our unique brain they created our minds, our self-consciousness, our souls you might say; they created what is especially human in us.

Whether they created our minds or not, memes flood into our brains continuously from our culture and influence our emotions and attitudes as genes do, powerfully and mostly surreptitiously. Just as we are servants of our genes, we are servants also of our memes, and most of us aren't aware of it and have little or no understanding of how it all works.

### **The Illusive Will**

We now come to the leading question: If we have free will, where is it? Or more appropriately, what is it?

The notion of some unique, indefinable spark—the soul, perhaps—existing independently of our corporeal selves and guiding our behaviour is no more than superstition. We are what we are: an organism, a body, a collection of organs, muscles and bones, all guided by a confluence of genetic, memetic and environmental influences. Whatever we feel, think or act is driven by the design of these forces. If we have a soul, it is part of our body and subject to the same constraints. We are all corporeal, all physical.

The attempt to separate body and soul, to introduce metaphysics, is the problem. Our bodies are composed of various systems, circulatory, skeletal, digestive, etc., which can be sensibly considered in their own right yet are all interdependent. The circulatory system, for example, requires both the skeletal system to hang itself on and the nervous system to tell it what to do. Similarly, parts of our brain make up a system that gives us self-awareness, a system unto itself yet dependent on all the other systems—nothing metaphysical about it.

Memes are ferried about our brains allowing us to think, to imagine, to scheme, to analyze, to judge, to behave as moral beings. This is our mind and our conscience is part of it, in effect a sub-system of our self-awareness system.

Within this system we are so constrained by the genes we inherit, the memes we absorb, and the influences of our environment, there doesn't appear to be much room for an independent moral actor. Blackmore believes it is an "illusion that there is a persistent conscious self inside who is in charge, who is responsible for my actions and who makes me me" but rather we are "a complex interplay of replicators and environment ... that is all there is."<sup>1</sup> Certainly we are not the independent feelers, thinkers, choosers and actors we have always thought we were. Are we the masters of our minds or are they the masters of us?

### **Rolling the Dice**

So what difference does it make? Our conduct may be determined by genes and memes but my particular package of memes and genes is still me, a unique package that can think, analyze,

judge and motivate action. Each of us does his or her own thing. Indeed, but the package, and therefore the thinking, analyzing, judging and motivation, is a product of inheritance, not choice.

You can't get outside yourself. If you have a desire, but you believe it would be immoral to act on that desire and you successfully fight the temptation, you may feel that you have exercised your free will, but where did the wish to resist the temptation and the willpower to do it successfully come from? From exactly the same place as the desire, of course—from the same package of genes, memes and environmental influences. You have will, certainly, but it isn't free in the sense that it is independent of your corporeal self. It is resident in your brain and can only function and succeed as effectively as your genes designed it, your early environment affected it, and memes influence it. You did nothing to put it there, deserve no credit for its strength or blame for its weakness, and you are only as free to choose as it allows you to be. Our will is not free, it is trapped inside us, defined and constrained by neurons, synapses and memes.

We may or may not inherit wealth and influence, but we will inherit genes that set our behaviour patterns; we will inherit either healthy family life or brain-impairing dysfunctional family life; and we will inherit memes from the culture we are immersed in. These inheritances determine how ambitious, confident, curious, empathic, honest, intelligent, loving, talented and trusting we are. They roll the dice for us. Good people and successful people, bad people and failures alike, are made and they are made by luck, not by free will. A man who gains riches because his genes, environment and memes designed him to be ambitious and hard-working is successful for the same reason as a man who wins the lottery—he has good luck.

Those of us born healthy and nourished healthily are born with silver spoons in our mouths. If we are also born rich, the spoon is golden. When the governor of Texas signs death warrants, he is simply exercising in the most brutal fashion the power of the lucky over the unlucky.

---

<sup>1</sup> Susan Blackmore, *The Meme Machine* (Oxford: Oxford University Press, 1999) 246.



THE END

**Conclusion**





All societies are saturated with myths—some economic, some political, some moral—stories or beliefs integral to a people’s self-image but often animated more by imagination than truth. A favourite in our individualistic culture is, “There’s no such thing as a free lunch,” an aphorism strangely durable considering the free lunch, indeed the free banquet, has been the primary source of wealth and power throughout history and, although not what it once was, continues to yield a great deal of wealth and power today.

Capitalism has a particularly rich mythology, including myths about progress and competition that are as false as they are destructive.

Our much-loved democracy is in itself part myth, undermined as it is by the power of wealth through political largesse, command of the economy, the business tax, and ownership of the mass media. We persist in a system 19th century revolutionaries once called “bourgeois democracy,” a system in which democracy ends where the interests of capitalists begin. Even freedom can be used by wealth against democracy.

Among the more tightly held capitalist myths is that of the rugged individualist conquering all with his indomitable spirit and self-reliance. Yet some of the archetypes of that self-reliant mythology manifest a consuming dependency on the state.

This leads us to ask if the very idea of an independent individual isn’t in itself a myth. Investigation of the forces that create us, our genes and our environment, suggest it is. We are all much more what we are designed to be by our genes, what our

early family life moulds that raw material into, and by our interdependencies within society, than what some vague concept called free will determines.

In this short excursion, we have barely touched upon the cornucopia of myths that flow into our modern consciousness, but we have examined some of the more noxious. We have discussed how we might overcome their influences and work toward a more satisfactory reality. We concluded by considering the forces that make the human mind—the source of all myths and the source also of ways to rise above them.