

# SAYOUT

Canada and the world

Summer 2017

*Ideas, Facts, and Opinions for Today*

## Is it obsolete yet?

Back in the 1950s, Vance Packard published a book called *The Waste Makers*. In this book he detailed the corporate practice of deliberately producing goods that would be obsolete in a few years. This meant people could be persuaded to buy newer versions of the goods, throwing the old ones out or, in the case of cars, trading up.

Planned obsolescence seemed to be at work on all sides in the 1950s. Did it gradually go away, or is it still with us today?

Consider the software for your computer. How often are you urged to upgrade or replace your old software for a newer version with more bells and whistles? Is your car up to date or should it now be replaced with a new one that has niftier features? Is your smart phone still up to par or should you be going for a newer device?

In the past half century, we've seen a lot of improvements in the quality of our goods, partly thanks to Japanese quality initiatives such as the Toyota System and the concept of total quality management. Goods of all types can last longer than they did years ago. Still, we're regularly pressured to avoid staying with any product for too long.

Even if your computer is working fine and meets your needs, you're urged to get rid of it and get a new one. The manufacturer will help things along by stopping upgrade support for your old computer. You then go into the great unknown of working without upgrades like a tightrope walker performing without a net. Similarly, you may find that your old car cannot continue to be repaired because the parts are no longer available. The mechanic may urge you to

get rid of it because it's too clapped out.

Upgrading or replacing the old with the new makes sense in many cases. New surgical devices, for instance, may perform better than the old devices. And items do become worn out and should be replaced. The question is, however, does upgrading or replacing need to be urged when the old continues to do the job required perfectly well?

What if, instead of urging new, new, new on a continuing basis, we emphasized helping people keep their different machines, devices and what not going for as long as possible? Then we could emphasize always having parts available, easier designs to allow for repairs, and so on. This might not be as exciting for some people, but it would save on the massive amounts of waste we manage to produce as a society.

Some economic dislocation would occur if we curbed our enthusiasm for making things obsolete. But this could allow for money, materials, and people to be used for different, more lasting purposes, even better purposes.

Planned obsolescence may not exist in the same form as it did when Vance Packard wrote his book over half a century ago, but it remains with us in many small ways in our own time. Perhaps it's time for a rethink. Perhaps we should entertain the idea of making things last in as many ways as possible. Perhaps we have better ways of expending our energies than continually seeking to replace our existing goodies with ever more slightly changed versions. Instead of planned obsolescence, what about planned durability?



Robyn Peterson

**Time ticks on for all of us**

## Psst! Want to launder some money?

Suppose you've got a million dollars or so you need to launder to make it seem legitimate to government officials or the police.

Buy some property!

These days cities like Vancouver or Toronto can seem attractive places to stash your money. Use dirty money to buy a nice house or a lovely condominium. Later on sell that property at a profit and you've then got beautifully clean money.

If the authorities aren't too scrupulous about looking into property deals or there aren't enough of them, so much the better. You can launder away to your heart's content.

Laundering could drive up the property prices for everyone else. But in a free market that's their lookout.

## GMO 'bounty' not evident

*"... genetic modification in the United States and Canada has not accelerated increases in crop yields or led to an overall reduction in the use of chemical pesticides."*

Danny Hakim  
*The New York Times, Oct 29, 2016*

## Location, location, location!

Politicians, economists, media commentators, and others will routinely refer to 'cheap labour' as the fundamental reason for a corporation choosing to locate a factory in a country such as Mexico, Bangladesh or Thailand. This fits with the narrative of remaining competitive and so driving down wages in the developed world as well as working conditions—a relentless drive to the bottom.

Might one ask if cheap labour is, indeed, the *one* driving force? A little thought will show that other factors are also at work. In fact, some of these other factors are likely to be much more important than cheap labour. Here's a list of location factors that would come into the picture:

- ◆ Exchange rates and currency risks.
- ◆ Government provisions (e.g. financial incentives, provision of cheap land, tax rates, policing).
- ◆ Quality of government (including degree of corruptibility).
- ◆ Financial regulations.
- ◆ Proximity to markets.
- ◆ Availability and efficiency of transportation facilities.
- ◆ Availability of business services (legal, accounting, banking, insurance, medical),
- ◆ Proximity to raw materials and suppliers.
- ◆ Cost and availability of utilities (water, electricity, gas).
- ◆ General political atmosphere.
- ◆ Security provisions.
- ◆ Labour costs, skill levels, and productivity.
- ◆ Discipline of available workers.
- ◆ Health and safety regulations.
- ◆ Degree and strength of unionization.
- ◆ Environmental regulations and how readily they're enforced.

We have sixteen factors listed here, and this list is by no means comprehensive. Still, it does show that the

cost of labour is but one factor affecting location for a new factory or other business operation. This point is especially true when one considers the increasing use of robots. In fact, we can note that China, a country valued for low labour costs, is now one of the world's leading countries in the use of robots in manufacturing. And robots can be located anywhere in the world, including in Antarctica.

Given the number of factors that can affect the location of a factory or other business venture, the continued and repeated emphasis on the low cost of labour as being the one driving factor is a little puzzling. Is it a form of zombie decision-making? This is what we've always done, so we continue to do it. Or might it be a little more sinister? Is deeper strategic thinking at work?

Perhaps the ease of shifting large sums of money around, including into offshore accounts, is attractive. Perhaps tight control of workers seems of benefit. Maybe lack of fussiness about activities that degrade the environment opens up paths to greater profitability. Various reasons, good or bad, could be at play. And those reasons could be much more decisive than the cost of labour.

In the end, we're wise to think carefully about the decisions corporations make when it comes to locating their plants and varied activities. It's entirely possible that those decisions are something less than benign.

Cheap labour makes an easy excuse for locating a factory. It's easy to say and is readily believed by many. Additionally, it serves the purpose of denigrating workers in many developed countries by insinuating that they're too costly.

We really do need to think more carefully about this question of location. The location decisions made by corporations in their back rooms could be doing much more damage to our wellbeing than we realize.

## Is this a time of change?

Is that the sound of drums in the distance? Is their deep, incessant rumble coming closer? Are we hearing the pounding drums of change?

Major elections are now bringing surprises and upsets. Conventional thinking is being challenged directly. In the United States Bernie Sanders made a unexpectedly strong bid last year to become a presidential candidate. In Britain Prime Minister Theresa May lost spectacularly in her recent bid to increase her majority in Parliament, and her challenger, Jeremy Corbyn, made a surprisingly strong bid for power with the Labour Party. In other countries, such as France, a popular and widespread restlessness is palpable. What's going on?

One element of the upheaval is the strengthening force of young people looking for something different. The nostrums of recent years don't seem to be working. Indeed, some social indicators such as vast income inequality or the obscene rise in the cost of housing seem set to grow worse. Many people are convinced that we're on the wrong track. Not only that, but there may be a train coming towards us from the opposite direction on the same track.

Change is coming. The rumbling roar of drums is coming closer.

## 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.**

**This newsletter is free in its e-version form.**

**Contact Robyn Peterson at:  
petersonwrite@hotmail.com**

## Dark money, dark power

In recent years we've heard more and more about 'dark money'. This is money that is donated by corporations or rich individuals to different non-profit organizations, especially foundations, that is then disbursed to other non-profits or, in the United States, to political action committees (PACs and Super PACs). Dark money often takes the form of philanthropic spending, with money flowing to groups that have stated charitable purposes but somehow manage to support certain political ideas or movements. Hundreds of millions of dollars are now involved.

In her remarkable 2016 book, *Dark Money*, Jane Mayer shows how one dark money organization, *The Koch Network*, has grown over a period of more than thirty years into a major influence on political processes in the United States. David and Charles Koch have been remarkably successful in raising and using large amounts of dark money to influence elections in different states as well as in Washington. Their ideological agenda is libertarian, meaning they push to strip government of most of its power, especially regulatory power. Ayn Rand is one of their favoured prophets, more or less a saint.

Mayer reports that the Koch network spent at least \$407-million to influence the outcome of the 2012 election in the U.S. For the 2016 election they planned to spend about \$809-million to advance their chosen politicians. And the Koch network is but one contributor of dark money.

In the 1930s the United States had about one hundred private foundations. By 2013 there were one hundred thousand, and their combined assets totalled about \$800-billion. A lot of this money finds its way into the dark money stream. Under current conditions, especially with Republican majorities in Congress and in the White House, the amount of money available for dark purposes seems set to grow.

The right-wing purveyors of dark money support the idea of deep tax

cuts for the wealthy and large corporations. They want little or no regulation of money markets, and severe cutbacks in spending on education, health, or welfare. They believe people should make their own way in life without support from government.

We can be sure that the dark money phenomenon is now at work in countries other than the United States. Rupert Murdoch, for instance, has strong behind-the-scenes power in Great Britain. The sums involved with dark money are growing year by year. So the influence bought by dark money is growing as well.

Significant amounts of dark money are cycled through offshore accounts to avoid taxes. In some cases it may include money from organized crime. Shell companies, foundations donating to other foundations, and so forth create a tangled trail to follow. That obscurity of origins is what gives rise to the term, 'dark money'. The money is made dark deliberately to make its origins hard to track. It keeps to the shadows.

Dark money has been involved in the large-scale spreading of doubt about the scientific findings related to climate change. This is a matter close to the hearts of the Kochs.

Al Gore's 2006 film *An Inconvenient Truth* seemed to herald a public awakening about the dangers posed by climate change. But the doubters, fuelled by dark money, managed to confuse the public mind about climate change to such an extent that politicians and others in later years became reluctant to talk about it.

Notably, when Donald Trump took office as the new president in January of 2017, he proclaimed one of his first priorities to be the resuscitation of the coal industry. In previous months and years he had on different occasions pronounced climate change to be nothing but a hoax. The purveyors of dark money rejoiced. Should we all now rejoice?

### Our universal solvent

*"Empathy is a universal solvent. Any problem immersed in empathy becomes soluble."*

Simon Baron-Cohen  
*The Science of Evil, 2011*

### Let us speak plainly

Do you ever get the urge to throttle someone because they're using convoluted or tangled language? Perhaps they're long-winded or seem to have difficulty getting to the point. What you're reacting to is a lack of plain speech on the part of that person.

When someone uses plain language they avoid big words where simpler words will do the trick. They also favour declarative sentences that put things in a straightforward way. ("The machine stopped working at two this morning.") They avoid saying something like: "An anomaly was noted in the machine at two this morning which resulted ultimately in its failure to function."

Someone using plain language makes a habit of working with simpler words even though he or she is perfectly aware of more complex words that could be used.

In using plain language, the writer or speaker keeps an objective clearly in mind. What should occur as a result of conveying the message?

Achieving a clear result is the measure of success for something said or written, not whether an audience is impressed by your big words.

In the end, plain language is a way of conveying information clearly, concisely, and to the point. Imagine what things would be like if we had more of that!



Robyn Peterson

So, is it loaded?

## An Income Enhancement Programme

On April 24, 2017, Premier Kathleen Wynne of Ontario announced a new income support programme for Ontario. She stated that it would take an experimental form with three pilot projects to be conducted in three cities (Hamilton, Lindsay and Thunder Bay). The aim of this new programme was to ensure that people receiving social assistance or on low incomes would have minimum incomes of close to \$17,000 a year (well below the Ontario Low Income Measure of \$22,653 a year).

About 4,000 people, chosen at random, would benefit from this experiment. The programme would start in the summer and run for three years.

In her speech the Premier noted that about 70% of low-income people in the province had jobs. Apparently, those jobs were insufficient to provide living incomes.

Uniquely, this experiment was slated to offer financial support to people without a lot of intrusive personal checks. Partly for this reason, Wynne chose to call the programme a 'basic income' programme.

Sheila Regehr of the Basic Income Canada Network (BICN) agreed with the designation and hailed the experiment as a step in the right direction. Others were not so sure.

In her announcement, Wynne seemed

to convey understanding of the harsh problems facing low-income people in the province, including the whole issue of precarious employment. But she offered no assurances about how the great majority of low-income people would be helped. It seemed that they would not be receiving any kind of basic income any time soon. The promise appeared to be that they 'might' receive such an income in three years time, but then, maybe not.

The financial support pilot outlined by Wynne was estimated to cost about \$50-million a year. This was a small amount in the provincial budget of \$141-billion (2017). It was much less than the pay of a high-flying CEO these days.

Constraint was hinted at too by the fact that Premier Wynne stressed that the province was committed to a balanced budget. Presumably, this balance would be achieved without any new taxes, so the emphasis would be on cutting or short-changing existing programmes.

One cannot call the new income enhancement programme a sham. At the same time, however, one cannot designate it as a true basic income programme. In the end, it appears to be a social experiment. As an experiment, one hopes it might produce some good results in the longer term.

## Use our articles?

Sometimes people want to know about using articles from Sayout in other publications.

The quick answer is: please feel free to do so.

The only thing we ask is that you attach an attribution. If the articles are unsigned, they're written by Robyn Peterson.

Thanks for your interest.

## Let's hear it for Canada ... eh?

From the start on July 1, 1867, people wondered how much of an independent country Canada really was. After all, we remained a member of the British Empire and we had the great colossus to the south of us. The country was born under great pressure from outside. But an independent Canada has prevailed over many years.



From four provinces going from Ontario in the west to Nova Scotia in the east, we expanded to the Pacific coast and to the Arctic Ocean. A few nasty flare-ups occurred along the way, but we became a continent-wide nation in a gradual and mostly peaceful way.

Our membership in the British Empire became a membership in the British Commonwealth and then just the Commonwealth. We're a monarchy with a Queen who lives most of the time in Britain. We've continued to resist the idea of becoming part of the United States.

Despite everything, including two world wars, there's a streak of deep, loving, and stubborn independence in this country that does not fade over time.

Canadians love their country. Most of the time they express this love quietly and without a lot of fanfare. But it's there—always.

Perhaps, as Bono said years ago, the world needs more Canada. Certainly, the world needs a quiet but strong nation that can act for the general good with determination when it needs to. The hopes of Canadians past ride with us still. We can carry those hopes into the future with a quiet sense of pride.

## Tax cuts to the rescue?

Tax cuts have little impact for people on low incomes. Money freed up by tax cuts can just leave the country and create jobs in other parts of the world at the expense of jobs in Canada.

## So what do you mean?

The meaning of any message lies in the understanding of the receiver, not the intent of the sender.

### Keep on pushing those drugs

*"A quarter of the pharmaceutical industry's revenue is spent on marketing, twice as much as it spends on research and development, and this all comes from your money, for your drugs."*

Ben Goldacre  
Bad Pharma, 2012



Robyn Peterson

People will come out for justice