



Economic Growth: Our Common Foe

By Neil K. Dawe

TODAY, there are more conservation and environmental organizations, more environmental regulations and legislation, more protected areas, and more environmental awareness than ever before, and yet there is also more environmental degradation than ever before. What we're doing to protect biodiversity is not working. And it's not working because conservationists are not addressing the root cause of the degradation: economic growth.

A recent Independent article on climate change and the admission by four senior British Labour Party ministers that their government's official policy for fighting climate change has failed, finally hits the nail on the head¹. The ministers make the case for "abandoning the 'business as usual' pursuit of economic growth, which has been the basis of Western economic policy for two hundred years." Importantly, there seems to be recognition that economic growth is the root cause of climate change along with a host of other environmental problems.

Economic growth is a continual increase in the production and consumption of goods and services and is predicated on increasing population and per capita consumption. Most significantly to the conservation cause, economic growth invariably results in the conversion or draw-down of natural capital (i.e., ecosystems and their biodiversity). The result is an increasing and cumulative loss or degradation of ecosystem services, the very services that allow and sustain life on this planet.

How is it that, despite all our conservation efforts, we have come to this point? In ecology, a limiting factor is something, such as food or water, that controls a process, such as sustaining a wildlife population. The key point is that, if you don't address the limiting factor, it doesn't matter what else you do, the population is in trouble.

If economic growth is the limiting factor to conservation, then it doesn't matter how many streams we clean or how many old growth forest valleys we secure, economic growth will eventually undo all the conservation effort we've undertaken. That seems to be what is happening.



One reason that economic growth is the main culprit flows from the faulty model under which conventional economics operates. Undoubtedly the deadliest flaw of the neoclassical economic model is the fact that there is no connectivity to the biosphere. It ignores both physical and ecological laws, such as thermodynamics and carrying capacity; it's as if the laws have been repealed specifically for humanity. Of course, they haven't.

In addition, natural capital is considered expendable because neoclassical economists believe in perfect substitutability between factors of production (= manufactured capital, labour, and land, or resources). This has led one Nobel economist to proclaim: "If it is very easy to substitute other factors for natural resources, then...the world can, in effect, get along without natural resources, so exhaustion is just an event, not a catastrophe." So, don't worry about biodiversity loss—we'll find a substitute.

This problem has concerned the scientific community to the extent that a number of professional organizations such as The Wildlife Society, The Society for Conservation Biology, and the Canadian and American Societies for Ecological Economics have adopted position statements on economic growth. They note that, among other things, there is a fundamental conflict between economic growth and biodiversity conservation and a fundamental conflict between economic growth and the ecological services underpinning the human economy². Over the past four years,

Continued on page 3

INSIDE THIS ISSUE . . .

- Harold Koehler – In Memoriam
- Can we have Maximum Allowable Wealth?
- Sachs on the Social Welfare State . . . and much more

President's Report

December 2007

As 2007 drew to a close we could look back on another active time for CUSJ. This will mark our twelfth year of educating Unitarians and lobbying provincial and federal politicians on a variety of issues. The following list of letters sent out this autumn shows the diversity of our interests:

- # 9-07 re possible deportation of a war resistor
- #10-07 re Secure Flight and No Fly Lists
- #11-07 re recruitment by the military in our schools
- # 12-07 re Supreme Court decision on War Resisters
- #13-07 re Bill C-280-Refugee Appeal Process
- # 14-07 re Declaration for Indigenous People
- #15-07 re Barring of Peace activists into Canada
- # 16-07 re Security Certificates
- # 17-07 re Security and Prosperity Partnership
- # 18-07 re denial of parole for Robert Latimer

All of the above may be viewed at our web site www.cusj.bravehost.com

We continued our financial support to such groups as ISARC (Interfaith Social Assistance Council), RAWA (Afghan Women's Charity), Kairos, the National Anti-Poverty Organization and the International Civil Liberties Monitoring Group.

Some of us were also active at the local level as we presented reports to city councils on their budget priorities.

During the fall your Executive and the Board of Directors have had two teleconferences each.

Most important has been organizing the ACM for Friday May 16 here in Ottawa (see page 11). The event has been arranged to allow visitors extra time at our venue, the Canadian Museum of Civilization (CMC). We are promoting the event by advertising in the CUC newsletter and web site as well as our own list serve and Justnews. I have arranged for a group rate at the Best Western Cartier Hotel, which is very close to the CMC. You are encouraged to arrive before Thursday May 15th and enjoy the many attractions including our Tulip Festival.

We CUSJ'ers are small in number in a small religion; the books, "God is Not Great" and "The God Delusion" don't even list us in their indexes. In addition we are spread out across a large land mass. However, there is still strength in our numbers as we recognize the good work done by so many to espouse our Unitarian principles. On behalf of CUSJ I express our appreciation for all of the writers of our lobbying efforts, and to the directors for their time and effort.

Bob Stevenson

Letter to the Editor

I have just finished reading the recent issue of Justnews Discussion Paper on how best to return Canada to a Peace-Promoting Nation. Bravo for such an excellent overview!

While I am sensitive to the arguments made by Saul Arbess in favour of a Canadian Department of Peace, I am left unconvinced such an initiative represents the best focus on which supporters of peace could direct their energies.

Conversely, I was quite impressed with the piece written by Susan Clarke and Joan Russow. They listed a number of items for which a Commission for Disarmament could advocate—all reasonable, needed and achievable.

It left me wondering, however, why we need to wait for the government to create such a Commission? There already exist a number of peace-focused civil society groups. Could they not unite under the mandate Clarke and Russow propose for a Commission?

The agenda is clear. Yet it seems peace-promoting energies remain diffused. Perhaps this is a mission Canadian Unitarians for Social Justice could give itself: bring together a broad range of groups to work on achieving this agenda.

Gilles Marchildon
Ottawa

Harold Koehler *IN MEMORIAM*

Koehler, Harold Peter, a staunch Unitarian warrior for social justice, died at the age of 83, on Nov.3, 2007, at Parkwoods Hospital, London, Ontario, of complications arising from heart failure.

Harold was raised on a farm in Huron County, completed high school at Harbord Collegiate in Toronto, and obtained his B.Sc. (Eng.) at the University of Toronto in 1948. As a mechanical engineer, he worked initially for A.V. Roe, Orenda Engines and Hawker Siddeley on the design of airplane engines, including the Avro Arrow. (Airplanes had been his passion since childhood.)

By the 1960s he found himself no longer able to work for the military industry and completed his "paid" career as



a vibrations research engineer at Ontario Hydro where he studied plant equipment problems at nuclear energy plants.

Harold served as a school board trustee in North York (1973-1978), where his interests included preserving small schools, special needs students, school bus safety, and values education. In the late 60s, Harold was involved in the fight to Save York Downs – Earl Bales Park.

He was a tireless and dedicated worker in numerous community, peace and social justice organizations in Toronto and, from 1988 until June, 2007, in London. Most recently, he was Treasurer of London-Fanshawe NDP, the Association for the Elimination of Hate, and Wiich ke yig (the London Chapter of the Canadian Alliance in Solidarity with Native Peoples), and Secretary of the Humanist Association of London and Area (HALA). Harold was a very active member of CUSJ, his main endeavours being for racial justice.

An inspiration and mentor to many in both his paid and unpaid careers, Harold worked in a quiet, patient, often behind-the-scenes way. His community contributions were recognized by the Governor General of Canada in 1992 when he was awarded the Commemorative Medal for the 125th Anniversary of Confederation.

Harold is survived by his loving wife of 60 years, Dorothy Margaret (Notley), his three children, three grandchildren, and two great-grandchildren. He is fondly remembered by his in-laws, nieces and nephews, and by many Unitarians.

More about Harold may be viewed on-line at <http://Harold.Koehler.ca>.

Our Common Foe

Continued on page 1

we have yet to meet one decision-maker who we believe truly understands what it means to be sustainable.

We at the Qualicum Institute believe this is a rare opportunity for conservation organizations. Conservationists can choose to come together with one loud and unequivocal voice against economic growth, the limiting factor to biodiversity conservation, or we can continue to see our fragmented efforts continuously eroded by a faulty economic paradigm.

Sources: Abridged from CounterCurrents.org, 03 April, 2006 <http://www.countercurrents.org/cc-dawe030406.htm> Neil K. Dawe, for the Directors of The Qualicum Institute. The Qualicum Institute is a Society for ecological, social, and economic sustainability (a local grass-roots think-and-act tank) that has been focusing on sustainability issues in the Parksville-Qualicum Beach region of Vancouver Island, B.C.

Sources

¹ <http://news.independent.co.uk/environment/article354055.ece>

² see e.g., <http://www.conbio.org/Sections/NAmerica/NAS-SCBPositionOnEconomicGrowth.cfm>

From the Editor

This past September I lost a good friend. He died suddenly of cancer. In June he was fine, having just returned from a holiday in Europe with his Spanish lady-friend. In September his lady-friend called me, and told me he was on his deathbed. She also told me he had considered me one of his best friends, even maybe his *best* friend.

“Damn,” I thought as I hung up, “why hadn’t he told me?” It would not have changed how I felt for him, a good and dear friend, not a best friend—but that was not the point. I had enjoyed our infrequent happy chats when he called me from Winnipeg where he lived. If I’d known, I would have listened more closely, treasured those calls more dearly. I would have felt even more privileged than I already did.

How often, upon someone’s death, have all of us gone to a celebration of someone’s life and wished, upon hearing what that person had done, that we’d known them better? Why had I not spoken more heart-to-heart to my good friend Eberhard Scherer, now dead?

I don’t have many good male friends—I prefer women. Women open their hearts more easily, and will talk about emotions. But I do have or have had one or two good male friends.

One was an East Indian, originally from the province of Kerela. He was a wonderful guy, warm-hearted, a great cook, a philanthropist, and we argued like hell every time we met, which wasn’t often enough. At the Canadian Unitarian Council’s B.C. Regional gathering this past Nov. 2007, I mentioned in a workshop on “Diversity” that my very dark friend and I had kidded each other about race: I used to call him “Ol’ Black Man”, and he retaliated by calling me “Little Pink Scientist.” He died nearly ten years ago now, and I never told him I considered him a best friend. That’s one of my very few regrets in life.

* * *

Discussion Paper 14, which you received recently, was once again delayed by personnel problems in the layout department. After this I hope to have learned a desktop publishing program myself so that we will have no more delays from that quarter. This issue of Justnews (Vol. 12, no. 1) was formatted with the help of Mel Johnston, Justnews’ first and longest-serving editor.

Because of the delays, I had collected a lot of material, much of it, it turned out, on economics. Considering the uncertainty of the US’s and therefore our own and the world’s economies, this is a timely topic. But we’ve had enough bad news of late, and I wanted this issue to be at least a little uplifting, so you’re getting the cheerful side of the dismal science, an issue on “Progressive Economics.”

Philip E. K. Symons

Board Members of Canadian Unitarians for Social Justice

May 2007 - May 2008

BOB STEVENSON (President), Ottawa Congregation (Ont.), is a member of the Global Justice Committee. He has also been a member of CUSJ Board for the past seven years. His special interests include policing and security issues, both locally and nationally.

JULIA VARGA (Vice President) (B.C.)

BOB STAVELY (Ont.) Bob Stavely (**Treasurer**) is a retired statistician from Statscan. He has a MBA from Queen's, and a B.Bc from McGill Universities. He has been a member of Ottawa First Unitarian Congregation since 1995. His particular interest lies in the struggle to correct injustices committed both in our own society and in foreign lands.

DEBRA MAIR (Secretary), First Unitarian Congregation of Ottawa (Ont.) Debra is concerned about the excessive power of large corporations. Specifically, she has been active in climate change, human rights, peace and social justice. Her long-standing interest in Central America is currently expressed in work on the activity of Canadian mining companies in El Salvador.

DON McDIARMID (Membership) (Ont.) has been president of two UU congregations. He served on the Canadian Unitarian Council's recent Social Responsibility Task Force and was part of the study group that produced the CUC Peace Resolutions. He is currently treasurer of the UU Fellowship of Ottawa.

JIM HACKLER (B.C.) Since retirement as a professor of criminology, Jim has concentrated on translating good research findings into brief summaries that would influence social policy. How do such groups as CUSJ, make meaningful contributions? What sort of activity leads to constructive change?

KAREN HOBBS (B.C.)

GERRI McNALLY (B.C.)

ADINA LYON (Alberta)

ROSEMARY FALCONER (Alberta)

MARGARET RAO, Toronto First Unitarian Congregation (Ont.). Margaret is seeking to repeal the 'Anti-Terrorism Act' and the use of 'Security Certificates' that detain possibly innocent people indefinitely under the guise of national security. She is also a member of 'Homes Not Bombs'.

BOB MANSON, Lakehead Unitarian Fellowship, Thunder Bay, (Ont). Bob is active in local social responsibility projects such as Empty Bowls Dinners, Friends of Africa (Stephen Lewis Foundation), and shelter house. He initiated a local War Resisters Support Group. He feels honoured to be on the CUSJ Board with such a group of inspiring people.

PAULINE HEINONEN, First Unitarian Congregation of Ottawa, (Ont). Pauline focuses on women's issues and the environment. Caring for these will help us all.

RUTH DI GIOVANNI (Quebec) Unitarian Church of Montreal. Particular Interests : Freedom and rights of individuals and groups. As a member of a family that came to Canada in 1937 from Germany, she was especially astounded and appalled by the CSIS Certificates issued by our own "democratic" government.

CHRISTINA DUVANDER (Quebec)

SHARON FLATT, Unitarian Universalist Church of Saint John (NB). Sharon hopes that the connection between a sustainable environment, good health and the economy will be realized by legislators, educators and citizens before we have lost our children's future. She loves earth based spirituality and practices alternative health care. Her favourite NGOs include CUSJ, the Conservation Council of N. B. (Conservationcouncil.ca), and the N. B. Environmental Network (NBEN.ca).



Ruth
Di Giovanni



Sharon
Flatt



Pauline
Heinonen



Debra
Mair



Bob
Manson



Margaret
Rao



Bob
Stevenson

News from the Trenches

Compiled by Bert MacBain

Unitarian Church of Montreal (UCM)

Membership has grown and morale is high in the Social and Environmental Concerns Committee (SECC), at the midpoint of an exciting year. In September, members chose two major projects, one international, one local.

Darfur Study/Action Project: The catastrophe in Darfur has been the focus of our international project. Members have presented papers on the history, society and economy of the Sudan; the rise of the Janjaweed and the outbreak of hostilities in Darfur; attempts to mitigate the conflict; and Canadian foreign policy on Darfur.

Recently, we have begun the action phase: fundraising for solar cookers for Darfuri women in refugee camps. These women, already driven from their homes and villages, are often re-traumatized on leaving the camps in search of firewood: raped, beaten, brutalized, and murdered. Solar cookers, ecological, practical and cheap, enable them to cook family meals in safety. The women themselves are now assembling the cookers on site. We have never witnessed a church fundraising project that evoked such unanimous enthusiasm as this one.

Welcoming Refugees: Our local project is our work with a nearby refugee centre run by the downtown YMCA. The number of residents ranges from 300 to 500, approximately one-third of them children. At present, the majority of refugees are from Mexico and Haiti, but all continents are represented. Throughout December, our congregation donated many boxes full of toys, games and puzzles, both new and used, which were gleefully welcomed at the residents' Christmas Party. During January, members donated a massive collection of good quality winter clothing that was distributed to residents facing their first Canadian winter. The "Covered Garden" at the Refugee Centre is a meeting room where residents congregate to relax, socialize, and play games. Staffed by volunteers during the week, it has not been open on weekends, because of staff shortages. That is about to change as more than a dozen UCM volunteers have now attended orientation and observation sessions. They are now ready to spend one or more Sunday afternoons a week in the Covered Garden, answering questions about our country, playing board games and musical instruments, chatting with residents in French, English and Spanish, and offering a warm Canadian welcome.

Other Initiatives: Other initiatives by individuals and teams are encouraged. One member regularly co-ordinates Amnesty International letter-writing campaigns; another produced and dispatched to Burma a video bearing messages of UCM support to a people beleaguered by brutal dictatorship. Following up on our accreditation as a Green Sanctuary,

our dedicated Green Team continues a dynamic program of environmental action and education.

All these activities and more harmonize with the goal expressed in UCM's 2001 vision statement: (we) visibly promote social justice, sustainability, and kinship with all of life in our neighbourhood, nation, and global community.

Unitarian Congregation of South Peel

Dr. Franz Hartmann of the Toronto Environmental Alliance spoke to our congregation on December 2nd; his talk was followed by a lively discussion. We are arranging for an evening showing of the film "Toxic Trespass" on March 25th. The executive producer, Dorothy Goldin-Rosenberg will attend. We received a response from Howard Hampton, Ontario NDP leader, to our letter on child poverty. The homeless shelter has been shut down for the time being so we are not providing lunch on Wednesdays. We have written an item for our newsletter on elder abuse. We will write a submission on the recycling of computer parts for the next newsletter. Our Fair Trade Coffee House was held February 2nd.

Judy Benger, Chair, Social Responsibility Committee.

Beacon Unitarian Church

Currently there is not an active social justice committee at Beacon Unitarian Church. However, Sandy Burpee, chair of that former committee, has been the driving force behind a number of important initiatives. He organized a Tri City Together Against Violence month that continued for several years, involving many groups and individuals. He started a food bank. He was heavily involved in restorative justice work in the Tri Cities and he is working hard on housing issues, joining with other churches and groups to realize affordable housing in the Tri City area. Since retiring from BC Hydro, where he was an electrical engineer, he has also joined the Coquitlam Search and Rescue. Sandy is a quiet and effective political force for social justice in the Tri City area.

Dan Theal.

Capital Unitarian Universalist Congregation

Although we are a small congregation in Victoria, B.C., we have two committees working on social justice issues. The first is the Social Responsibility Committee, which has been focused on food security issues for this year. In September we held a women's retreat at Glenairley where we identified what we could do to further food security, both as individuals and as a congregation. In February, we held a similar event for all members of our congregation. After a lunch of local

Continued on page 6

products, we had an update on what is happening locally, discussed our individual efforts to use food responsibly and what we as a congregation could do in the wider community. There was no shortage of good ideas. As a congregation, we have joined the Food Roots co-op and the committee works with other agencies in the James Bay community that are involved in food security initiatives.

The second committee is our recently formed Environment Committee. The impetus here is the widespread concern about the impact of global warming in the face of a subdued response to the issue by local politicians. This led to our congregation joining the Cool Capital Coalition, which is a coalition of local environmental organizations and faith-based groups active in the Capital Regional District. Recently, the CRD adopted the BC government provincial target of 33% greenhouse gas emission reduction by 2020, the Climate Action Plan (CAP), and the Bylaw to create a new monitoring service for the region. It appears that our local politicians are finally taking some action to mitigate the effects of climate change. Our committee will continue to support the Cool Capital Coalition in the months ahead, leading up to municipal elections throughout the CRD.

To document our progress, and encourage other congregations with similar concerns, the Environment Committee has established a website, www.stopglobalwarmingvictoria.org. We welcome contact with other groups like ourselves, and hope to be part of a network of groups involved in similar actions to fight global warming.

Mary Carlisle.

Unitarian Fellowship of Salt Spring Island

We revised the structure of our Social Justice Committee in September 2007 by forming sub-committees, each responsible for its own activities, working under the shelter of the Social Justice Co-ordinator. To date the change has been successful: more volunteers following their passions leads to more outreach in the community.

Our local outreach includes: (a) a monthly Sharing Basket dedicated to individual families or community groups such as the Food Bank, Family Place and the SPCA; (b) providing a hot home cooked lunch monthly for our less fortunate neighbours; and (c) volunteering at our local "In from the Cold" programme for those without adequate housing.

An Emergency Fund is part of our yearly budget, providing funds for transportation, food, work clothes, etc. which people require to live independently. We make a donation for Gay Pride Week programmes, support our Island Film Festival with a donation and a Social Justice information table, and are represented at the Peace Festival. This year was our first Ethical Gift Fair, raising money for

groups such as: Seeds for Malawi, The Food Bank, The Copper Kettle Community Partnership, Solar ovens for grandmothers in Africa and Ometeppe coffee.

Members of our Fellowship are represented in almost every community group. We are now beginning to work on projects outside our community. Beyond the donations of funds and goods we currently supply, our dream is to sponsor an immigrant family to come to our Island and share our warm and caring community—and then another and another and another.

As a small emerging Fellowship we can be proud of our involvement in Social Justice issues.

Dyanne Lineger, Social Justice Coordinator.

Membership Renewal Change

Dear CUSJ member,

Currently, each member's membership year begins on the day and month they first joined CUSJ. Many of you, perhaps even most, don't notice your expiry date on the Justnews mailing label. We don't have the resources to send out membership notices, so a new renewal system is being implemented.

Your Board has decided on a common membership renewal date for all, namely, April 1, to coincide with the CUSJ fiscal year. You will be reminded in future, by a note in the issue of Justnews or a discussion paper appearing nearest to April 1.

This is our transition year. We ask you this year to give us the appropriately pro-rated portion of what you would give us for a full year. For example, if your current membership ends at the end of July, 2008, which is 4 months into the new membership year, please send us $(12-4)/12 = 2/3$ of what you would give us for a full 12 months. The date for your membership renewal is on the Justnews address label.

As you know, there is no set amount for dues because we want membership to be available to people irrespective of their circumstances. We count on the more fortunate to contribute a larger amount. As a guideline, you may find it useful to know that our current average membership donation is about \$50 per membership household (i.e., mailing address) per year. This amount corresponds fairly closely to the amount required to put out the target numbers of issues of JustNews and Discussion papers plus our support of some NGOs doing great work and in need of money and a constituency base.

Address updates should be sent to me at drm140@sympatico.ca or 140 Roger Rd., Ottawa, ON, K1H 5C8.

Cheques and membership forms should be sent to Mr. R. Staveley, P.O. Box 40011, Ottawa, ON. K1V 0W8.

With best wishes,

Don McDiarmid (Membership Secretary)

Canadian Couple Wins “Alternative Nobel”

Source: *TheStar.com* - News - October 02, 2007. *The Associated Press*

Stockholm—Saskatchewan farmers Percy and Louise Schmeiser have won a Swedish award that’s considered an “alternative Nobel.”

They are among activists from four countries named winners of the 2007 Right Livelihood Award for their efforts to promote peace, biodiversity and renewable energy.

The Schmeisers, of Bruno, Sask., have been embroiled in a legal battle with US agribusiness giant Monsanto Co. over the company’s genetically engineered canola plant.

Percy Schmeiser was taken to the Supreme Court of Canada for using patented seeds he had not purchased. He lost the case but has since become a folk hero for defenders of organic farming. He has campaigned across Canada and internationally against genetic engineering in agriculture.

The prize winners share the \$310,000 award founded by a Swedish-German philanthropist to recognize work he felt was being ignored by the prestigious Nobel Prizes. The other winners of the Right Livelihood Award are from Sri Lanka, Kenya and Bangladesh. Nonprofit company Grameen Shakti was honoured for its work to promote solar energy among rural households in Bangladesh.



Percy Schmeiser

The company was created in 1996 under the Grameen Bank, which was awarded the 2006 Nobel Peace Prize together with its leader Muhammad Yunus for efforts to help the poor through tiny loans called microcredits.

Sri Lankan legal scholar Christopher Weeramantry, a former vice-president of the International Court of Justice, was cited for his efforts to “strengthen and expand the rule of international law,” the award citation said.

The prize also honoured Dekha Ibrahim Abdi, a Muslim peace activist from Kenya, for her work to bridge religious and cultural differences.

Prize founder Jakob von Uexkull said Abdi and Weeramantry “demonstrate how war and terror can be overcome by peace-building and the rule of international law,” while “the Schmeisers and Grameen Shakti show us how to protect two essential services of our global ecosystem: our agricultural resources and our global climate.”

The awards were presented in a ceremony at the Swedish Parliament on Dec. 7, 2007.

Why must we fight for the right to a safe life?

Guaranteed Annual Income and Negative Income Tax

By Robert Anton Wilson

The Guaranteed Annual Income has been urged by economist Robert Theobald and others. The government would simply establish an income level above the poverty line and guarantee that no citizen would receive less; if your wages fall below that level, or you have no wages, the government makes up the difference. This plan would definitely cost the government less than the present welfare system, with all its bureaucratic red tape and redundancy: a point worth considering for those conservatives who are always complaining about the high cost of welfare. It would also spare the recipients the humiliation, degradation and dehumanization built into the present welfare system: a point for liberals to consider. A system that is less expensive than welfare and also less debasing to the poor, it seems to me, should not be objectionable to anybody but hardcore sadists.

Administration of a guaranteed annual income would be less expensive than welfare, but if it were to be a guaranteed liveable income, which welfare currently is not, it would probably be considerably more expensive. Ed.

The Negative Income Tax was first devised by Nobel economist Milton Friedman and is a less radical variation on the above ideas. The Negative Income Tax would establish a minimum income for every citizen; anyone whose income fell below that level would receive the amount necessary to bring them up to that standard. Friedman, who is sometimes called a conservative but prefers to title himself a libertarian, points out that this would cost “the government” (i.e. the taxpayers) less than the present welfare system, like Theobald’s Guaranteed Annual Income. It would also dispense with the last tinge of humiliation associated with government “charity,” since when you cashed a check from IRS [U.S. Internal Revenue Service] nobody (not even your banker) would know if it was supplementary income due to poverty or a refund due to overpayment of last year’s taxes.

Consequence of a Guaranteed Liveable Income on Society

We've already noted poverty would be eliminated by a GLI, although it will take time and additional actions to reduce associated drug addiction and homelessness, and to provide appropriate care for the mentally ill. What are some of the other possible consequences?

At first I thought businesses would love the idea of a GLI, because they could immediately reduce salaries of their lower-paid employees by the amount of GLI not taxed away, leaving the employee with the same income as before GLI was implemented.

But wait—would businesses be able to do that? A MacDonald's employee, earning minimum wage, would soon realize, "I can have the same income sitting at home and writing that novel I've been dreaming about as I can slaving here at MacDonald's. Why should I keep working for so little? I'm quitting!"

Bingo! Minimum-wage legislation would become obsolete.

Second, MacDonald's and all Mac-Job employers would have to *raise* their pay rates to something that made the drudgery of the work worth putting up with. The GLI will in fact force employers to pay something nearer the true market value for the work they want done. Think what this might do for coal-miners and prostitutes whose jobs at times are downright horrible!

And think, also, what would happen to all the enjoyable work that currently doesn't get done because it doesn't pay. Not only might we be inundated with rubbishy novels and trashy art, but a lot more volunteer work would get done, because people who want to do that work would no longer be forced to eek out a living at something they hate doing. Unquestionably a GLI would transform our society in ways we probably can't imagine. PEKS

Maximum Allowable Wealth -- MAW

Money is both good and bad. Wealth supports our high standard of living, but it is one of the biggest causes of global warming. If for that reason alone, we should begin thinking of ways to limit it.

But there's more: the ever increasing disparity in wealth between rich and poor. As Lois Hole, late Lieutenant Governor of Alberta put it in her keynote address to the Canadian Unitarian Council in May, 2004, "Money is like manure—spread around it does a lot of good; piled in one place it stinks like hell!"

We know that incomes above about \$80,000/yr do little to increase happiness, and great disparities in wealth may even foment unhappiness¹. (Justnews 2006, Vol. 10, no. 2.) Left unresolved such disparities can end in armed revolt, the French revolution of 1789 being the most infamous.

The problem, therefore, is: how do we limit the wealth of the rich so that we can spread that wealth around without losing its benefits? To answer that, let's list the incentives for accumulating wealth, starting with the positive and ending with the negative.

1. Wealth for philanthropy: some people accumulate wealth and use some of it help the less well-off, an entirely laudable activity—except that wealth accumulation is a zero-sum game: the more wealth one person has, the less there is for everyone else.

2. Wealth for investing in business: our economy could not have grown to where it is now without investment.

3. Wealth accumulation is a game: for some people, money-making may be an end in itself, there being little

desire to use it, once it's obtained. This is relatively harmless, and if the investments help to promote business, it is even beneficial.

4. Wealth for personal aggrandizement (greed): while in decades past the ostentatious display of wealth in the form of mansions, yachts, expensive cars and lavish living may have been tolerated, those days must surely end soon.

5. Wealth for power: for some people the power that wealth provides is the greatest incentive of all, and it is the most dangerous. Power can lead to insensitivity, arrogance and a perception of being always right (the Conrad Black syndrome, visible in petty administrators at all levels); it eventually and inevitably leads to corruption. Wealth and power must be disconnected.

When limiting wealth, we want to encourage the first two incentives, turn the third and fourth to useful purposes, and thwart the use of wealth for power completely. The easiest way to show how this might be done is to fabricate an example. What could be more Canadian than to apply the rules to a high earning hockey player?

Wealth Limits are Arbitrary—what limits should we set?

Let's set annual useable income at \$150,000, nearly double the amount needed for near maximum happiness, and set maximum allowable assets at \$1-million. We hear so much about the very rich that we have an exaggerated idea as to how rich all but a tiny fraction of Canadians really are. The top 10% of richest Canadians have assets of only \$1-million or more (a very few much more, of course), and

their annual income is only about \$150,000 or more. So these apparently low limits to wealth would still affect only about 10% of all Canadians.

Now, if our 23-year old hockey player is making, say, \$7-million a year, and has already accumulated \$3-million-worth of assets before the law limiting his wealth kicks in, he is well into the stratosphere of the wealthy in Canada. How are we to limit his wealth?

Income and Asset Limitation

Good professional hockey players make a lot of money, but the period over which they can earn it is fairly short. Therefore, let's allow our hockey player to put the excess above his allowable annual income into a limited-access account for use later in his life. If he makes \$7-million for the next five years, he will accumulate \$35-million, and if he lives for another 57 years to age 80, that \$35-million could provide him with \$614,035 per year.

That's well over his allowable income, because he can only use \$150,000 a year, which, over 57 years, amounts to a little over \$8-and-a-half million, so he has something like \$26-million in excess of what he can use. He could give some of it away to charity or to non-profit organizations in single lump sums, provided he is not, and never becomes a board member or accepts any other position of power in those charities or organizations. This might satisfy his desire to be philanthropic, but it does little for his public persona.

So we could allow him to build a public library or other public building and have his name on it—but he can't sit on the board or have any further connection with that building after it's completed, other than perhaps to officiate at gala events being held there. He can't even give more money to it after it's built; the potential for influencing policy on the promise of more funds might be too tempting to ignore.

He might want to become a partner in business, or start a business of his own. Now here's a problem, because he already has \$3-million invested in a house and yacht, and his limit is \$1-million. We won't confiscate his property, but if he sells it, he cannot spend that capital on himself. He is perfectly at liberty to invest in non-voting shares of a business, but since he's already at his maximum income, he cannot profit from those shares. He is in business therefore for the fun of it, for the feeling of accomplishing something when the business succeeds.

If he's not interested in working or in business, because he can't benefit financially from it, he can retire to his million-odd dollar home on his personal pension of \$150,000 a year, and play golf. Life could be worse.

Notice that our hockey player still has his \$3-million-worth of assets after the law on maximum allowable wealth has been brought in, unless he sells something. His assets are "grand fathered"; he can keep them on certain conditions.

He is not allowed to buy any new assets, unless he marries someone who has less than \$1-million, and their combined assets upon marriage do not exceed \$2-million. Upon his death, or at any time before, he can give his assets, or any part thereof, to any individual provided that individuals' worth does not exceed \$1-million.

Nothing so far has been said about taxes. Of course the government will want some of our wealthy hockey player's money to use for the public good. There is no reason why income taxes should not remain as at present, which means our wealthy hockey player would need to keep more than \$8 ½ -million in that limited access account if he wished to have an annual income of \$150,000 until his death. A better solution might be to set taxes according to the scheme devised by Henry George (1839-1897), but that's another whole subject.

Effect on Society

What effects might a MAW have on society? The law of unexpected consequences will surely apply, so we will need to be prepared for surprises. There are, however, some things we can predict.

First, businesses that provide luxury items like five-million dollar homes, million-dollar yachts, and \$100,000 automobiles will decline. That would be good, both for the planet and society. Smaller homes require fewer resources to build, maintain and heat, but the savings, in themselves, will not be sufficient to affect climate warming noticeably.

Mansions worth over \$2-million and owned by a couple would, upon their death, have to be turned into a multiple-person dwelling, or, if they had historical value, be turned over to the government or perhaps be made into a business. Demand for smaller luxury items will increase.

Would there be a lack of capital for business ventures? Funds in the limited access accounts wouldn't just sit there; they would get invested in goods and services for the public. In our future world, those funds are probably going to be needed for building or re-building infrastructure (bridges, sewers, etc.) that has been neglected in recent decades.

There would be a lot more philanthropy, and some regulation or guidance will be needed if we're not to end up with too many sport's arenas and too few performing arts theatres.

In general, we would likely have a happier healthier society. Will it happen soon? Not under our present system of government, because our so-called representatives mostly belong to that 10% of the population who make up the wealthy elites. We will need to change our political system before we can change our economic one, and that's going to take a while. PEKS

The Social Welfare State: Beyond Ideology

By Jeffrey D. Sachs

One of the great challenges of sustainable development is to combine society's desires for economic prosperity and social security. For decades economists and politicians have debated how to reconcile the undoubted power of markets with the reassuring protections of social insurance. America's supply-siders claim that the best way to achieve well-being for America's poor is by spurring rapid economic growth and that the higher taxes needed to fund high levels of social insurance would cripple prosperity. Austrian-born free-market economist Friedrich August von Hayek suggested in the 1940s that high taxation would be a "road to serfdom," a threat to freedom itself.

Most of the debate in the U.S. is clouded by vested interests and by ideology. Yet there is by now a rich empirical record to judge these issues scientifically. The evidence may be found by comparing a group of relatively free-market economies that have low to moderate rates of taxation and social outlays with a group of social-welfare states that have high rates of taxation and social outlays.

Not coincidentally, the low-tax, high-income countries are mostly English-speaking ones that share a direct historical lineage with 19th-century Britain and its theories of economic laissez-faire. These countries include Australia, Canada, Ireland, New Zealand, the U. K. and the U.S.

The high-tax, high-income states are the Nordic social democracies, notably Denmark, Finland, Norway and Sweden, which have been governed by left-of-centre social democratic parties for much or all of the post-World War II era. They combine a healthy respect for market forces with a strong commitment to antipoverty programs. Budgetary outlays for social purposes average around 27 percent of gross domestic product (GDP) in the Nordic countries and just 17 percent of GDP in the English-speaking countries.

Friedrich Von Hayek was wrong

On average, the Nordic countries outperform the Anglo-Saxon ones on most measures of economic performance. Poverty rates are much lower there, and national income per working-age population is on average higher. Unemployment rates are roughly the same in both groups, just slightly higher in the Nordic countries. The budget situation is stronger in the Nordic group, with larger surpluses as a share of GDP.

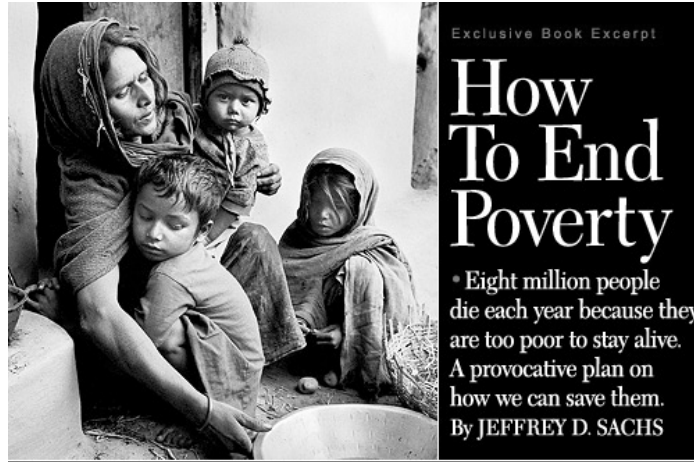
The Nordic countries maintain their dynamism despite high taxation in several ways. Most important, they spend lavishly on research and development and higher education. All of them, but especially Sweden and Finland, have taken to the sweeping revolution in information and communications technology and leveraged it to gain global competitiveness. Sweden now spends nearly 4 percent of GDP on R&D, the highest ratio in the world today. On average, the Nordic nations spend 3 percent of GDP on R&D, compared with around 2 percent in the English-speaking nations.

The Nordic states have also worked to keep social expenditures compatible with an open, competitive, market-based economic system.

Tax rates on capital are relatively low. Labour market policies pay low-skilled and otherwise difficult-to-employ individuals to work in the service sector, in key quality-of-life areas such as child care, health, and support for the elderly and disabled.

The results for the households at the bottom of the income distribution are astoundingly good, especially in contrast to the mean-spirited neglect that now passes for American social policy. The U. S. spends less than almost all rich countries on social services for the poor and disabled, and it gets what it pays for: the highest poverty rate among the rich countries and an exploding prison population. Actually, by shunning public spending on health, the U.S. gets much less than it pays for, because its dependence on private health care has led to a ramshackle system that yields mediocre results at very high costs.

Von Hayek was wrong. In strong and vibrant democracies, a generous social-welfare state is not a road to serfdom but rather to fairness, economic equality and international competitiveness.



Source: From: *Scientific American*, Oct. 16, 2006. Jeffrey Sachs is the Director of The Earth Institute, Quetelet Professor of Sustainable Development, and Professor of Health Policy and Management at Columbia University. He is also Director of the UN Millennium Project and Special Advisor to United Nations Secretary-General Kofi Annan on the Millennium Development Goals. He was recently named by Time magazine as one of the 100 most influential leaders in the world. He is the author of "The End of Poverty."

Canadian Unitarians for Social Justice

Annual Conference Meeting

Friday May 16, 2007

**Canadian Museum of Civilization
Gatineau, Quebec**

Theme: "The Presentation of Selected Social Justice Issues at the Canadian Museum of Civilization."

9:00 AM Registration in the Salon des Cascades on level one.

9:15 AM Welcome and opening remarks by Bob Stevenson, President.

9:30 – 10:30 AM Visit selected exhibits:

The First Nations Hall: "the Arrival of Strangers" and other section to be identified later;

The Canada Hall: exhibits include the Amber Valley community of Alberta, the Chinese Laundry, the Social progress Gallery, and the Labour Temple.

10:30 AM Reconvene in the Salon des Cascades for refreshments and a question and answer session with the Curators of the two Halls or their representatives to discuss our theme.

11:00 AM Business meeting of CUSJ

Noon: Lunch in the Cafeteria

Afternoon: tour the CMC including the Grand Hall (level one), The Special Exhibits Area (level two), the Face to Face Exhibit (level four), the Postal Museum (level two) or visit the IMAX theatre. The Children's Museum will be available during the day.

5:30 PM Supper at the Restaurant Internationale at Algonquin College The table d'hôte is \$33 including tax and gratuity; vegetarian dishes available. Seating limited—reserve on our web site.

Two workshops will be held by CUSJ at the CUC: Greening our Sacred Spaces, with presenters from various congregations;

A Social Justice Connect the Dots, with Clayton Thomas-Muëller.

Please direct any questions to stevbob@rogers.com or 613 729 3765

Oikocredit

Oikocredit believes that poor people can build themselves a better life, if only given the chance—if only given credit to help start a business.

Many banks do not believe in investing in the businesses of the poor. If you have little or no collateral to offer, you will get no credit from banks, and must borrow from loan sharks.

Throughout its years of operation, Oikocredit has proven that small poor entrepreneurs, cooperatives and others in developing countries are credit-worthy partners.

Oikocredit uses a number of clearly defined criteria to assess loan requests. Our loans are directed at groups: cooperatives or small and medium-sized enterprises involved in agriculture, trade, services and manufacturing, small-scale coffee farmers, for instance, who need their own coffee mill for increased income. The demand for loans offered by Oikocredit has steadily increased as the effectiveness of this means of providing credit has become broadly recognised. Oikocredit also seeks alternative trade organisations to provide third world producers with a fair market for their products.

Started as a pioneer in the field of development financing, Oikocredit is today one of the largest financiers of the microfinance sector worldwide. It is one of the few ethical investment funds that finances development projects in the South benefiting disadvantaged and marginalized people. Oikocredit gives loans instead of donations because when it comes to achieving economic productivity and self-reliance, loans are a more effective instrument than grants.

Oikocredit's loans are channelled through a network of regional offices spread over Latin America, Asia, Africa, Central and Eastern Europe and managed by local professionals. Our microfinance institutions split our investment funds into thousands of small loans to very poor people. Investors are paid a nominal interest of 2%; borrowers pay the regular local bank rate for their loans from Oikocredit. The difference in interest rates pays Oikocredit's costs. Today more than 60% of our outstanding capital goes to financial intermediaries, so-called microfinance institutions.

Membership in Oikocredit begins with an investment of \$250 or multiples thereof. To date these investments have been fully refundable. To become an investor, contact First Oikocredit Canada, Mississauga by telephone (1 905 808-2160) or e-mail, Canada.sa@oikocredit.org (local branches in Dartmouth N.S, atlantic_ca.sa@oikocredit.ca and Victoria B.C. britishcolumbia.sa@oikocredit.org).

Source: Compiled from Oikocredit's website www.oikocredit.org; and brochures. Oikocredit is a unique privately owned cooperative society, which encourages investors to invest their funds in a socially responsible manner.

