

INTERVIEW WITH GREEN PARTY OF ONTARIO POLITICIANS

By Scott Baker, New York, NY

(The following interview by Scott Baker with Erich Jacoby Hawkins & John Fisher was also posted Jan. 5, 2011 on Op Ed News of which Scott Baker is a Journalist/Senior Editor at <http://www.opednews.com/articles/My-Interview-with-Green-Pa-by-Scott-Baker-110102-478.html>

and on the Huffington Post, where Baker is a blogger, at http://www.huffingtonpost.com/scott-baker/my-interview-with-green-p_b_803402.html

John Fisher resides in Rodney, Ontario, Canada, and Erich Jacoby Hawkins resides in Barrie, Ontario, Canada.)

Scott Baker: Not all the answers to our political and economic difficulties will come from the traditional Democratic or Republican parties -- indeed, many will say that most of the productive answers will NOT come from them; they are simply too bought out by the corporate complexes. They do things differently in Canada, where third parties have more influence. Herein are a series of answers from my interviews of two of the leading figures in the Green Party of Ontario, John Fisher (President, Henry George Foundation of Canada; Chairman, Henry George Foundation of Canada; Ontario and Quebec Chapter Chair, Common Ground-USA) and Erich Jacoby Hawkins (Member at Transition Barrie; Cabinet at Green Party of Canada; Member at Greater Barrie Chamber of Commerce).

I met both Gentlemen at the 30th Annual Georgist Conference sponsored by the Council of Georgist Organizations in July 2010 in Albany, New York, which they have both attended regularly, since they, like me, are long-time Georgists. Georgism, for the unfamiliar, promotes the Single Tax on natural resource values and locational values, both of which are created by the community, not the producer, while untaxing results of production: wages, capital, and sales. It is immediately apparent that Georgism is neither Left nor Right. It is, we believe, simply correct, but I'll let Erich and John explain that and their other positions further.

Their responses have been lightly edited for clarity, American spelling, and formatting.

Scott Baker: Many people think the various Green parties around the world have a similar left-of-center, progressive stance, but there are really substantial differences. Could you compare the Green Party of Ontario (GPO) to the American Green Party and tell our readers where they differ? Also, does the Green party of Ontario represent "Greens" in Canada in general?

John Fisher: The GPO in most ways represents Greens in the GPC. The main difference, to date, is the absence of a Georgist focus (the GPO leader was a Georgist). Hopefully the economic resolution to the August GPC (Green Party of Canada) Conference will move the GPC toward the GPO on this front.

Most Green Parties started from common roots but in Canada I think it was circumstances (see above) and smaller

political (i.e. population) units for better communication.

Erich Jacoby Hawkins: I believe Green Parties exist in a space which cannot easily be addressed from the traditional left-right spectrum. They can certainly be termed "progressive", especially in social policy, but also tend to diverge significantly from the traditional Left on economic and fiscal approaches. In a country like the U.S. where the dominant parties are (on a world scale) right-wing and moderate-right, the Green Party will naturally appear to the left. But in Canada, where the major parties range from center-right to left-wing (social democrat), the Greens occupy what might be considered a centrist position, except that their policy mix is more eclectic than that of a traditional centrist party. Green parties reject both the communist/socialist class approach and the Austrian school of "free market" thought.

The Green Party of Ontario has the most developed economic platform amongst Canadian Greens, with the federal party following closely behind. Other provincial Green Parties tend to have much less development in areas of economic policy, so one sees a greater variety there. I tend to hope that they will follow the GPO and GPC's lead in adopting generally Georgist and Pigovian approaches to taxation. In the meantime, many of the provincial Green Parties are influenced by a membership who come from a social democrat or leftist perspective but are disillusioned with the traditional Left parties, so have formed a Green Party instead. In those cases, one sees more vestiges of leftist economic approaches, such as a preference for higher income or business taxes and lower property taxes (both the opposite of Georgist prescriptions). In most cases this is a result of not having yet put their economic policies under a rigorous analysis -- those provincial parties tend to have a policy focus mainly on issues of environmental protection.

One of the striking differences I see between GPUS and Canadian Green stances is that much of what the GPUS demands for Americans is already in place in Canada -- universal public health care, a decent minimum wage, 12 month's paid maternity leave, peace-keeping over war-fighting, etc. Therefore, while the GPUS needs to push for these "leftist" policies the Democrats seem unable or unwilling to achieve, Canadian Greens need only watch that such programs are not eroded, and in that effort they are joined by most of the other mainstream Canadian parties (with the exception of the most right-wing).

SB: Another thing that is quite different in Canada is the Parliamentary system. Could you describe that and also if a Canadian citizen is likely to get more representation among diverse parties than in our U.S. winner-take-all system?

JF: The nature of a Parliamentary system makes it easier for third parties to get elected. However it is the 'winner-take-all' vs. 'proportional representation' that makes the big difference. Canadians have a W-T-A like the U.S. but the GP and other parties have PR (Proportional Representation) in their platforms. It definitely gives better representation and decision-making (continued on page 13)

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for the majority of citizens. Our current government only represents about 35% of voters. The PQ in Quebec has approximately 10% of Canadian voters but 16% of seats in parliament. The GPC also has approximately 10% of polls but no seats in parliament.

The House of Commons is only elected proportionally on a national basis but not on a constituency basis. Here it's first-past-the-post/winner-take-all like the US. Senate reform (i.e. being elected) is on the national agenda including in the GPC.

SB: Does this make for a better or worse decision-making process than a two party system, in your view?

EJH: When there is a majority government in power, Canada's multi-partisan system offers little or nothing in improved decision-making because the majority party (almost always based on a plurality but not majority of votes) can do as it wishes. The only thing a multi-party system offers in that situation is more choices for a voter or NGO to contact if they feel ignored by the government. In a minority government situation, much the same holds true, but there is some possibility of the opposition uniting to pressure the government to modify its program, or even bring it down (triggering a new election) in some cases.

SB: Your Senate is appointed, rather than elected, like ours, but it is also traditionally subordinate and follows the wishes of the House of Commons, which is elected on a proportional basis. Could you talk about the implications for democracy of a system that favors representational democracy over state, or in Canada's case, provincial, representation?

EJH: Our House of Commons is not elected proportionally, although it (theoretically) features representation-by-population, whereby each seat represents roughly the same number of voters. However, even this system isn't very closely followed, meaning that some of the urban electoral districts have as many as five times the population of some rural ones. This is a combination of constitutional issues and political reluctance to risk seats in rectifying it.

Our Senate has fewer powers than the American, in that it can only review and either pass legislation, reject it, or send it back with recommended changes. All legislation originates in the House; the Senate cannot introduce new bills. The Senate can commission studies on important issues but their findings and recommendations, while often very balanced or progressive, have no force of law and generally are shelved if they don't suit the agenda of the ruling party.

Traditionally the Senate at least examined and debated House-passed bills before rejecting them, but recently the minority Prime Minister has managed to create a majority for his party in the Senate (through appointment of cronies) and they have used this to reject a House bill without discussion.

SB: I understand your Senators can be dismissed from their post if they fail to show up for two consecutive parliamentary sessions or if they turn 75. Does this improve

the quality of your Senators?

EJH: The age limit seems reasonable, if arbitrary, and I don't know that it makes a lot of difference. A session represents a season, and attending it does not mean attending every sitting, so the attendance rule is not very strict and has only rarely (if ever?) been enforced.

SB: Erich, you are on the Shadow Cabinet - Ecological Fiscal Reform. Could you describe what that is specifically, and also what a Shadow Cabinet is?

EJH: In the Canadian parliamentary system, derived from the British system, the Cabinet is formed of Members of Parliament (MPs) who are each elected to the House to represent a local constituency, then chosen by the Prime Minister to manage a portfolio (ministry). The leader of the Cabinet, and effectively the leader of the government, is the Prime Minister who is likewise elected in a single district, but chosen by his party to lead. This is quite different from the US where the President is directly elected nationwide while his Cabinet are appointed by his choice only and usually not drawn from currently serving representatives.

After an election, the party with the most seats is asked to lead and form a governing cabinet. The second-largest party is labeled the "Loyal Opposition" and sits across the legislature from the government members. This opposition party then appoints, from their own ranks, a "critic" for each ministry whose job it is to monitor (shadow) that ministry & minister and to critique their actions. Together, these representatives are termed the "shadow cabinet" and form a sub-set of that party's elected caucus, also known as the "front bench" (because of occupying the front seats in the legislature). (Those MPs who are not in cabinet or shadow cabinet are termed "backbenchers".) In a traditional two-party system, one would have a single Cabinet and a single Shadow Cabinet, but Canada has had a three-, four- or five-party tradition for several decades now, and each opposition party has their own shadow cabinet who critique the ministries from their own particular ideological stance. Thus the Green Party has a shadow cabinet, a group of 20-40 candidates who are each assigned to a ministry or portfolio and are responsible for maintaining a degree of familiarity with issues in that sphere and issuing periodic press releases on related topics. In the elected parties shadow cabinet members are elected MPs, but the Green Party does not yet have elected MPs, so our Shadow Cabinet is instead drawn from (generally) our strongest candidates in terms of vote performance. (Specifically, 41 of our 305 candidates exceeded 10% of the local vote in the last election, and the majority of our SC are made up of these "ten-percenters".)

SB: John & Erich, you both support the Green Tax Reform, an idea with roots in the economic philosophy of 19th century political economist Henry George. Could you describe the basics of this reform proposal and also the specific Green tax resolution passed in June of this year?

JF: It was me that introduced the Georgist philosophy (raised its profile) (continued on page 14)

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in the GPO/GPC. I became a Green in 1997 and the leader, Frank de Jong, began to promote it. This party is absorbing Georgist economics (why do some individuals and not others absorb Georgist economics?), partly due to a prior identification with the environment. It was a matter of aligning Green/Georgist terminology and enforcing the connection between achieving Green objectives and using Georgist economics as the tool.

Economic Rent (see David Ricardo's Law of Rent) is not earned by the individual (only as part of the community) but is created by the presence and activity of the community as a whole (roads, business, demands for unique locations). The latter is earned by the community (tax jurisdiction) that created it! Resource fees should approximate economic rent!

After 'resource fees/economic rent' is captured by the community the former speculative income from owning land would be significantly reduced. Total speculative advantages will never be eliminated and there might be some managing/accounting/philosophical advantages.

Those farmers who keep wetlands, hedgerows etc. that benefit all would be compensated for their community contribution. The amount (to me) would be determined by subtracting the privately created value (livestock, some trees, any use) and the publicly created value (air, open space, some trees etc.) from the total to get the difference. The input should include all possible factors! Please refer to a copy of the Alternative Land Use Services Brochure (Norfolk County, Ontario).

The above (any Georgist rent capture) should not depress production because it is not a tax on production (labor and capital). Compensation revenue would come from economic rent captured! The determination is by a free market, which is not the case now!

SB: Could you explain the difference between earned and unearned income with respect to your proposed tax shifting resolution? Can you explain how the land-owning minority benefits from improvements in a way that the non-land-owning majority does not?

EJH: Earned income reflects the product of a person's efforts. Wages, salary, and commissions and bonuses would be standard forms of earned income. Unearned income represents the product of holding some kind of monopoly, money gained through economic rent. Capital gains (beyond inflation), land rent, and any price increase due to economic rent would be unearned income. Interest income could fall into either (or both) category, depending on what kind of investment or lending was involved. Investment in a venture would return earned income, while returns from land holdings or speculation would be unearned. Rental of man-made property (buildings, equipment) would be earned income. Interest that banks gain by lending bank-created money is unearned income.

If you own land, you benefit from the increase in value of that land over time, which essentially arises from publicly-funded improvements or societal growth. If you rent land, not only do you not benefit at all from that value in-

crease, you end up having to pay higher rent as land values rise. This is a main driver behind the growing wealth gap.

SB: How would the amount of these resource fees be determined? What is meant by the term "economic rent"?

EJH: Resource fees could be set through a cap/trade process, which sets the total amount that can be extracted, letting the market then set the price, or could be pegged directly to the unimproved value of the raw resource. [classic definition of economic rent]

SB: Your resolution "proposes that those who contribute back to the commons could be financially compensated by government. Companies and individuals who forgo income to conserve, protect or restore ecosystems could be partially reimbursed for expenses." Could you describe who would determine if companies or individuals "contribute(d) back to the commons" and how that would be done? How would you prevent these entities from gaming the system by, say, claiming that they didn't do something that would have harmed the environment that they really had no intention of doing anyway, and therefore claiming compensation?

EJH: This is something you'd have to ask Frank de Jong about.

SB: Why would this not depress productivity, or is that what you actually intend the measure to do, or to do at least in some aspects?

EJH: Raising the royalty (fee) on resources and pollution while lowering the taxes (to zero) on labor and value-added would increase material productivity, but perhaps reduce labor productivity. Right now productivity usually refers to labor productivity because labor is a significant cost while materials are relatively cheap. If that situation were reversed, then the more important productivity factor would be material productivity. In an economy with chronic unemployment and downward pressure on wages, switching from labor to material productivity through a tax shift would mean an increase in jobs and real (take-home) wages alongside a decrease in resource consumption and pollution.

SB: Where would this compensation revenue be obtained from?

EJH: The concept of a tax shift is that revenue remains the same. Some sectors of the economy would shrink but others would grow and the overall effect should be to reduce many draws upon the public purse, known collectively as the "cost of poverty".

SB: Most of the resolution concerns environmental or economic issues, but there is also a call to "shorten the work-week." Could you explain the implications of this and how it would affect the unemployment picture in Canada, currently at 7.9%? How would it affect income? What role do you believe government has in (continued on page 15)

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determining the length of the work-week?

EJH: Government doesn't directly set the work-week, but can influence it through rules that establish the point at which an employer must pay overtime, and various other benefit rates. It can also set the work-week for public servants, which creates a trend that private employers often follow. For many decades, improvements in labor productivity were shared between employers and employees, with employers seeing more profit per worker and employees earning their salary over a shorter time. However, in recent decades, productivity gains have been captured entirely by employers/investors, with the length of the work-week staying the same or even lengthening, while chronic unemployment/underemployment slowly grows. This means that while employers/investors benefit, not only do workers not receive a share but they lose out through longer hours, lost jobs, or having to pay (via taxes) to support the unemployed. We believe that employers and employees should share in the benefits of productivity gains with shorter work-weeks, which would also reduce unemployment by spreading work among more workers. By reducing the cost of unemployment, taxes on workers could be relaxed, helping to maintain salaries over shorter hours. Workers with more free time would also be able to give back more to their community through volunteering, and have healthier family lives. (An alternative view is that shorter work weeks means more leisure time, which will drive growth in the tourism and entertainment industries).

SB: Canada has been seen in the United States as a resource-rich country, but also one that is significantly exploiting those resources in often environmentally unfriendly ways - e.g. clear-cutting forest, producing oil from tar-sands, which is both energy-intensive and dirty. How will the Green party address these issues? Does your proposal mean that America should expect less oil/forest products and more expensive oil/forest products from Canada? What are the negative and positive implications of that?

JF: My yearly visits to resource-rich and location-important parts of B.C. have brought home how many Canadians look at the resource issue.

In the Bulkley (River) Valley the division between those who want development/export and sustainable lifestyles is tempered by the common dependence/appreciation of the outdoors. Really most in both camps, both being rural, recognize the long-term importance of wise use of resources.

The division is coming to a head in two regional projects. These are: 1) Shell's attempt to develop a methane mine at the sacred headwaters of three major rivers (one being the Skeena R.) and 2) Pipeline and coastal tankers for oil (to China and USA) from the Tar Sands in Alberta.

Only recently have a few treaties been finalized with B.C. First Nations, so most natives, environmentalists, outfitters (fishing, hunting etc.) and many others are successfully (so far) fighting these projects. Many B.C. First Nations have advanced education and technical (i.e. mapping) skills.

The Green Party would put all factors (i.e. environ-

mental, social etc.) into the mix. For example how much would a car cost if all security, space, health, environmental costs were included? This is the thrust of Green thinking!

User fees (royalties, leases etc.) of publicly owned resources should reflect actual value (see vehicle example above). Note: Alberta's Heritage Fund and Alaska's Social Dividend, although based on oil, could be funded by expanding the revenue base to all of nature's free gifts!

EJH: Under a Green economic program, resource costs would rise but labour costs would decrease. This would increase costs to American industry for Canadian resource inputs, but would also drive efficiency gains. In the long run, it would ensure a more dependable resource supply by preventing the depletion of critical resources.

SB: What are the foreign policy implications of this policy shift?

EJH: Sorry, outside of my area.

SB: Forests are publicly owned for the most part in Canada. What are the implications of that?

EJH: On the surface, this would seem to suggest better management, but in practice the opposite is true. The logging companies are not the owners of the land, they are merely renting it while they log. They have no real interest in the future disposition of that land once they extract the lumber value, unless and until they have exhausted all other land parcels and have to log it again. Meanwhile, the government administrators also have no real ties to the land, and are often located in offices hundreds or thousands of miles away. And the government has conflicting agendas - on the one hand to steward the resource, but on the other hand to promote economic growth. The short-term pressure to create or maintain jobs thus overcomes the long-term need to preserve the resource for future generations (not to mention for non-human needs).

What happens is that government allocates more quota than can sustainably be harvested, and charges low stumpage fees (wood royalties) in exchange for promised jobs. This low cost subsidizes wasteful practices in the logging industry, and downstream in the construction industry, and even creates trade disputes. It also allows logging companies to concentrate on exporting raw logs, making their profit off the difference between wood value and stumpage. If they paid a higher cost for raw wood, they would have to concentrate more on value-added processes instead of exporting raw resources.

When forests are privately-owned, the owner wants to maximize the long-term return on land, so insists on a higher stumpage fee and a more sustainable logging pattern. There are privately owned forests, which have been sustainably logged for many decades, yet are still vibrant ecosystems, while neighboring government-administrated forests have been clear-cut and permanently degraded. Different forms of public ownership could achieve the same, if the ownership and administration were in the hands of the long-time residents of the land in question, (continued on page 16)

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whether that be a First Nations band, a community trust, or some similar organization. The key is to maintain that long-term link between the land and those who make decisions over it, and must depend on it to support them and their descendants.

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