From The Athenaeum

Atlantic Provinces Economic Council and the Atlantic Development Council.

They complain that with the increasing bureaucracy and 'politics' of DREE, their share has dropped from a much needed 33 per cent to an insignificant 12 percent of grant money. They point out that the large corporations supported by the government are capital-intensive. Therefore, government grants encourage private profits from technological advancement rather than employment and regional development.

Typical of the government's policy was the subsidization of Michelin who received grants and loans of 88.97 million dollars from the federal and Nova Scotia governments.

In a report to the US Commission of Customs, Michelin stated that the grant had no effect on their move to Nova Scotia.

The only externally commissioned examination of DREE confirms this as a pattern. The report concludes, "Movement of location of plants within Canada is minimal, and significantly grants produce few changes in respect to project timing, project size, or technology used. ... Roughly half of the incentive grants do not influence investment in any significant manner: and can be considered to be windfall gains." And this program is the one which the government is proud of! No wonder we citizens never hear of the sbackdeals and intricacies involved in the remaining myriad of corporate handout programs. it is not surprising when we finally find out that Canada gave away over 200 million dollars in grants to defence contactors over the past six years. It is even less surprising the 80 percent of these grants were to US multinationals. The state's half-hearted committment to ending regional disparit ies is not accidental. In order to make any progress in such a venture, the government must not only subsidize a particular industry for a period of time but it must also subsidize a whole network of supporting services, consumer industries and a technical infrastructure. Such a committment can only be funded by taxing the high-profits of corporations over a long period of time. Such a course would risk disaster for the love-relationship between the state and corporations. And both these groups are more than whole-heartedly dedicated to screwinggeveryone else up.

"That's the free enterprise system that the Liberal and Tory governments and their corporate friends are wedded to. It is a mutual relationship. Government ensures the profits of corporations and the corporations accordingly finance the free enterprise parties at election time. They support each other and hold hands in your pocket."

(A disgruntled NDP party leader.)

It is commonly imagine that the state removes the sting of out economic system by transferring the excess wealth of the rich to the poor.

Nothing could be farther from the truth.

Three quarters of all taxes are regressive (everyone pays the same amount regardless of income – sales, exise, property taxes.) There are over one hundred and fifty of these indirect regressive taxes in a loaf of bread alone.

Whereas someone earning \$2,000 per year pays an astonishing 60 percent of her income in taxes, someone earning over \$10,000 pays only 38 percent. The only important progressive tax - the federal income tax - does not affect the most important sources or wealth - capital gains and interest from savings.

The overall transfer of income can be measured by a complex formula called the GINI, where O represents complete equality and 1 complete inequality. In 1971 the before tax GINI figure was .42. After all personal taxes and transfer payments (including social security) the GINI figure is .37 - hardly any difference at all. The sweep or government policies - from the tactic of fighting inflation by profits to continue their domination of creating unemployment, to anti-labour laws, tariffs, repressive legislation, loop-holes, regulatory commissions and legal and judicial structures - all operate in the best interests of monopoly capital. The result has been that US multinationals and other corporate interests have gained ours and other economies. There has been no unckie down" effect - only a "trickle-up" effect. Proverty has actually increased in Canada over the past twenty years.

After the depression, widespread unemployment was recognized as inherent in the economic structure and requiring large scale solutions. The various "social assistance" acts of the next forth years were passed largely in response to the parliamentary pressure of reformists. Still, they were financed regressively — the worker paid a high percentage of his income for unemployment insurance and towards welfare schemes than did the millionaire

There has never been any indication that the government intended to eliminate poverty. Benefits were never tied to need but only to earnings (as in unemployment insurance) or to minimal subsistance levels (as in welfare payments.)

welfare payments.) In 1966 the helterskelter of social assistance services was organized under the Canadian Assistance Plan. Aside from a slightly improved co-ordination of services, its main new wrinkle was to promise provincial governments that the federal governments would match all their social assistance payments with equal iederal grants. Of course, the poorer provinces who most need the welfare subsidies could least afford to allocate money in that area.

war on the poor

The function, if not the design of these welfare programs, has been to take the steam out of social unrest by providing a subsistent standard of existence and to ro-opt any possible unity of exploited workers and unemployed. The image portrayed by the media of the welfare recipient as a "chiseler" polarizes the low-wage workers against the welfare recipients.

When welfare grants rather than

immigrants, mainly in the low-wage industries, the latter often perceived as stealing the former's job.

And students are most hated, because, of all groups they are given the sweetest bribes.

Not only do 70 percent of revenues come from 100 companies, mostly American and supporters of the Liberal and Conservative Parties, but the media themselves are owned by only a few powerful interests.

Together, they perpetuate and image of middle-class life which Porter in the "Vertical Mosaic" found only four percent of all Canadians can actually afford. The "liberal class" if you will, composed of professionals in the therapy and rehabilitation business, welfare administration, government bureaucrats, doctors, lawyers, and academics are engaged in the repair of the more damaging of capitalism's consequences. They "fix" people up so that they can live a while longer and if made "healthy" conpetitively rejoin the "ratrace."

The liberal may correctly see that capitalism distorts human potential and dignity. But, because he imagines that man's experience and social relations can be separated from his economic activity, the liberal surrenders the possibility of developing a critique of human experience and social relations under capitalism.

He forsakes any investigation into man's nature and therefore easily capitulates to the dynamic of capitalism which promises, though rarely delivers an ever increasing material abundance.

Although in the pitfalls of his soul he may vaguely sense the dead-end of such acceptance, he had developed to no theory to counter this temptation. He is left with no choice but to accede to the apparently logical demands of capitalism — albeit administered in a kinder and more sensitive fashion.

Liberal ideology hides from itself the very economic foundations upon which it is dependent and from which it grows. The extent to which the structures of capitalism dominate the vocabulary in which problems and solutions are posed, are typically lost on liberals. The liberal fails to grasp the very ideological structures by which capitalism finally seduces him and conceals its deadly workings. In failing to penetrate this the liberal employs his ideas and self in the arsenal of capitalist weaponry.

BIG PLANT

1022Mp

the unfair state

In the early 1900's volunteer and charity organizations looked after those who because of age or handicaps, were incapable of working. The protestant and frontier ethic was dominant in this era. It was believed that everyone could and should work to support themselves and their families. By the 1920's the burden of supporting old persons was beyond the means of charity organizations and local municipalities, and in 1927, the Canadian federal government adopted a pension plan. corporate scandals are highlighted by the media, it is natural that someone who can barely afford the deductions for social assistance programs, who is not entitled to the free drugs and services received by welfare recipients, will become angry at those on welfare and blame them for her deprived economic conditions.

There are similar frictions between Canadian workers and