

Civilizing the Economists

by Silver Donald Cameron

ISLE MADAME, NS --

He sat in his car, weeping. He was a prosperous Toronto executive, and the wife he adored had died a few months earlier. "I'd give anything just to see her again," he said. "Anything. If I could have ten more minutes with her, I'd gladly spend the rest of my life begging on the street."

Love is important. Health is important. Family and community are important. Fresh air, full of birds, is important. So is clean water, full of fish.

Money is not important. Money is a tool, useful only in accomplishing important things. It consists of symbols in your pocket, marks in a ledger, electrons on a screen. It has no intrinsic value at all.

Economists think money is important. That makes them barbarians. They believe that free markets exist, and constitute an efficient mechanism for the allocation of value. That makes them fools. If they could, they would force us to re-shape our lives to serve the economy, rather than vice-versa. That makes them arrogant knaves. There are exceptions: Kenneth Boulding, Robert Theobald, Richard Douthwaite, E.F. Schumacher, and some others. But I am talking about the fabric of fantasy which constitutes received opinion within the profession.

To an economist, the solution to the economic problems of people in Atlantic Canada is to remove the people, though it's rarely put so rudely. In the current issue of *Atlantic Progress* magazine, for instance, consulting economist Maurice Mandale argues that high unemployment stems largely from "labour market rigidities" and economic structures such as "relatively generous unemployment and welfare benefits." Translation: people in Atlantic Canada don't want to move, but they might if we starved them. Then the unemployment rate will fall, for the same reason that population figures for the Great Auk fell sharply once the auks were extinguished.

Mandale is hardly alone. A recent Industry Canada study of regional disparities by Serge Coulombe of the University of Ottawa makes a similar point. According to a Southam News story, Bank of Canada Governor Gordon Thiessen told the Commons Finance Committee that the unwillingness of Canadians to relocate is one reason that our unemployment rate is higher than the American rate. The story also said that the Organization for Economic Co-operation and Development "has been pushing Canada to reduce barriers to labour mobility."

Mandale quotes a University of Warwick researcher named Andrew Oswald who notes that merely making unemployed people miserable doesn't work; they attempt suicide, but they don't move. The problem, Oswald thinks, is that too many unemployed people own houses. (The proportion of homeowners is indeed highest in the Atlantic region.) Footloose renters are better for the economy, so the government should discourage home ownership. Mandale finds Oswald's theories "appealing."

There is, of course, a simpler, cheaper solution to high unemployment rates: simply shoot the unemployed. A fifty-cent bullet, and the job is done. It makes perfect economic sense – a negligible one-time cost precludes any future drain on the treasury. The concept gives a whole new meaning to the word "termination."

The problems of Atlantic Canada are largely a consequence of national policy, and have clearly political roots. But Atlantic Canadians don't have the power to change Canadian politics, though we try. If the

country had voted as we did in 1997, Jean Charest would be Prime Minister and Alexa McDonough Leader of the Opposition.

Since the political process doesn't help, we do other things. Come to Silicon Island, the former courthouse in the former steel-milling city of Sydney, NS. Now beautifully refurbished, Silicon Island belongs to privately-owned McKenzie College, which provides multi-media and other high-tech training from locations in Halifax, Moncton and Toronto as well as Sydney. The building also houses 20 arts and high-tech businesses -- animators and architects, video producers and software developers, all linked by fibre-optic and wireless networks. Among its features is a digital art gallery.

Now take the Glace Bay Highway out to the University College of Cape Breton's new Technology Enterprise Centre, an incubator mall just opened and already 70% occupied. Attend a Technology Advisory Group meeting, a unique monthly conclave of technophiles from business, government and academia hosted by UCCB, and listen to them discuss opportunities, new projects, global markets.

Down here, we know a lot about unemployment. We know we have to move. But this is 1998, though the economists haven't noticed. Today you can move your mind without moving your body. And that's exactly what we're doing.

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