

The Pigeon's Right Wing

The Debt Blues

by James Kierstead and Andrew Skaling

"Adam Smith would hardly approve, nor would John Maynard Keynes"

The above words were written by Sir Roger Douglas, the former Labour finance minister of New Zealand. He used them to describe the desperate fiscal situation his country found itself in, when the International Monetary Fund pulled the plug on its foreign borrowing in 1984. Following this move, a mountain of debt came crashing down on their heads necessitating massive and deep expenditure cuts.

Despite a relentless exposition of New Brunswick's fiscal circumstances in the media, many polls show that the majority of residents still don't understand the meaning of a debt/deficit let alone its implications. This is hardly a good environment for the government to take corrective actions to alleviate if not eliminate this disaster-in-waiting.

A deficit is simply the shortfall between what the government spends and what the government receives from various sources of revenue (i.e. taxes, transfer payments, etc.). The government debt is the accumulation of deficits minus assets since the first budget.

The fiscal situation in New Brunswick is far from pretty. In FY1993-94, the McKenna administration incurred a 131.5 million dollar deficit. This adds to our already enormous net debt of 3,899.9 billion dollars or approx. \$2108 for every family of four. Just to make the interest payments alone requires 14.6% of provincial revenues each year or 538 million dollars

(FY1992-1993). This is money that could have been spent on our abysmal highways or on our education system. Many have downplayed the significance of the debt by suggesting that it is only money we owe ourselves. This has a taste of irony in it because those who are always advocating greater government expenditures to ensure more 'equity' in the distribution of income are actually encouraging the opposite. Due to the fact that the majority of citizens are from the middle class, they pay the majority of taxes. When the government incurs a deficit to pay for its plethora of programs, they issue bonds and other securities to raise the required money. Due to the greater disposable income held by the upperclass (and institutions purchasing for senior's pensions), they are more likely to purchase these securities. In order to service and redeem this debt, taxes are kept sufficiently high. The process of deficit financing therefore generally transfers wealth from the middle to the upperclass and from the young to the old. It is also untrue that we only owe this money to ourselves because of the massive borrowing by all levels of government, most of the domestic capital is absorbed, forcing governments to borrow abroad. This borrowing also has a crowding out effect by reducing the amount of capital at the disposal of the private sector to help finance expansion, etc., resulting in the loss of jobs. In FY1993 the people of New Brunswick owed 1251.5 million to foreigners or 23.4% of our debt, our three creditors being the Americans, Japanese, and Swiss. The interest payments on this debt

represents money leaving the province, never to come back. If anything brings our debt crashing down on our heads, it will be foreign borrowing.

The McKenna administration will always deflect criticism by pointing to other provinces who are even in worse shape. However, just because the other provinces are up to their necks in quicksand and we are only up to our waist, is nothing to be carefree about.

The only way this province will pull itself out of this mess, is through fiscal

restraint and some cuts. We have to assume that the mess the federal government is in, will leave them unable to come to our aid.

A possible course of action would be to impose a total spending freeze in real terms. This would allow the government to reallocate money within the overall budget to preserve essential programs while decreasing funding for others. A program of privatization would have the proceeds go to paying down the debt and consequently reducing our servicing charges, eventually producing a balanced

budget.

In conclusion, many feel that we have been living beyond our means for some time now. There is constant frustration with increasing taxes and small program cuts, and yet the government is still unable to balance its books. There are no easy solutions, but it will definitely require strong principled leadership, persistence and yes, even some pain to overcome this problem. Hopefully, we still have time to exchange short-term pain for long-term gain. After all even McKenna has stated we may have only a matter of months.

Metanoia By John Valk

Feminist or Patriarchal?

One of the places few feminists turn for support of their cause is the Christian Scriptures. One can hardly blame them. Not only do the Scriptures give the impression of being patriarchal—advocating divinely ordained male authority—they have all too frequently been used to perpetuate it.

Is it possible though that the Scriptures are much more supportive of the feminist cause—defined as that struggle for freedom and equality for both genders—than it is of patriarchy? Is it possible that the patriarchy evident in the Scriptures is not a divine sanctioning, but a consequence stemming from the human attempt to dissociate from God and each other? Could it be that careful examination of certain critical passages might not only render to the feminist movement a strong ally, but also give it food for thought?

One need venture only into the first few pages of the Scriptures to receive a response. There one uncovers a creation story, initial harmonious relations, and then estrangement. That estrangement affects a number of relationships, not least that between the genders.

It is unfortunate that the creation story as recorded in Genesis, the first book of the Bible, is so readily dismissed from the classroom. Controversies regarding its use often stem from whether or not it renders an accurate account of the origins of the universe, the planet earth and all things in it. However, how these things came into being is a scientific question. Why they came into being is a religious one. The Scriptures are much more concerned about the latter question than the former.

The crowning act of God's creating endeavours is the coming into being of humans. Unique to their creation is that they alone image the Creator. And, that imaging is not individualistic; it is communal. Only by being in concert, being together as men and women, does the uniqueness of the human surface. Human sociability is important in imaging God.

Not only is being together important in imaging God, so is doing together. Being human is also being fitted for a task. The task given to humans "in the beginning," as part of their uniqueness, was to have jurisdiction over the earth: the fish, birds, animals, plants. Their first exercise was to give names to all

things. Naming defines task and purpose.

Genesis Chapter Two recalls that the creation of the first human was not fully complete. The man lacked a partner. The only partner suitable was a woman; a "helper." She was a helper not in the sense of being some kind of servant. She was a helper in the sense that the man had to consult her. He needed her input, her assistance and her insight in order to complete the common task they had both been given, namely, to have "dominion over the earth."

Woman then was someone equal yet different. The woman would come to the common task with a different yet unique perspective from that of the man. Their relationship was to be complementary. Without it they would not be able to properly perform their common task, nor reflect God as they were created to do.

What the man and woman could do with their dominion was almost limitless; "you may eat freely of every tree of the garden." They were God's vice-regents; to rule the earth on behalf of God. And, in all of their activity that was to be made evident.

As such, God had an obvious interest in what they did. God also knew their limitation. They were not God. Humans were not yet able to comprehend "the knowledge of good and evil."

However, they thought they could. In creating humans free, God also created them with the potential to freely reject God. And this they soon chose to do. Rather than accepting that freedom entailed dependence on God, they sought it independently from God.

That had immediate and tragic consequences. Henceforth, they would face painful labour while reproducing the race and feeding it. All the while they faced the inevitability of their own demise.

When God spoke to the woman after their first act of independence, and just prior to castigating the man, God said, "your desire shall be for your husband and he shall rule over you" (Genesis 3:16). What was meant by this? Was God initiating new patriarchal order, as so many have assumed? Or was God making a prediction; a prediction of the consequence of disobedience? (To be continued)

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