

# SA YOUT

Summer 2014

*Ideas, Facts, and Opinions for Today*

## Who Should Pay?

When a country runs into serious financial difficulties, a fundamental question comes to the fore. Who pays to dig the country out of those difficulties?

We're used to the mantra now that the citizens as a whole must pay. They do so in their taxes, and through restrictions on social spending. Like medieval penitents, ordinary people must, in effect, wear sackcloth, make do with less of everything, and generally pay to put things back to rights.

If the financial difficulties arose as a direct result of the excesses of the financial sector, does this make sense? Is it fair?

In the 2007-08 financial debacle, banks and other financial institutions were bailed out and backstopped from the public purse. This involved hundreds of billions of dollars of public money being spent in a range of different countries.

Liquidity for the financial sector became the driving force. The argument was that this was essential otherwise total economic disaster loomed.

But what if other responses could have been made? What if ordinary people didn't have to be turned into penitents?

Prior to 2008, Iceland had been riding high financially. The widespread crash in the fall of that year placed the country in a difficult situation. The banks demanded that the government back them up, but the government refused. Instead, the banks failed.

Some months of turmoil followed, but Iceland maintained its social spending and gradually the economy recovered. By the end of January of this year, the Financial Post could report that "Iceland's plan looks to be working".

One country with a tiny population thumbed its nose at its big banks and conventional economic opinion. Instead of disaster, Iceland regained its economy and today is moving ahead, while other countries, including Canada, struggle on with debilitating austerity meant to please their financial sectors. What can we learn from all of this?

## Scotland, where are ye gang tae the noo?

Scots will vote soon about becoming completely independent from the United Kingdom.



This vote will be followed with interest by people of Scottish heritage around the world. In Canada, evidence of that heritage is all around us.

The implications of Scottish independence could be far ranging. Separatists in Quebec would certainly feel encouraged as would separatists elsewhere, such as in Spain.

Interestingly, Quebec has quite a French-speaking Scottish heritage of its own.

The United Kingdom would undergo quite a change. Some say it would be diminished in world councils.

It might be that nationalists in Wales would feel pressure to move in the direction of independence for that country as well.

Internationally, having an independent Scotland to deal with could be quite an interesting challenge for the world.



**Is this the bridge to nowhere?**

## Who's Unemployed?

People receiving employment insurance benefits qualify officially as being unemployed.

Others may be added if they meet the right criteria.

Overall, though, putting an exact number on who's really unemployed is anything but a precise science.

## The Decisive Power

*"In the modern corporation the decisive power, that of the managers, is derived from no one but from the managers themselves, controlled by nobody and nothing and responsible to no one. It is in the most literal sense unfounded, unjustified, uncontrolled and irresponsible power."*

*Peter Drucker The Future of Industrial Man, 1965.*

## Bearing bad news has few rewards

People don't like to be the bearers of bad news, especially if they're politicians. Messengers bringing bad news tend to get themselves dismissed or worse. This is the "shoot the messenger" syndrome.

So if the ship is sinking, the captain may hesitate to let the passengers know.

The trouble is, of course, that the bad news will sooner or later make itself obvious. Then people will have to bear the consequences.

If you believe something isn't quite right even though those in charge say everything is lovely, remain alert. Your intuitive antenna may be picking up something worth worrying about.

### *A hard thing to build*

*"A successful city is a hard thing to build, and a world-class one even harder. But incompetent or wrongheaded governments have stunted and even destroyed so many in the past that complacency and fatalism in the face of urbanization are profoundly misplaced."*

Alan Beattie *False Economy*, 2009

## Whose inflation?

Official figures are trotted out monthly to declare what the rate of inflation is deemed to be.

These numbers are important, because decisions about pension payments to and various other government matters are pegged to them. Further, the bank rate set by the Bank of Canada depends on them.

The Consumer Price Index (CPI) is the basis for calculating Canada's inflation rate. The CPI tracks prices for a few hundred goods and services. Who chooses the items to include? How do these relate to what ordinary people actually need?

Some important items for some groups of people may not be included at all. Is it possible that the CPI doesn't line up well with household budgets that real people must live by?

If stock prices or property prices increase by, say, 10% that's not usually seen as inflation. It's seen as good news.

In the end whose inflation are we really talking about?

## Justice needs just citizens

We can all become complicit in supporting unjust conditions. If we suspect or see unjust actions by others and do nothing about it, we become complicit in those actions.

At times we might even call for laws that are, in themselves, unjust. Yet we might not have evil intentions. We might simply think and act according to what seems right, what people we know and respect say is right. What seems to be generally accepted. Cultural norms can sustain unjust conditions for long periods of time.

Ensuring that justice occurs and is maintained is not a casual proposition. It can't happen in a casual or unthinking way. Nor can it safely be left in the hands of "those in power". It is not solely a matter for the police and the courts of law. It needs care and skilful consideration, and sometimes it needs direct action by ordinary people — citizens.

Justice is very much the concern and right of the people as a whole. If ordinary people accept tiny acts of injustice today, the perpetrators of that injustice are likely to commit larger acts of injustice tomorrow.

We all have a stake in justice. And each of us has an obligation to support real justice. This is plain good citizenship. Let's have more of it!



**I'm just going to lie here for a while 'til I can figure things out.**

## Capitalist

1. An adherent of the system [capitalism];
2. A wealthy, powerful person in such a system.

*Collins Gage Canadian Paperback Dictionary*

## Social Darwinism

Social Darwinism, as a movement, had its beginnings in mid-nine-teenth-century England with the work of the sociologist, Herber Spencer. He regularly used the term, "survival of the fittest" to describe his concepts.

Spencer used his arguments as a means of justifying the existing social order.

Charles Darwin's *Origin of the Species* came out in 1859, ten years after Spencer had published his concept of survival of the fittest. When Spencer read Darwin's work, he immediately connected it to his own work and pronounced Darwin's theory as having justified his own theory. Spencer subsequently founded the Social Darwinist movement.

Spencer actually asked Darwin to become a Social Darwinist, but Darwin declined. He was more interested in the problem of poverty and inequality in England, which he believed arose from English social institutions, not the poor themselves.

In the end, Darwin himself was not a Social Darwinist.

To the present day some people persist incorrectly in attributing the phrase "survival of the fittest" to Darwin. How Darwinian is that?

## Sayout

Sayout gives voice to those concerned about where we are in today's world and where we're headed. Here we can talk about issues affecting us right now — in Canada and around the world.

Agree or disagree, but *think*. What is really happening, and what do we need to do? Ask questions of those in power, demand action where it's needed, and don't be misled by saccharine promises or golden phrases meant to soothe, but nothing more..

E-versions of this newsletter are available for free. You just have to ask. No selling, no hassles!

Contact Robyn Peterson at:  
robyn\_writewell@yahoo.ca

## Calling Dr. Strangelove

During all the upheaval in Ukraine earlier this year we saw many Western politicians boldly step in among rioters and revolutionaries, encouraging them as the rioters shouted and ran through the streets to defy and then overthrow the government. As they resorted to molotov cocktails, large bricks, and medieval-style catapults, Western governments, including Canada's, supported the demonstrators and rioters. In due course the government was overthrown and a new one installed.

The Russians watched and reacted with deep concern. Ukraine and Russia have long and deep historic ties. Many Ukrainians are of Russian descent, and the Russian language is widespread. And, of course, Ukraine is located right on the border of Russia. Further, the headquarters of the important Russian Black Sea Fleet is located in Crimea, which subsequently voted to join Russia (although the validity of the vote has been disputed).

The Russians reacted with determination. They moved troops into key locations near eastern Ukraine and occupied all of Crimea to include it as part of Russia again. They also provided some support to separatists in eastern Ukraine.

The West reacted furiously, with threats of sanctions and political isolation to be imposed on Russia. This marked a low point in relations.

Bloody turmoil in Ukraine continues, with a high civilian death toll.

The whole episode is deeply troubling on a number of counts. Perhaps the most important aspect is that it threatens to restart the Cold War between Russia and the West. That war lasted basically from 1947 until 1989. It saw a number of tense moments and much fighting in different parts of the world as the Soviet Union and the Western powers fought each other by proxy through different local movements. Korea, Vietnam and Angola were but a few of the "fronts" in the hot and bloody parts of the Cold War.

Enormous stockpiles of thousands of nuclear weapons were built up in the United States, Britain, France,

China and the Soviet Union. Hydrogen bombs and warheads were added to these stockpiles from the 1950s on. The hydrogen bombs were many times more powerful than the bombs dropped on Japan in 1945.



Through the long years of the Cold War a constant threat of nuclear holocaust loomed over international affairs.

The Cuba missile crisis of 1962 brought the world very close to a nuclear disaster. Other incidents occurred, such as misinterpretations of radar blips. At various times nervous hands began reaching for the nuclear buttons.

Fortunately, calm heads prevailed on all sides. Those calm heads prevented the unleashing of a massive nuclear horror.

The nuclear stockpiles of the Cold War still exist, although they have been reduced in number. Even so, thousands of nuclear bombs and warheads are available and could be used on short notice. Missiles could be launched at Washington, Chicago, St. Petersburg or Moscow in less than an hour or so. Canada would inevitably be caught up.

The threat of global nuclear holocaust remains. We don't hear about it much, but it's there.

Serious international episodes, such as the Ukrainian upheaval, threaten us with a return to the Cold War. We should keep that fact in mind and, in every way possible, look for ways to ensure that it doesn't happen. Poking the Russian bear at the wrong time and for the wrong reasons could invite a nasty outcome for us all.

## Educating the Electorate

*"The problem may be not so much a matter of educating officials for government as educating the electorate to recognize and reward integrity of character and to reject the ersatz. Perhaps better men flourish in better times, and wiser government requires the nourishment of a dynamic rather than a troubled and bewildered society."*

Barbara Tuchman *The March of Folly*, 1984.

## The threat of a "compost bomb"

Professor Will Steffen, a global change expert from the Australian National University, warns of a "compost bomb". This refers to the massive amount of carbon dioxide frozen in the Arctic permafrost. Vast areas of Canada, Alaska, Scandinavia and Russia are covered by permafrost.

The amount of CO<sub>2</sub> involved is the equivalent of twice the carbon already in the atmosphere.

A doubling of the amount of carbon dioxide already in the atmosphere would send levels of this widespread greenhouse gas well up into recognized danger levels.

If the climate really is heating up, we should look into this possibility carefully. After all, Canada does have a lot of permafrost — right now.

We already know that melting permafrost is causing problems in our northern communities. Is a large-scale release of carbon dioxide possible or likely along with that melting?

We need to find out more about this "bomb" before it goes off.



Did someone say "free doughnuts"?



## Private Armies

Private armies are a reality in today's world. In fact, they've always been a reality.

In its later years, the Roman Empire routinely hired soldiers from various barbarian tribes to help in policing and defending the empire. Many of those barbarians learned about Rome and its practices more or less from the inside. As Rome collapsed, many of the barbarians were fully-armed and already inside the walls, ready to work for whoever seemed to be in charge.

Today we have a global proliferation of private military firms or PMFs. Wherever there's some sort of military action going on, PMFs are likely to be involved.

One of the most prominent PMFs has been Blackwater. After some deadly scandals during the Iraq war in the early 2000s, Blackwater changed its name to Xe. Late in 2011 it went through another name change to Academi.

Private military firms such as Academi can operate in the land, sea and air elements.

Governments find private military firms useful. They can provide deniability cover for many types of military operations.

A government may not want to send its own troops into a particular situation. But it may have no compunction about sending in troops working for a private military firm. Some people argued that this has happened during the Ukraine crisis on both sides.



**Who do these guys fight for?**

Private military firms like to work in the shadows. Most of what they do is legal -- but not all.

Citizens should certainly know PMFs exist and what they can do as well as who they might work for and why. Plausible deniability should only be accepted for so long.

## The Ship is Sinking! Do Something!

April of 2012 marked the one-hundredth anniversary of the sinking of the Titanic in the North Atlantic. That tragic event was remembered solemnly and with due respect. We now think of the Titanic as a metaphor for human pride and boastfulness gone terribly wrong.



**Off on the voyage of doom**

When our leaders talk about inevitable truths that force us to make certain decisions, we should remain skeptical. If people see water coursing along the corridors of a ship at sea, they're perfectly right to question broadcast words from on high that declare all is well and there is nothing to worry about.

If we see social conditions that are terrible and too often getting worse, or we notice environmental events that seem sharply out of the ordinary, we're right to question what is happening in our world. And we're right to be skeptical about those who would assure us that we should just continue doing what we've always done.

When times are threatening, people will tend to cling to what they already have and shy away from moving to anything new. When the ship is actually sinking, people will strive to get into the lifeboats. Once on board those lifeboats they may

seek to keep others from getting aboard for fear of capsizing or being swamped. Struggling survivors may find themselves hit over the heads with oars as they reach out for the gunwales of boats nearby. In some cases, though, they might be hauled aboard. Human issues in nasty conditions become chancy.

As a hurricane approached earthquake-ravaged Haiti in 2010, tens of thousands of people faced the approaching storm with its high winds and pounding rain in nothing but flimsy tents. Authorities tried to make them leave for their own safety. But people resisted. They defended what little they had, even becoming violent, rather than chance going to something that might be worse.

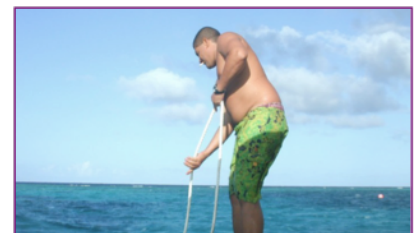
When people vote in elections, they often think like survivors. Above all, they don't want things to get worse for them, so they'll seize on things that seem to give them hope. This is an important lesson of the Tea Party movement in the United States. If people already have something, they don't want it to be threatened, even in a supposedly good cause. Politicians who wish to make changes, even if those changes are fairly modest, must provide reassurance that the changes won't make things worse for ordinary people. And their reassurances must mean something — they must be believable.

What disasters are occurring in our world today? What threats are looming that all can see. Who gives us bland assurances? Who seems to know how to steer our ship? Are we on the Titanic? Could we sink?

## Draining off our money

*"As long as the money supply is created as a debt owed back to private banks with interest, the nation's wealth will continue to be drained off into private vaults, leaving scarcity in its wake."*

Ellen Hodgson Brown Web of Debt, 2008



**What's down there?**