

Intelligence MEMOS



In the C.D. Howe Institute's inaugural Regent Debate four prominent voices sparred over the following question: Should Western democracies, such as Canada, establish a universal basic income? Today, Conrad Black's argument against.

I would say of the subject that, as Mark Twain said of Richard Wagner's music, "It's not as bad as it sounds."

Let me enunciate a few things that I think we can all agree on and then propose a different approach.

Capitalism is the only system that works because it is the only one that is aligned with the almost universal human desire for more, and that we like to share a little and up to a point, but we all want more.

And the problem with such a system is in the pursuit of more you do get excesses that eventually produce great problems that go by default to governments to settle, not because they have any aptitude to do it but because that's where the buck stops, and they enact and enforce the laws and they control the money supply. And if they don't deal with the crises you get the complete collapse of the system, which has not happened in the English-speaking countries, but has happened in other great countries: France, Italy, Germany, Russia, Spain, China, and Mexico, Brazil. Many places. And we have avoided that.

Now I think we can also agree that President Reagan was right when he said the only welfare system we've ever had that worked was a job, and I put it to you that our welfare system should be oriented towards job creation.

Several of the preceding, or two of the three preceding speakers, emphasized very rightly the point that we're now in a situation where we have a difficult demographic state of affairs because not only do we have a shrinking birthrate and an increasing life expectancy but — and this was not emphasized — we have a completely unsustainable number of people in jobs that do not add value. Now a pizza delivery person or a health worker do add value, but frankly a great many lawyers and accountants and consultants and academics, both faculty and students, don't add value.

Now obviously we have to have the rule of law and we have to avoid becoming a Philistine society, but the fact is we have, without it being consciously adopted as a policy, deliberately respectabilized the massaging of immense amounts of resources towards the retention of such people in positions that do not in fact add value. A person who puts sheet metal on an automobile chassis or works in a bakery or a brewery or extracts resources from the ground or the water adds value.

And the idea of universality has the superficial attractions of simplicity and egalitarianism, but that's not where it leads. That's what we have in our healthcare system and it doesn't work. We're rationing healthcare to the people who can't afford to pay more.

And in the case of income policies we should have an employment and tax plan designed to produce job creation. Of course we have to alleviate poverty. No sane person would say otherwise. But there are better ways to do it.

For a full video of the debate, [click here](#).

The Regent Debate series is generously sponsored by Aaron and Heather Regent. The second Regent Debate is scheduled for this fall, with details to come.

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