

Market economy is nearing the abyss

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We in the west enjoy many benefits that come with a free market economy and democratic system.

But it's fragile, this relationship we have with our system.

Like the legendary Gummy, a lot of things in our society today have been stretched too far.

The market economy is one of them.

The original principles of economics as we know it today is pretty simple. The three main ones are scarcity, efficiency and sovereignty.

Some will argue these are not economic concepts at all, but centre around human behaviour. That's true to an extent.

The system all depends on self-interest and that's where I find it can go astray.

For consumers, we're looking out for number one ? ourselves. We need and want certain things and we want the best prices possible.

Our wants, unlike our needs, are limitless, but our ability to pay is not.

Another ?law? of economics is competition. This is the idea that in a competitive market, the most efficient companies and products last, while others fall by the wayside. This, however, doesn't work in a monopoly, and we have a few of those ??power generation, the auto industry, big oil and big Crown corporations.

We average citizens hope that enough goods/services are produced at the lowest possible prices to meet the demand. I still do not understand gas prices at the pump; the ease at which government agencies approve routine increases in natural gas and telecommunications rates. Double-digit increases seem to be the norm, despite an economy with single-digit inflation. The capping of Hydro One CEO's salary at \$1.5 million, from a previous high of \$2.77 million, is little consolation, not to mention ridiculous.

What also puts a monkey wrench in the system is land, labour and capital.

We have claimed ownership of Mother Earth, something that has caused humankind nothing but grief over the centuries. We not only claim the parameters of land, but its contents ? the soil and natural resources that lie deep beneath it. Oil, coal, forests and water belong to everyone, don't they? Once every last drop of oil is sucked from the underground reservoirs where are we left?

As ravenous consumers, however, we demand things made from petroleum products ??gas, asphalt, wax, tar and plastic. As we all know, more and more things are being made of plastic, from car parts and cell phone cases to shampoo, umbrellas and clothing.

Every time I think about what we're doing to the planet, I long for loin cloths and togas!

Our system also relies heavily on capital ? from infrastructure and factories, to access to funding. While it may be difficult for some families to meet the stress test for their mortgages, large corporations and governments have access to virtually unlimited amounts of cash.

Most of us are familiar with how our system works ? we work to survive and buy things. You may be surprised as just how close we are to communism or socialism. Both systems have merits.

The communist theory, originally espoused by Karl Marx, promotes economic equality through the elimination of private property. In this system, the needs of society trump individual wants and needs. The government plans the nation's economic goals and leads all economic activity.

Sounds pretty good to me. If our government wants to return my investment on my home, and let me live there for the rest of my life tax-free, I'm down with that.

Most of us embrace property ownership. The state (federal, provincial and municipal governments), local conservation authorities and power utilities can force you to share, transform, devalue and give up your property.

Garth Turner, when he was MP, formed a property rights coalition; mounted a conference in Ottawa; launched a petition, and lobbied his colleagues. The right to own property was included among a proposed set of changes to the Charter.

It all went to a national referendum in 1992, called the Charlottetown Accord, and the majority (54%) voted against it. Of course, this deal also called for an elected Senate and added rights for Quebec.

Canadians don't have enshrined property rights, so the government can take it from us under certain, albeit rare, circumstances.

A socialist system is sort of a compromise, where the government controls major resources and capital (mines, mills, air, rail, etc.) and individuals may own smaller businesses. The Nordic model is proof this can work.

Here's a major dilemma in our system. In a free enterprise system, prices are set in the market. But who determined that \$1 million is the standard rate for a detached home in the GTA? Who decided that gas should be over \$1 per litre? This throws the whole supply

and demand theory out the window. I don't want to pay either of those amounts, because they are neither fair nor the lowest price possible.

Our governments are bloated, debt-ridden corporations that cut social necessities when budgets don't add up.

Another indication of our system's inherent weakness is the widening gap between rich and poor. The fortunes of the world's billionaires grew by 12 per cent or \$3.3 billion a day last year, while the 3.8 billion people who make up the poorest half of humanity saw their wealth fall, according to an Oxfam report.

In Canada, billionaire wealth grew by almost \$20 billion between March 2017 and March 2018. Oxfam estimates that would have been enough to make universal child care affordable and accessible to all Canadian families.

Yet tax rates for the wealthiest remain relatively low. The working class is quickly being squeezed out of the economic picture.

Personal debt is at an all-time high. Job security is a thing of the past.

Free market? I beg to differ.

