



Calum MacKenzie's View From The Shore:

Democracy on the Ropes? (Suggested Readings are at the end of article)

Some would say that there is an over abundance of regulation in our modern lifestyles and that expressions of freedom should be given free rein and allowed to flourish. The abundance of regulations, they say, gives rise to conditions which stifle initiative and an innovative entrepreneurial spirit. Some would even go so far as to liken our modern democracies to totalitarian regimes of bygone eras and make pleas for less regulation, less monitoring, less over-sight, less police presence, and less big brotherism as per George O and "1984."

Yet, even those who are most vociferous in panning regulations have to admit, if reluctantly, that dense populations require regulations to bring some order and comfort to their lives. Cities need zoning regulations and building codes in order to make them pleasant and efficient places in which to live, work and play. Security officials, bankers and insurers insist on regulations to make city life safe and healthy for the population.

Under the rubric of National Security some sneaking and peeking by certificated spooks is to be expected. But affronts to human rights, racism, invasions of privacy and the daily reports of asinine seizures of written materials as well as the abrogation of constitutional rights leaves one to wonder; Are we institutionalizing freedoms for establishment WASPs with rampant de-regulation, while other strata of society have their freedoms diminished as never before. Our culture and civilization were built on the slow and methodical evolution of regulations via rules and by-laws which make our everyday living more secure and safer. The removal of unpredictability, insecurity, and unsafe living conditions enhances our physical well being and promotes our mental health. Without such regulations those who rule our lives and provide services would have a field day of uncontrolled anarchy. This continues to apply until the rules become obsolete (for example, buggy whip regulations no longer apply). Ever since King John decided that his noblemen were on to something and allowed the Magna Carta to be brought in, the English speaking world has been developing a system of regulations. We have all benefited from that system, as for example with regulations governing motor vehicle traffic and air traffic control. However, it's not good enough to have laws, by-laws and standing orders on the books in order to regulate our society at home or abroad if we fail to monitor their upkeep, their review, and their enforcement. It is in the monitoring, policing and enforcement that the system is beginning to crumble.

Canada's Council of Chief Executives (CCCE), a business lobby group, is now so powerful that it has the ear of government much more so than any other faction. Over the last 25 years, since the days of the Mulroney Conservative Government, the CCCE and its predecessors have received favourable treatment in Ottawa. The Canadian Ministry of Finance welcomes them eagerly, listens to all their submissions, reads all their reports, and follows that up with a skewed budget presentation to Parliament, which leaves them very happy. Regulations, which in the past have protected Canadian culture, business, resources, and lifestyle, were nullified by the Free Trade Agreement and dropped with few

exceptions under NAFTA rules. FTA and NAFTA were heavily promoted by the CCCE. The sovereignty and trade fairness surrendered by Mulroney's Conservatives was not recouped by Chretien's Liberals despite solemn promises to the contrary. PM Martin and more recently PM Harper are birds of the same feather.

This sharp swing to the right of the political spectrum defies Canada's social democratic history and the wishes of a large majority of the population. It does, however, sit well with the US, EU, and UK Business Round Tables. Canada's 150 member CCCE has a large number of US and European branch managers on its board. Those groups show disdain for democracy and its institutions and operate in secrecy to circumvent national decision making and governance. They impose their ideas with coercion, and they mete out negative remedies for those who dare challenge their edicts, again in secret. The will of the people and their elected representatives plays second fiddle to those organizations. The elected governments of Australia, the US and Canada have all fallen foul of decisions by un-elected, secret, trade panels; when laws which protected their citizens contravened the least restrictive trade practice ideals as laid out in NAFTA or the WTO. Examples include poisonous mining tailings leaching into drinking water, (Australia); tuna fishers with preventable dolphin by-catch (Mexico and South West US); and gasoline additives which are carcinogens,(Canada). In each case the companies won and received compensation from the national governments for lost profits, court expenses, damage to image, and pain and suffering, as if they had been the people wronged!

Along with the US, the UK, and Japan, Canada (The Quad), I'm ashamed to admit, now participates in the Green Room negotiations at WTO meetings. Decisions are arrived at behind closed doors and in secret then presented to the general WTO meeting for rubber stamp approval. Dissent from the other member nations is not tolerated under threat of repercussions. The various rounds of WTO trade talks are based on the Washington Consensus free trade doctrine which requires liberalized world trade, de-regulated foreign investment, de-regulated currency transactions, and de-regulated national economies, privatized state services, and head to head competition. The US Treasury Dept., and its cohorts at the World Bank, IMF, WTO, NAFTA etc., and the UN, have instilled such fear in the recipients of their largesse that opposition is cowed even before it gains a head of steam. The Seattle round saw a welcome reversal but at Doha it was business as usual when the stronger, wealthier nations prevailed.

Along with the World Bank and the IMF, the WTO has caused millions of poor folk in third world countries to become even more desperate as they lower their trade and currency barriers and leave themselves vulnerable. The de-regulation imposed as a condition of, and in the pretense of helping the poor to develop is done with coercion and threat. The history of corporate involvement in the third world has been one of forced labour, evictions, murder, wars, under costing of resources, tax evasion, and collusion with dictators. It borders on the criminal to impose a free market capitalist system on an economy which doesn't have the regulatory institutions up and operating first. The IMF and World Bank have done that repeatedly. Poland, Botswana, and Singapore are the exceptions because they kept their regulations in place while others took advice and as a result went to hell in a hand basket. The multi-national corporations move easily from nation to nation seeking out the least restrictive business environment leaving a scene of destruction and degradation in their wake. Rather than seeking ever-lower standards, they must be regulated back universally to raising the bar and seeking ever-higher standards in all their affairs. Despite their ads they will not do this voluntarily!

The corporate giants of the western world which grew to their present strength slowly and methodically under regulations which benefited them and their nations are now telling all others "Don't do as we did, do as we say!". They developed in the shelter of a protective government which gave them preference over foreign imports, which built tariffs walls in their favour, and enforced the regulations with armed forces when necessary. Those conditions under which today's corporations flourished down through the ages, are the very regulations that they would deny the developing nations of the third world today. JM Keynes at Bretton Woods, and Clair Wilcox of the ITO showed them how to do it right, as has the AFL-CIO, the UN trade commission, the OECD and the UN Declaration of Human Rights.

Some developing countries bought into the IMF - World Bank sales pitch and now find themselves with debts they can never repay. Sierra Leone pays 90% of its national income on IMF/World Bank repayments at 18% interest, although it has paid off its original loans many times over. Some local peasant farmers who had subsisted for generations in an environmentally sustainable fashion, were displaced to create agri-business operations selling meat to western countries. Meat is now landed on Halifax NS docks cheaper than the local Nova Scotian farmer can produce it. Farm bankruptcies are at record high levels. Salad greens and vegetables are flown into London, England from Kenya and Tanzania, cheaper than the local nursery can produce them. Family farms, by far the most environmentally friendly and most efficient, are fading into extinction. Multi-nationals manage to weasel out of paying the transportation costs, compensation to the displaced, and the costs to the environment. If they had to pay all of the costs incurred they would be bankrupted.

This is not a "baby with the bathwater" call. The regulations which have been built up over the centuries and tweaked from time to time to improve them should not all of a sudden be thrown out for the sake of political ideology, but the chaos caused by de-regulation can be seen today in 1) farming, 2) resource extraction, 3) the fishery, 4) coastal privatization, 5) forestry, 6) diminishing polar ice caps, 7) pollution of air, soil and water, 7) drying river beds, 8) rising sea water levels, 9) sea water in drinking water intake pipes, 10) falling aquifers and 11) depleted ozone layer protection. And that's just in Canada! Imagine with terror what will happen in the US, Pacific Asia and Europe when the chickens really come home to roost.

But our societies and civilization can't live without regulations. Is there a compromise? I think so and I think the solution is simple:

- 1) The grass roots folk in poor countries must be allowed to develop at their own pace without outside interference and by using those rules and regulations which best suit their local situations.
- 2) Regulations must do more than protect the corporate agenda. The World Social Forum meets annually to promote the wishes of the third world. Eventually the rich western economies must listen to their pleas.
- 3) If protectionism, tariff barriers, subsidies, tax breaks, are permitted for western corporations and departments of government, they are even more appropriate for developing nations and their infant businesses.

Having read this, the call is now yours to keep. I'd like to know what you think. Write me at calum@hungrypeasant.com.

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Suggested Readings

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