

A new Canada?

by Stuart Flinn

The eminent Canadian economist Eric Kierans spoke at Henson College on Tuesday, addressing the question "Canada: Does the vision still live?"

The two-hour talk, hosted by the Dalhousie Canadian Studies Society, dealt with Canada's direction both politically and economically. The main topics discussed were free trade, VIA Rail, the Meech Lake accord, and the general sales tax (GST).

Kierans, a former federal cabinet minister, describes himself as a decentralist who sees Canada realigning itself from an east-to-west axis to a north-to-south orientation. This new Canada would be pulled into a continental economy and from there to a global economy con-

trolled by high profit-motivated corporations.

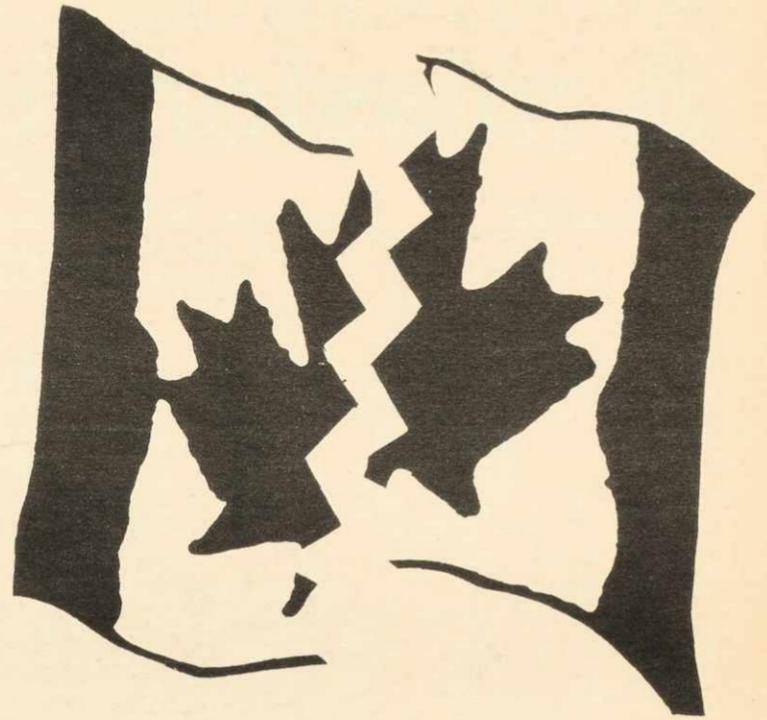
According to Kierans, Meech Lake would help stop this move to centralization by giving back to the individual provinces the power to control their own futures. But the accord is in danger from a number of sources that are dragging Canada towards "globalization", which, says Kierans, "will lead to the death of Sir John A. MacDonald's ideas of a nation from sea to sea".

Kierans says Canada is made up of five regions: British Columbia, the Prairies, Ontario, Quebec, and the Atlantic area. These regions would function more efficiently under Meech Lake, he says, since "they know what will work in their own back yards better than Ottawa does". In contradiction to this decentral-

ized approach is free trade, which forces Canada to act as a "homogenous unitarian state, which it is not," says Kierans.

Kierans says the GST is a by-product of free trade. Although not opposed to high taxes to support Canada's social programs, he sees the GST as a hindrance to the success of Meech Lake, since it takes away from the provinces one of their primary sources of revenue, the sales tax. From the federal perspective, says Kierans, the GST is their only option, since an increase in corporate tax would "chase away business to the south".

Kierans also disagrees with the dismantling of VIA Rail. It will cause Canada to lose one of its primary modes of transportation, he says, "and witnesses the death of the national dream".



Although the Meech Lake accord is not perfect, says Kierans, it is a force to act against centralism, which, in the form of free

trade, VIA cuts, and the GST, is threatening the country as it now exists.

Hope for Nicaragua

by Joey Goodings

Nicaragua must have support to develop in the face of U.S. efforts to dismantle its government, says Karen Rothschild of the Nicaragua aid group, Tools for Peace.

Rothschild described her two week stay in Nicaragua with a slide show on October 16 at the SUB. Tools for Peace aims to help Nicaragua through a grass roots form of development assistance.

Rothschild was in Nicaragua during the tenth anniversary celebrations of the Sandinista revolution on July 19. She said hundreds of thousands gathered in Managua to show their sup-

port for the revolution. One slide of a banner in the middle of the crowd read "Un futuro luminoso," meaning a bright future.

"It's quite imposing to see 350,000 people in a demonstration," said Rothschild, who was overwhelmed by the turnout.

Another slide focused on an effigy of George Bush. It was followed by more slides showing people demonstrating in front of the U.S. embassy. Rothschild interpreted this as Nicaragua saying, "There is no need for you [the U.S.] to come here and protect us." She said these demonstrations have continued on a regular basis since the U.S. invaded Grenada in 1982.

While travelling throughout

the country, Rothschild had the opportunity to speak with many people working in the agricultural sector. However difficult their situation was, she found the common response was that things are better now than before the revolution.

"For 45 years, we were under Somoza's boots. We have had to make sacrifices to be able to achieve something through our revolution," said one rural Nicaraguan to Rothschild.

Rothschild used the slides to describe some of the killings that took place under Anastasio Somoza, the Nicaraguan leader overthrown by the 1979 revolution. While watching a slide of a volcano she told the audience that Somoza had people pushed into it from a helicopter. The Nicaraguan government estimates over 300,000 people were killed by Somoza's National Guard.

The audience discussed the subject of Contra support after the slide show. Tim Bood of Tools for Peace said the Contras are made up of Somoza's National Guard for the most part and that they often use forced conscription.

"When some contras come to a village, shoot a teacher or someone important, and then ask some people to join them, it is difficult to refuse," he said.

Rothschild feels Canada should be more vocal and assertive in its support for Nicaragua, and should not shy away from it because of relations with the United States. Canada will be a part of the UN team that will be observing the upcoming election

continued on page 18

Rate rise and fall

by Paul Beasy

In North America, unemployment has declined to its level of 20 years ago, while Europe has experienced a major increase in its unemployment levels.

That was the topic of Professor Robert Solow of the Massachusetts Institute of Technology, who spoke to a fairly large audience on Possibilities for Full Employment on Thursday, October 19th.

Solow's lecture centered on the fact that in the 1980s, there has been a higher rate of unemployment in Europe than in North America, a switch from preceding decades.

Solow pointed out that this has happened because of attempts to keep down inflation. The twin issues of inflation and unemployment are inextricably linked, he said; attempts to lower one mean a rise in the other. He said Britain is the exception to the rule, with high inflation and an unemployment rate at 7 per cent in 1989 and apparently rising. Canada currently has a 7.25 per cent rate of unemployment; the United States' is lower.

Although no one factor can be blamed, there are distinguishable reasons for the shift over the last decade. In his lecture, Solow put much of the blame on the two oil price shocks of the early 1970s and early 80s. Another factor he mentioned is real wages, which have stayed fairly high in Europe but have dropped in North America. The apparent inflexibility of real wage, combined with legislation against layoffs, have made jobs comparatively scarce in Europe, especially as employers are reluc-

tant to hire.

Solow used the vague term "Eurosclerosis" in describing the apparent inflexibility of product and wage prices in the ever-broadening European trade community, which means more competition for similar prices. This has led to the famous butter-mountain in Germany and similar surplus problems in other nations.

Economists say North America appears to have streamlined its economies and have much more flexibility in wage rates. This, in turn, makes jobs more available and turnover greater, which is acceptable.

Solow mentions that he chose the issue because in the last decade, the issue has more or less fallen from the public's list of priorities. He emphasized this by pointing out that in a recent Labour Party conference in Britain, the candidate did not make reference to unemployment as a serious platform for future elections. Although unemployment affects everyone directly or indirectly, this change in attitude has surprised him.

In a coherent fashion that appeals to laypeople as well as economic scholars, Solow brought the point home to Halifax. By tossing employment figures out to the crowd, he was able to explain the recent trends in the Western industrialized nations as being a product of the West changing from a factory system towards one of technology and service.

Solow warned that a recession and higher unemployment rates

continued on page 18

