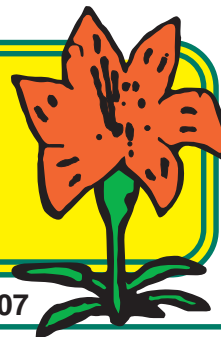


Seniors' Voice



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Eternal Vigilance is the price of Liberty. Power is ever stealing from the many to the few.

Why Tax Cuts Make Us Weak

— By Murray Dobbin — November 1, 2007 (info@thetyee.ca)

TheTye.ca

So here we go again, another round of huge tax cuts as the country continues down the road to a neo-con dystopia. Over the next five years the revenue that pays for the things Canadians say they want will drop by \$60 billion. There are cuts to the GST, to personal income taxes and corporate taxes — with the latter dropping by 2012 to 15 per cent (from 21 per cent today), an outrageous corporate giveaway, giving us third world status in the “attract investment” race to the bottom.

It is the continuation of a 20 years process of diminishing the country — a conscious plan implemented by three prime ministers from both the Liberal and Conservative parties. Between 1984 and 2006 the federal government, which is supposed to be looking after the interests of the country, voluntarily gave up over \$250 billion in revenue — an amount that would have made a huge difference in the quality of life of Canada. We can now add \$60 billion more. Provincial governments are equally culpable.

It's not hard to list the things we could now be enjoying as a country had those cuts not been made, especially taking into account the annual revenue we would have: a national child care program, a national pharmacare program, a home care program, social housing, radical cuts in tuition fees, and the elimination of this country's

staggering infrastructure deficit, estimated to be between \$60 billion and \$120 billion.

Why business needs taxes

Of course, the conservative voter would say, this is a mostly a left-wing wish list. But look more closely at what could be done with these surpluses and with a return to tax levels of the fairly recent past. Take the infrastructure deficit: the crumbling of our municipal services like sewer and water, our roads and bridges, and our ports. Spending on these things is hardly a left-wing fantasy. It is business which depends on these things at least as much as ordinary citizens and communities.

We hear ad nauseam about Canada having to be globally “competitive,” but how on earth can we be competitive if our bridges are actually falling down, as they are in Quebec? Does the corporate elite in this country really believe that the only thing governments need to do to remain competitive with other jurisdictions is to cut taxes? We have been cutting taxes on corporations for 15 years to the point where we now tax them considerably less than they do in the U.S. But still we aren't “competitive.”

The role of corporate tax cuts in spurring investment has always been exaggerated by big business. Surveys of CEOs over many years have shown that the income tax rate usually plays

“The price that good people pay, for their indifference to public affairs, is to be ruled by evil men.” — Plato

a secondary role in investment decisions. The more important issues include the cost of borrowing, availability of trained workers, energy costs, the reliability of transportation infrastructure, access to markets, and land costs. The issue of income tax is only important if you actually make an income.

And what about child care, another purely left wing demand? Hardly, if you take seriously all the corporate hand-wringing about the worsening labour shortage. What do the tax-cutters think will solve the labour shortage? Tens of thousands of Canadians have long since given up even looking for work because child care is so expensive it would absorb most of their take home pay. A major Health Canada study [<http://tinyurl.com/ys39o8>] revealed that deteriorating conditions in work/life balance was the key factor in Canada's plummeting birth rate. No wonder there's a labour shortage — we aren't making workers any more.

What about a pharmacare program? The lack of such a universal program costs large companies hundreds of millions each year — both in terms of the costs of drugs within medicare and the cost of the health plans they provide their employees. Tuition fees? How is it good for competitiveness if fewer and fewer young people can actually go to university — and those that do are saddled with \$30- 80,000 in debt?

Social housing? Ask the Vancouver Olympic Organizing Committee if they think having thousands of people living on the streets makes us internationally competitive — they are panic stricken about Vancouver's image.

Truly 'competitive' nations

Will yet more tax cuts make us more "competitive" as Finance Minister Flaherty said in his economic update? If the figures of the World Economic Forum — the most elitist international forum on the planet — are to be, in 1999, the year before Paul Martin introduced his huge tax

cuts, Canada was 5th in the competitiveness sweepstakes. After seven years of tax cuts we are in 16th place. [<http://tinyurl.com/jz73w>] Who beats us? Amongst others, the Nordic countries, which collect half their GDP in taxes each year. Nine of the 15 countries ahead of us have higher taxes. This draconian slashing has nothing to do with competitiveness. It is ideology run amok. It is no secret that Stephen Harper has a visceral contempt for what Canada became after the Second World War. **But he can't get rid of government directly so his plan is to gradually starve it to death. The relentless attack on the tax base creates the useful crisis corporate governments need to justify cutting social programs, environmental protection and other social roles of government.** Keep cutting taxes and revenue and eventually you get deficits.

The continuing savaging of government revenue is the throwing down of the gauntlet by the right to all those who support activist, social democratic government. The problem is that no one in the constellation of Canadian progressive groups, including national unions, seems willing to take up that gauntlet. While these groups are making admirable efforts to keep medicare public, to lower tuition fees, to establish universal child care, to create social housing and increase foreign aid, none of them have yet taken on the critical, national task of fighting tax cuts. Yet all of these things depend on government revenue. Without that revenue any political victories on these issues will be very minor ones.

It is long past time that civil society organizations, especially national unions, take up the challenge presented by massive reductions in government revenue. Let's mobilize Canadians around the conviction that taxes are the price we pay for a civilized society. ■

Fair progressive taxes are the price of a civilized society.

Afghanistan: A War Won and Lost

— By Gwynne Dyer — New Zealand Herald, October 12, 2007

We have just had the sixth anniversary of the start of US air strikes against al Qaeda and its Taliban hosts in Afghanistan.

It was a very clever politico-military operation, and by December of 2001 all of Afghanistan was under the control of the United States and its local allies for a total cost of 12 American dead. Then, for no good reason, it fell apart, and now the war is lost.

In the days after 9/11 George Tenet, the Central Intelligence Agency's chief, came up with a bold proposal. Why invade Afghanistan with a large American army, deploying massive firepower that kills large numbers of locals and alienates the population?

Why give Osama bin Laden the long anti-American guerrilla war that he was undoubtedly counting on? Instead, Tenet proposed sending teams of CIA agents and Special Forces into the country to win the support of the various militias, loosely linked as the Northern Alliance, that still dominated the northern regions of the country.

Although the Taliban had controlled most of the country since 1996, they had never decisively won the civil war. So why not intervene in that war, shower their opponents with money and weapons, and tip the balance against the Taliban?

It worked like a charm. Pakistan, whose Intelligence services had originally created the Taliban, withdrew its support, the regime fled Kabul, and most of the Taliban troops melted back into their villages. The Government of a country of 27 million people was taken down for a death toll that probably did not exceed 4000 on all sides.

By mid-December 2001 the United States effectively controlled Afghanistan through its local allies, all drawn from the northern minority

groups: Tajiks, Usbeks and Hazara. There had not been the mass killing of innocent bystanders that would inevitably have accompanied a conventional US invasion, so there was no guerrilla war.

The traditional ruling group and biggest minority, the Pashtun, who had put their money on the Taliban and lost, would have to be brought back into the game somehow, but the usual Afghan deal-making would suffice.

Washington had the wit to make Hamid Karzai, a Pashtun, from a clan that never had much to do with the Taliban, its puppet President in Kabul, but it didn't carry through. It froze out the prominent Pashtun political and religious leaders, who had had dealings with the Taliban – which was, of course, almost all of them.

The Taliban had been the Government of Afghanistan for almost five years and were at the time the political vehicle of the Pashtun ascendancy in the country. If you were a traditional Pashtun leader, how could you not have had dealings with them?

An amnesty that turned a blind eye to the past, plus pressure by the United States on its recent allies to grant the Pashtuns a fair share of the national pie, would have created a regime in Kabul to which Pashtuns could give their loyalty, even if they were less dominant than usual.

But that never happened. The United States had so closely identified the Taliban with al Qaeda (although bin Laden probably never told the Taliban leadership what he was planning) that it would not talk to Pashtun leaders who had been linked to the Taliban.

Six years after the invasion that wasn't, the Pashtuns are still largely frozen out. That is why the Taliban are coming back.

Afghanistan has usually been run by regional and tribal warlords with little central control. Nothing new there.

But now it is also a country where the biggest minority has been largely excluded from power by foreign invaders who sided with the smaller minorities, and then blocked the process of accommodation by which the various Afghan ethnic groups normally make power sharing deals.

The Taliban are still the main political vehicle of the Pashtuns, because there has been no time to build another. It doesn't mean that all Pashtuns are fanatics or terrorists. Indeed, not all the Taliban are fanatics (though many of them are), and hardly any of them nurse the desire to carry out terrorist acts in other countries.

That was the specialty of their (rather ungrateful) Arab guests, who fled across the border into the tribal areas of Pakistan almost six years ago. The current fighting in the south, the Pashtun heartland, which is causing a steady dribble of American, British and Canadian casualties, will continue until the Western countries pull out.

(Most other NATO members sent their troops to various parts of northern Afghanistan, where non Pashtun warlords rule non Pashtun populations and nobody dare attack the foreigners.) Then, after the foreigners are gone, the Afghans will make the traditional inter-ethnic deals and something like peace will return.

Will Karzai still be the President after that? Yes, if he can convince the Pashtuns that he is open to such a deal once the foreigners leave.

Will the Taliban come back to power? No, only to a share of power, and only to the extent that they can still command the loyalty of the Pashtuns once it is no longer a question of resistance to foreigners.

Will Osama bin Laden return and recreate a "nest of terrorists" in Afghanistan? Very unlikely. The

Afghans paid too high a price for their hospitality the first time round. ■

* Gwynne Dyer is a London based independent journalist whose articles are published in 45 countries.

General George S. Patton: June 1944

"I want you to remember that no bastard ever won a war by dying for his country. He won it by making the other poor dumb bastard die for his country..."

Definitions

- A patriot is a person who is willing to give up your life for his country.
- Too often, patriotism is the last refuge of a scoundrel.

— *From Father's Scrapbook*

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Private U.S. military contractors move into Helmand

By Kim Sengupta in Kabul

British forces fear influx of Americans may harm 'hearts and minds' campaign after Blackwater shootings in Iraq. Large numbers of US private military personnel are expected to arrive in Helmand, the focal point of British involvement in Afghanistan, as part of a new effort to promote reconstruction and development in the war-torn province.

The US has contributed the largest sum to the new aid effort, over \$200m. But British officials striving to win "hearts and minds" in the conflict against the Taliban have expressed concern over the potential influx of military contractors, amid a continuing furore over the shooting of civilians in Iraq by Blackwater.

As Nato troops reclaim territory from the Taliban, the movement has increasingly resorted to suicide attacks and roadside bombings. "The worry is that there will be a blast, and some contractors will panic and open fire, as happened with Blackwater in Baghdad. That is the very last thing that Helmand needs at the moment," said a Western diplomat.

"On paper the Americans are by far the largest donors in the province, but a big portion of that never filters down to the ground." A recent meeting of donors decided that the security situation in Helmand was now stable enough to start bigger aid projects. But there are recurring complaints, including among some USAID workers, that a substantial proportion of American aid money is siphoned off for security. The US government spends, on average, just over \$1m a year to protect each aid worker it sends to Afghanistan.

DynCorp, one of the main American security companies, has already sown resentment in Helmand with its participation in the campaign to eradicate the opium poppy crop. British commanders accept that farmers whose

livelihoods have been destroyed do not distinguish between private contractors and soldiers, despite repeated assurances that British troops are not involved. The government of President Hamid Karzai, like its counterpart in Iraq, has expressed concern about the activities of private contractors and is discussing new legislation to tighten control.

Blackwater provides security for the US embassy in Kabul, but the largest American government contract in the country is believed to be held by Texas-based USPI. According to reports in its home state last week, the company has been accused of overbilling the US government by millions of dollars for non-existent employees and vehicles. USPI acknowledges that it is being investigated, but insists that the allegations are untrue.

USPI's hiring practices in Afghanistan have drawn criticism from the International Crisis Group, a think tank. It said in a report that a majority of the men on USPI's payroll were associated with private militias. "Many have used their authority to engage in criminal activity, including drug trafficking," it claimed.

An American supervisor working for USPI was accused of shooting dead an Afghan interpreter and is said to have been flown out of the country the next day. Officials from Blackwater later took part in a raid on its offices in which computers and files were removed.

USPI has been the target of several bomb attacks. Its headquarters in Kandahar was hit by a suicide bomb, and another suicide bomber targeting a convoy being escorted by the company's personnel killed 15 people and injured 26. ■

The Independent October 14, 2007

OUR GRAND AYATOLLAH:

Canada's real ruler is head business honcho Tom d'Aquino

By Murray Dobbin

Does Canada, like Iran, have its very own Grand Ayatollah? Iran is technically a democracy, with regular elections choosing a legislature and president. But it is well known that no major decisions get made without the express approval of the Grand Ayatollah Ali Khamenei, the country's supreme Islamic leader.

And if you examine the roots of the Security and Prosperity Partnership—the secretive scheme to annex Canada to the U.S.—you will find a similar pattern in which the really important decisions aren't decided in Parliament, but behind closed doors, in collaboration with the keeper of the Holy Grail of free market fundamentalism in Canada. That's Tom d'Aquino, president and CEO of the Canadian Council of Chief Executives (CCCE), formerly known as the Business Council on National Issues (BCNI).

If you think calling d'Aquino Canada's Ayatollah is mere hyperbole, consider the fact that not a single federal budget since the early 1980s has ever been presented to Parliament before first being vetted by d'Aquino in his role as representative of the country's 150 largest and most powerful corporations.

We have come so far down the road of corporate domination of the public policy process that it is now simply taken for granted by both Liberal and Conservative governments that d'Aquino will check out the budget and give it his blessing—or his instructions on how the budget can be revised to merit his blessing.

If you've never heard of this process, or even of Tom d'Aquino, don't feel bad. It is not in his nature or in his interests to be a highly public figure. He is in the enviable position of never having to run for office or even be introduced to the Canadian public. He is chosen only by the 150 lesser Ayatollahs of the CCCE.

The thinking behind the original BCNI was pure genius. In effect, it established itself in the early 1980s as a parallel government, working through a series of task forces on separate policy areas, seconding staff from member corporations. At its most sophisticated, the council actually presented the Trudeau government not just with policy papers, **but with the actual wording of the legislation needed to implement that policy.**

The effectiveness of the BCNI's approach reached its peak in the Mulroney years, when its draft legislation began to be adopted virtually word for word. Following the end of the Mulroney era, BCNI/CCCE control over federal government economic and social policy made an almost seamless transition into the Chrétien/Martin government.

D'Aquino and company put together a document for Martin called “A Ten-Point Growth and Employment Strategy.” Seeking to “reduce the overall burden of government in our lives,” the plan's neoliberal orthodoxy was obvious in every point, including a) targeting social programs to “those most in need,” b) cutting taxes and “doing more with less,” c) radically changing unemployment insurance rules so the program did not “act as a disincentive to work,” d) making “non-inflationary growth” a tenet of economic policy, e) eliminating the deficit through social program cuts by 1998-9, and f) minimizing government to “create a more decentralized federation.”

The BCNI's list of demands is a virtual summary of what Paul Martin accomplished, or tried to, in his nine years as minister of finance. Martin rarely strayed from the Ayatollah's orthodox prescription, and with Chrétien ran the most fundamentalist free market government in Canada in over 60 years.

“Eternal Vigilance is the price of Liberty. Power is ever stealing from the many to the few”.

Tom d'Aquino has led the BCNI/CCCE since 1981, and his influence is arguably even greater today, most evident in the Security and Prosperity Partnership (SPP) initiative.

While the idea of greater economic integration with the U.S. was on the CCCE's agenda from the late '90s, the 9/11 attacks lit a fire under the process. The temporary closing of the U.S. border revealed just how risky the free trade/ NAFTA strategy was. The largest corporate players—that is, the BCNI/CCCE members—became convinced that much greater trade liberalization (“deep integration”) was now imperative.

Working with the business-funded think-tanks and right-wing foundations, the CCCE began the process of building elite consensus for the virtual assimilation of Canada by the U.S. By 2004 the process had become more formalized with the creation of the Task Force on the Future of North America—a small but very high-powered group (both Tory Michael Wilson and Liberal John Manley were members) that was co-chaired by d'Aquino.

The task force pressured the three NAFTA leaders to formally agree to their agenda for a fortress North America. And in 2005 that is what they did when they signed onto the SPP. It was an exclusively executive agreement between the three leaders, committing them to the agenda, but not requiring approval by the countries' legislatures.

Just in case there was any doubt that this was a corporate-driven agenda, in 2006 the second SPP summit in Cancun, Mexico, established the North American Competitiveness Council (NACC), which includes 35 of the most powerful CEOs from the three countries. D'Aquino hand-picked Canada's members. The NACC makes “recommendations” to the three political leaders—who are only too glad to heed them.

The NACC was in Montebello, too, meeting with Bush, Harper and Calderon behind the barbed wire and police cordon.

There was just one addition to the 35 corporate executives at the Montebello summit, even

though he wasn't officially part of the group. You guessed it: The Grand Ayatollah, Tom d'Aquino. ■

(Murray Dobbin is a freelance journalist and author, and a member of the CCPA's board of directors.)

THE INCOME GAP KEEPS WIDENING: The Rich are Getting Richer

“Remarkably, 20% of the gain in Income share going to the richest 5% of Canadians went to the richest of the rich—the multi-millionaires sitting in the top 0.01% of Canada's income scale.”

Canadians have paid dearly for the tax cut agenda of the past decade with cuts in health care, education, environment, public infrastructure increased poverty and homelessness to name but a few.

Living Wage Campaign is Launched

A North American-wide campaign for a living wage has been launched, the brainchild of a Mexican-based coalition, the International Campaign for the Restoration of Wages and Jobs.

The idea is to build continental pressure to reverse the downward trend in real wages. A Canadian organizing effort is pulling together in Toronto to provide a northern front to the campaign. It has embraced the goal of a \$10-an-hour minimum wage that has become a popular demand in Canadian trade union and social justice circles.

The continent-wide campaign should give an international face to worker struggles at a time when the service industry and big-box stores like Wal-Mart are putting downward pressure on workers' livelihoods, from Monterey to Montreal.

For more information contact: nalwc1@gmail.com
— *The Ecologist*

It is better to Give....

Many seniors, particularly single seniors, widows and widowers, make provision for a gift to charity at the time of their death. A gift to a registered charity will result in a federal tax credit of about 29% of the value of the gift, plus provincial tax credits. We don't give to our church, the Cancer Society, disaster relief, etc. just to get a tax advantage, but it is important to understand how these gifts can reduce taxes – and increase the amount of the estate available for other heirs.

If you make a gift of cash to a registered charity through your will the charity will give your estate a charitable receipt for the amount donated. Your executor can then claim the gift on your final tax return and get a refund of taxes otherwise owing through the use of the Donations Tax Credit. This will likely result in a tax refund of nearly one-half of the amount donated: a \$10,000 gift will probably result in about a \$4,500 tax refund.

Should you leave assets other than cash to charity (stocks, bonds, real estate, etc.) the amount of the gift will be the fair market value of the asset at the time it is transferred to the charity. So, a gift of a \$50,000 piece of property to your church would result in your estate receiving a \$50,000 charitable donations receipt. (But remember, the gift is a "disposition" of the property for tax purposes and may result in the reporting of capital gains on your tax return.) Gifts of stocks listed on a Canadian stock exchange carry the added benefit of a reduction in the taxes otherwise payable on any capital gain on the stock. Only 25% of the capital gain (instead of the usual 50%) needs to be added to your income for the year of the gift.

You can gift the proceeds of your RRSP or RRIF directly to a charity by naming the charity as beneficiary of the plan. The funds go directly to the charity, bypassing probate fees and administrative delays in your estate, and still generate a tax receipt for your estate. The tax credit generated by the gift should more than offset the corresponding tax bill on your final tax

return arising from the disposition of the RRSP or RRIF.

Similarly, life insurance proceeds can be paid directly to a charity, or they can go through your estate: your choice. Either way your estate will receive a tax receipt from the charity equal to the full value of the insurance death benefit: a \$100,000 policy will result in a \$100,000 tax receipt, for example. Again, this receipt can be used to claim the Donations Tax Credit.

Consult with your tax advisor to ensure that your favourite charity, your estate and your heirs all get the maximum value for your charitable dollars.

This article is for informational purposes only and is not intended to promote a specific product, nor is it intended to provide financial, legal, accounting or tax advice.

Submitted compliments of Shelley Kuzyk Certified Senior Advisor, Conexus Credit Union, 780-1572. ■

My Husband

He never says, "I love you so."
As I somehow thought he would,
But, if I ask, he says: "You know
I do; that's understood."

He never says he likes my dress,
Or likes the tune I'm playing,
But if I ask, he answers: "Yes,
That goes without my saying."

I ask him: "Will your love for me
Be always true and steady?"
He sighs, and says so wearily:
"I've told you that already."

"For better or for worse," and more,
The kind old parson chanted.
I don't know what I took John for,
But he took me for granted.

From Father's Scrapbook