Consensus

A recent remark made by Ed Broadbent, leader of the New Democratic Party, in the Canadian House of Commons, strikingly suggests that "political" disagreement may be more complex than we often suppose. Regarding the cabinet's defence of alleged "illegality"s by the RCMP, he commented on the "anomaly" that a Liberal government should regard "security" as more fundamental than "freedom", and called this a betrayal of a basic tenet of "liberalism". In turn, I find it anomalous that a socialist politician, who is dedicated to programs of increasing centralization of power, should seem to imply that, for him, "freedom" is somehow "the bottom line". There are at least five possible explanations of this apparent anomaly, although they lead to a dilemma of another kind.

First, it may be that Mr. Broadbent was merely asserting that "freedom" is a traditionally basic tenet of liberalism without associating himself (as a non-Liberal) with the idea. Thus, it would be mistaken of me to attribute to his convictions that he does not hold, and to suppose that his pointing to a contradiction in the Liberals' behaviour implies that he himself prefers one element in the dialecty "freedom versus security".

Second, supposing he does regard "freedom" as fundamental, he may be right in seeing it as compatible with socialism. In this case, I would again be mistaken, in perceiving a contradiction where no contradiction exists. He has no doubt sees socialism as aiming to protect "the common man" from the coersions of, say "big business". Nevertheless, I do not see how the tendency towards, say, nationalization, bureaucratization, and government control can be reconciled.

A third possibility is that, although he is apparently associating himself with the highly-evocative concept "freedom", he is practicing some kind of deception — in short, that he is lying. While it is common enough for politicians and others pursuing power to lie, I have no reason to doubt Mr. Broadbent's integrity; I cannot assume that his seeming deference to "freedom" is merely cynical, and that he does not believe what he appears to profess.

Fourth, he may be confused. He may genuinely and sincerely regard "freedom" as a primary objective, but he may advocate techniques which cannot be integrated with that objective; he may not understand the relationship between policy ("What?") and method ("How?"). In this connection, two questions arise: "Would he not want to know about his confusion?" "Would he listen to anyone who tried to tell him that he was confused?"

Or, when he uses the word "freedom", he may be thinking about something quite different from what I conceive freedom to be. I have many times insisted that freedom must be "personal freedom"; it is possible that someone else may mean "collective freedom" (to the extent that that expression can have meaning) or freedom for a particular group or "freedom but...", or even "welfare". If this is the case, can I communicate with him at all? Is it possible to define mutually-agreeable terms of reference?

I am led to these reflections because any association depends upon agreement in the matter of policy: once a political disagreement (a difference of objective) is discerned, the only possible consequence is dissociation. Yet, almost anyone will assent to "freedom" as a desirable objective: this may in fact be the only policy on which a "pluralistic" society, that is, a society composed of individuals unified by not even so much as common language or traditions, can be expected to voice consensus. At the same time, as my example suggests, does the mere voicing of adherence to a policy constitute an adequate basis for association? If not, what does?
A Confusion of ‘Law’

A language both expresses and conditions how we think. In cultures stressing the importance of extended family relationships, the language often shows extraordinary development of means of describing the remotest familial connections. For most people, “snow” is a homogeneous phenomenon; whereas, for an Eskimo, it is generic, because his language has many words for “snow” of different sorts. The Japanese language, apparently, has no future tense—a feature which must set Japanese thinking apart from the European mode. English is different from most European languages in that it does not attach a connotation of gender to nouns.

The development of language provides us with a tool for increasingly discriminating perception, and we can find certain distinctions made in other languages that could beneficially be incorporated in our own. An instance of an improvement yet to be made in the English language is the laundering of the word “law”. Its current use as a name for two very dissimilar phenomena has blunted our appreciation of some extremely worthwhile distinctions.

“Law” in one sense means a generalization of observed results of association in nature. It is the system of principles running through, and governing the operation of, the universe. This system is not alterable by human volition. All that men can do is use it; they cannot redesign it. Gravitational attraction, the refraction of light, the conversion of matter into energy—these phenomena are governed by laws whose uniformity and invariability we place absolute confidence.

In another sense, however, “law” is applied to the mutable rules established by men. The “laws” imposed by legislators are in essence just arbitrary conventions that can be modified to suit various circumstances. Human will makes, sustains, and undoes them. Moreover, they can be broken without automatically imposing penalties on those who transgress them. A human law may require the wearing of seatbelts in cars; but it could just as well prohibit us from wearing them—or not be a matter that has ever concerned law-makers. Furthermore, we might never experience any consequences as a result of our not wearing seatbelts, even if the “law” tells us we must.

However, we may count upon the effects of the “laws

(continued p. 8)
Dividends and Centralization

We have often asserted in these pages that an answer to the inadequacies of the employment system as a means of distributing incomes would be the distribution of some kind of "social dividend". Some persons, assuming that this must involve more state control, have complained that such a technique would constitute a violation of the policy of decentralization of power. This essay attempts to meet such objections.

We have often made the point that, since the employment system cannot adequately distribute incomes except at the cost of enormous waste and huge debt, some form of non-cost-creating income must progressively replace wages and salaries in any increasingly efficient economy. Specifically, we (and we are, of course, scarcely original in this) have proposed the distribution of new credit to individual persons, indiscriminately, as "dividends". For our temerity in proposing such an expedient, we regularly incur the wrath of both the "left" ("Make the rich pay!") and the "right" ("People don't deserve what they don't earn!"). More reasonably, some critics object that such a mechanism is inconsistent with our avowed policy: "You claim to be opposed to centralization," they say, "yet you want the government to pay out this money: what is that but more state control?" Since we are always insisting on the consistency of philosophy, policy, and technique, we are most concerned to answer objections like this one.

The question is a coherent one, and its force as far as many persons are concerned is attested by the common perversion of the demand for a distribution of new credit to agitation for the allocation, by the government, of such credit to "public works". The difficulty of many in separating the doing of something from the government's doing of it is testimony to the power of the growing belief that the state is omnipotent.

Clearing the Ground

Before dealing directly with this question, however, we might once more recall some fundamentals related to the objections (often expressed in clamorous unison) of the "left" and the "right".

First, when we speak of a new creation of credit, we mean just that. We do not mean "going deeper into debt"; nor do we mean "redistribution of wealth". The point is, as we have repeatedly argued, that, in the existing state of affairs, incomes can never liquidate financial costs: the uninterrupted expansion of personal and national debt clearly indicates that there is not sufficient current purchasing-power to meet costs, and that the economy runs on debt-money. Thus, again, the creation of new credit against new production (that is, new costs) cannot solve the problem, and therefore, when we speak of "new credit", we resolutely do not mean "pump-prizing". Similarly, we do not mean to take from the rich and give to the poor: by distribution, we mean distribution—not re-distribution. If, as we argue, there is an overall deficiency in purchasing-power, the basic problem will not be resolved by a mere transfer of some of that inadequate purchasing-power from one group to another—which transfer, we readily admit, would involve "government control" (as it does now), would seem to eliminate some of the glaring disparities between rich and poor, and would seriously compromise productivity.

To move to the more central question which I just raised, let us now consider whether the distribution of "social dividends" would entail further centralization of power, or, in other words, whether it would be like any other "government welfare program" in which the state arbitrarily (or, at least, according to criteria devised by it) doles out money to "worthy recipients". Four different aspects of this matter come immediately to mind.

Coercive Collections

First, since such dividends would be financed by the creation of new credit, they would not entail such coercive measures as are evident in the existing tax system. As we are all abundantly aware, present "government programs" are largely financed by taxation, that is, by the legislated seizure, annually, of—in the case of the average income-earner in Canada—about 25 to 30 per cent of his income. If, as we have argued many times, money is effective demand, or a mechanism of choice, then the fact that the government has irresistible access to such a percentage of our effective demand means that, at least in the economic area, our power of choice is rather significantly shared by the state. Moreover, the legal requirement that each of us submit annually a report of our financial status
means that the state has an ever-growing file of important personal information on each of us. Those crusaders, like the resurrected Joe Clark, who are ostensibly outraged at “invasions of privacy” by the ROM, never point out that the tax department keeps files on everybody who earns money. (Note, here, one aspect of the political importance of “full employment”: through the employment/tax system, the state can “keep tabs” on every citizen—except those who want to opt out by starving.) A further point that makes the analogy even more telling is that, I understand, the tax department has virtually unrestricted powers of investigation and means of intimidation—“police” powers. But, again, the hue and cry is after isolated abuses, not institutionalized invasion of privacy and continuous intimidation.

The Terms of Payment

Related to this first point, how money is raised by governments, is a second—the terms on which it is redistributed. As I have mentioned already, the doling out of money is solely at the discretion of the state: the government establishes criteria, which the bureaucracy applies. That is, how the money is spent is centrally determined: a project may be “worthy” or not, but the individual taxpayer has no real say in how his money will be used—except by applying the mark of the illiterate on a ballot offering non-alternatives every four or five years. Another aspect of this question is that recipients of this money must be able to demonstrate their disabilities or incapacities to the “welfare agency”. Aside from the obviously demoralizing effect that such demonstration must have on people, this process involves, again, the collection and accumulation of files on citizens—the invasion of privacy once more. The sort of invasion of privacy that is involved is even more humiliating, and potentially intimidating, than that associated with tax returns. The most personal facets of people’s lives are kept on file, “for future reference”. Continued livelihood is at the cost of continuous bureaucratic surveillance and psychological harassment.

The dividend which we suggest would obviate both these forms of centralized “intelligence” and coercion. Because it would stem from a creation of new credit, it would not entail the annual delving into people’s private financial affairs, and because its distribution would be indiscriminate, state arbitration in the matter of who would qualify would be eliminated. In respect of both these criteria the dividend would be a move in the direction of decentralization. It would also involve a more realistic idea of “equality” than that commonly retailed today. Rather than tending to make persons “equal” (that is, undifferentiated) by making them conform to arbitrary standards, as existing money-distributing schemes do, the distribution of dividends would be “equal”, leaving individuals to discriminate and be as different as they want to in their use of their new effective demand.

Still, however, the question remains: “Would not the state control the creation and distribution of this credit?” This brings us to aspects three and four of our discussion.

Calculating Dividends

The third aspect has to do with the criterion for the creation of the new credit from which dividends would be distributed: “Somebody,” it is argued, “would have to decide how much new credit should be created”. True. But not the government—or, indeed, any body having purely “discretionary” powers. As we have often stated, the volume of such credit must be related to actual production and consumption in a given time period. Thus, the criterion would be “economic reality”. The phrase may sound vague or pretentious, but it is not: the calculation involved would be a matter of quite ordinary bookkeeping, and therefore would be a matter of economic fact, expressed in financial terms, and would not be open to dispute. It would not be a matter of someone saying, arbitrarily, “I think that we should create so much new credit because any more would be bad for people,” for example. It would be a reflection of immeasurable economic decisions made by individual persons—decisions to make something, to use something, to sell, or to buy; it would moreover, be a reflection of the efficiency of the economy as a whole—not a planner’s artificially distorted economy, but an economy of many and intricate responsible economic associations. Thus, the determination of the extent of the dividend would be the result of a much more real democracy than that epitomized in the posturing and palaver of hired party hacks.

(continued p. 6)
Reflections on Globalism

In a pastoral palace outside Stockholm, Sweden, is housed an organization known as the International Federation of Institutes for Advanced Study. It was set up in 1972 with financing provided by the Nobel and Rockefeller Foundations and has been described as "the scientific arm of the Club of Rome". The Club of Rome, readers will recall, is the group of bankers, politicians, and scientists which published (and distributed massively) a few years ago a doomsday warning based on computer projections of certain "trends" in the dates at which these would supposedly precipitate global catastrophe. A remarkable feature of the group is that it has always included numerous persons involved in the promotion and financing of the policies generating the allegedly ruinous trends.

The answer that the IFIAS offers to these global threats is not surprisingly, global planning. And, since global planning is the only step up for some of the gargantuan concerns associated with the Club of Rome, the threats seem to have for then the same sort of utility that, say, the Reichstag fire had for Hitler.

In any case, the IFIAS is looking at nothing but global planning: its program is geared explicitly to long-term projects of world-wide impact designed to affect policy-making at national and international levels. The kind of thinking that conditions the Institute's activities is illustrated by the following statement by its executive secretary, Dr. San Nilsson (formerly a scientific member of a conglomerate controlled by the Wallenberg, Sweden's wealthiest family):

Our long-term programs on food, soil, water and climate attempt to anticipate developments in the future. What does the climatologist think, for example? Will the climate get better? Worse? Where should a food-growing company plan to expand? Withdraw? We try to improve long-range forecasting for the good of mankind, even if it happens to be for the good of the individual corporation at the same time. IFIAS' relations to our supporters may be criticized, but I personally believe that the big corporations will play a vital role in meeting the food needs of the people of the world. We need new techniques, and the solutions we're after must go beyond the three, to five year plans most companies carry out today.

The dove-tailing of the work of the IFIAS (which pretends to scientific objectivity) and the activities of large corporations deserves attention. Presently, the Institute has about 40 corporate members who meet once a year to allocate additional funds for areas of study deemed worthy of them. That this allocation runs counter to their company interests is difficult to imagine. In other words, the corporations finance the "scientific" body which accumulates research which is channeled to national and international policy-setting centres which... react by disbursing public money in fields the corporations are already geared up to service? Probably. Is it credible that impartial scientific endeavour can exist in such an atmosphere of influence-peddling and juggling?

Long-term, international planning implies the virtual worship of human powers of prediction, which normal human experience makes hard to accept. As a scientific "arm", the IFIAS seems to have the purpose of providing a prognosis of terrestrial conditions and needs with an aura of credibility provided by endorsements by prominent scientists. We should bear in mind, however, that scientists are not immune to corruption by money and pride—temptations accentuated in the lavishly financed and publicized domain of global speculation. Therefore, that certain scientists can be found who are prepared to propagate rather dogmatic theories about weather conditions 25 years hence should come as no surprise. We are, of course, entitled to credit such theories somewhat less than the meteorological forecast of next week's weather—on which few of us, I daresay, would stake a great deal. Yet the Club of Rome would have our lives planned for decades ahead on the basis of comparably dubious deductions. The scientist who says, with humility before reality, that he cannot know and therefore will not state what climatic conditions will be like at the end of the century may win no accolades from aspirant heroes organizing Twenty-Five Year Plans, but he is likely to be the professional superior of the frenetic theory-spinner.

The unholy associations of many advocates of global planning are one good reason for our reluctance in submitting to their schemes; but we should understand that their approach is as questionable as some of their motives. Their assumption that problems are dissolvable by the simple act of administrative enlargement of their boundaries is completely fallacious. You do not get supper on the table of a family in Yellowknife by putting control of all the world's foodstuffs in the hands of a board of administrators in Geneva. Nor do you a-

(continued p. 8)
The Origin and Ownership of Credit

The fourth aspect of this matter, perhaps the most crucial, has to do with the nature of the distribution itself. In the first place, of course, it would be to individuals. That is, if it were established that a certain volume of new credit was appropriate, there would still remain the question of its disposition. For example, it might be (it undoubtedly would be) maintained that, since this is 'public' credit, it should be disposed by the state, acting on behalf of the public or "the people" for the "common good". This, obviously, would be a form of centralization of power not unlike that involved in taxation—the arrogation by the state to itself of the social credit. This sort of thing occurs commonly enough in "totalitarian" countries, where the state (that is, the individuals controlling the power apparatus) retains more or less unrestricted direct access to the public credit through undisguised force: the regime merely tells people what to do. Therefore, it goes without saying that individual persons, not the "government", must be the recipients of such new credit, and its dispoisers.

Would these dividends come from the state, then? Would they be government dividends or "social" dividends? What is the difference? This raises the question of the ownership of credit, and the credit upon which the dividends would be based has virtually nothing to do with the government. These dividends could not be state disbursements, since the state would not have any direct access to them, or to the credit upon which they would be based. If individuals wished to use their dividends to subscribe to one or another program sponsored by the government, that is of course another matter. But the point should be very clearly made that the government has no prior claim to this new credit: its existence is not by government fiat, but is the result of the innumerable economic associations mentioned previously; similarly, its owner is not the state, but "society", conceived as the individuals who participate in these associations, not as a bloodless collectivity.

"But," it will probably be objected, "will not the government have to control the distribution of these dividends in any case? Won't the state have to regulate the disposition of credit?" This question, again, is potentially misleading. No more than the government owns the community's credit should it have power over its distribution. The matter of the distribution of the communal credit falls within the sphere not of any political body, but of law.

The Law and Rights

This requires elaboration, no doubt, because probably most people today identify governments and law: for example, the government makes laws. At the same time, as Joe Clark would be quick to point out, the government is under the law; it cannot, theoretically, arbitrarily, break the law with impunity. What I mean particularly when I speak of "law", then, is not the sort of fiat or work order churned out by legislatures, but the recognition and guarantee of certain inviolable "rights", which, in at least some social constitutions, are regarded as prior to any arbitrary decisions of governments. Thus, the preamble of the American constitution recognizes certain rights (to life, liberty, and the pursuit of happiness) as "inalienable"; the Soviet constitution recognizes as fundamental "the right to work". Admittedly, as these examples indicate, the rights which constitution-makers regard as essential vary. Nevertheless, some "rights" are generally at least asserted to be incontrovertible, and any tampering with them can be cause for complaint.

As we have observed at length elsewhere, one of the assumptions of the Common Law prevalent in English-speaking countries is that law is somehow related to a sphere of authority transcending the dictates of government; as Richard O'Sullivan observes, two assumptions of the Common Law are individual freedom and responsibility and these derive from the principle that "A duty towards a superior power [say, God, or Natural Law] necessarily conveys rights against an inferior power [say, the state]." The point is—and I do not want to embark on a theoretical discussion of jurisprudence—that the law and the government are not (or should not be) the same and that this matter of dividends falls within the area of competence of the law, but not of the state.

Note that we quite readily accede to the notion that law, in some areas, is the guarantor of individual rights: it, in some measure at least, protects life (certain kinds of life) and property (at least from "private theft"). Persons are still held responsible before the law for their actions; this implies that the
law regards them as somehow essentially free. Thus, although 'law' is often justifiably associated with centralization, in its aspect of guarantor of rights of persons, it has a decentralist function.

This is its proper function in respect of dividends, which are the product of two sets of circumstances which we have called elsewhere "the increment of association" and "the cultural heritage". The first of these—the gain in efficiency resulting from cooperative action—is, we have suggested, the property of those who associate, but it is effectively theirs only if they have individual access to it. The second is the increased efficiency resulting from inherited know-how and capital of which no particular owner can be identified. The principle of inheritance was formerly a fundamental one in law: kings ruled by hereditary succession, fathers passed lands to sons, etc. This principle has been much under attack lately, and its legal integrity has been undermined: property is seldom inherited, for it must be dispersed and sold so that estate taxes can be paid; the doctrine of "personal merit" is invoked as an argument against anyone's benefitting from the efforts of his predecessors. In this "climate of opinion", then, it is perfectly consistent that the idea of dividends as a matter of right should be repugnant. But, once again, the dividend, as an aspect of property, should be maintained by law; a share in the communal credit should be recognized as the rightful portion of each and every individual. Since this credit springs (can spring only) from individuals in association with each other, or with the world created by another, the benefits of that credit should accrue to those individuals, and this principle should be recognized and maintained by law. But this, of course, raises the question whether persons do have any rights: if they do not, then power (or force) is the only criterion for action; if they do, then these rights must be discovered and the sanctions associated with them understood and applied.

These arguments should adequately demonstrate that the distribution of social dividends does not involve the centralization of power: neither their financing nor their distribution would involve the sort of coercion characteristic of government collections and disbursements; their calculation would not be arbitrary, but based on economic facts; any state involvement in their

(continued p. 8)
of motion" when we are hurled against the windshield in an accident.

The difference between the two kinds of "law" is so categorical that the failure to acknowledge it constitutes a grave defect in our language.

There may have been, centuries ago, an excuse for the mingling of the two concepts of law. Then, people took for granted that human nature is subject to principles as definite and invariable as those that an engineer applies in building a bridge; and they attempted to respect the universal laws of human nature in framing rules for living together in society. However, if such a conscious effort was once made to maintain consistency between the "warp and woof" of the universe and arbitrary social conventions, this certainly is no longer the case. To suggest to a contemporary bureaucrat that revisions of, say, the Income Tax Act should take as their starting point what is known about the human condition would possibly occasion asphyxiation from laughter.

By incorporating in our language a clear indication that such "conventions" (as, perhaps, we should designate them) have not the authority of genuine "law", we could clear away much confusion impeding the realistic alignment of government policy.

R.E.K.

("Globalism", continued from p. 5)

chieve peace by siphoning power away from local political units: you merely sow the seeds of a future revolt.

The little-acknowledged fact is that the risks of a mishap of really calamitous dimensions is always increased by the centralization involved in large plans, because of their inevitable rigidity and overriding momentum. A major problem will have less impact on the lives of individuals when the latter have direct access to means for contending; but, when those means have been taken from them for the sake of erecting some grandiose scheme, even a small factor can generate devastating consequences. If the chef in your favourite restaurant gets up "on the wrong side of the bed" one morning, you might end up with an unsavoury dinner, but when the Comptroller-General of World Food Stocks gets up out of humour, millions may starve.

Their pretensions to philanthropy notwithstanding, the Club of Rome and its agencies are trying (and, indeed, succeeding) to lead us down a path not from, but toward, disaster.

R.E.K.

1 By Aurelio Pecci, originator of the Club of Rome.


("Dividends", continued from p. 7)

distribution would be at most administrative, not political, and would be subject to law. In fact, one could argue that some sort of distribution such as I have described is the only alternative to centralization.

D.R.K.

1 Note that, practically, the distribution of all this credit as dividends might be inflationary, and therefore, it is generally suggested that a portion of the new credit be applied to lowering prices.

2 "The Sphere of Authority", Seed, I:7 (August, 1974).

3 ibid., 4.