



Title: 5 November 1988 Personal Correspondence on Political Economy, FTA, etc.

Author(s): Dr. Shigeru Kounosu

Published by: Worldwide Indigenous Science Network

Publish date: 31 August 2013

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Nov. 5, '88.

Dear Louella,

Thanks for the discussion. It was an interesting evening. If it is of any interest to you, I offer my "after thoughts". Just as students take notes, I write up something to remember what the discourse induced me to think. I suppose that is a kind of learning.

Frankly, I was not interested on FTA as an election issue. In my estimate, Canadian economy, politics and "quality of living" in general are not free from U.S. domination with or without FTA. We try to manage what we can to maintain our life within the existing situation --- i.e. accepting the U.S. domination as more or less "given" and unalterable condition of life on Canada ---. The Canadian position in this respect is not too different from Middle and Low Management and Labor Class people who try to manage their life "under domination by the given Power Structure".

The attitudes of three political parties about FTA resemble that of, (A) a small local boss negotiating terms concerning "local territorial management" with a big Mafia Boss, (B) "Whitecolor Company Union" negotiating for concessions from the Capitalist, or (C) talking like "Proletariat" but cannot shake off their dependence on the Capitalists (since they lack the "superior management intelligence" and Power?). Or I can suggest a worse metaphor in analogy with "Dependent Wife" who live with Violent Husband. In terms of economy, Canada get "beating" in one way or another, but she cannot stop going bed with him.

[Academics tend to talk as if Economy is "Rational". I would imagine they are aware of Anthropological and Psychoanalytical studies on Economy, such as K. Polanyi, G. Dalton, M. Mauss. et. al. At least Marx's tracing of Exploitation to "Sexual Division of Labor" is known to them. But, both Lerner and his critics are pretending "Rational" technicalities. Trade is not a simple legal transaction, but a part and extension of human relation whose prototype may well be "Sexual". The sense of "Power" which emerges in exchange relations is also "Sensual" and never was "equal" as the Rationalists assume.

For the purpose of debate, one is compelled to use "Rationalist Rhetoric". Unfortunately, the need of our talk to be "rationally" ordered is often mixed up with and transferred to the subject matters. The

Rationalization for itself ought to be regarded as an irrational ritual (trick, magic). When people on street use sexual metaphors to talk of political economy, they are much closer and accurate to the phenomena than the "experts" who talk in rationalist rhetoric. The "Experts" are merely "linguistic technicians" who perform "Language Tricks".

And I might add that just because systematized (rationalized in mechanical and logical sense), Economic Structure does not cease to be Unequal Violence. The trade between the U.S. and Canada is next between "equals", in any case. The ideal of equality is fine, but notion of equal exchange in market is not only an illusion but an ideological deception. In particular, in the trade between the Third World countries and Industrial Power countries what economics texts talk as if "legitimate exchange" is not at all "fair", nor "equal". When international market tightens, Canada may come to learn how unequal the exchange with the U.S. is.

That the U.S. keeps tens of thousands Nuclear War Heads and the biggest Air Force and Navy in the world --- i.e., has the military hegemony --- has a great deal to do with the "unequal trade". We hope that "civilian trade" is Peaceful. But it seems that Violence and Inequality are feeding each other. They are twins in the family of Power Relations.]

At any rate, we are not out to "overthrow" the Power Structure. Canada might manage to get out of NATO. But it would be almost impossible to achieve the degree of "Economic Independence" that Germany, Japan or Sweden have with respect to the U.S- domination. The relation is not as bad as that between the USSR and Poland, or that between the US and Latin American countries, but not too far different. The only thing Canada can try is to bargain this and that of small concessions with the U.S. All three political parties operate on this axiom, though none of them admit that.

To be sure, it is fair to say the quality of life in Canada is somewhat better than in the U.S. I have a few friends in the U.S. who were among "respectable" upper middle class some decade ago and took care of me when I was there as a foreign student, but they are now aged and in a deep trouble. In Canada, thanks to Social Welfare (or sometimes called in hostility "Socialism"), at least the Aged are better taken care. My friends tell me of increasing rate of violent crimes, complains about unkempt

city streets and public facilities in general. Even schools are not safe places. And everybody is suing everybody else. I know American people are good estimate that Americans work a lot harder than Canadian. But somehow the social structure there tend to draw out the worst of them, despite their efforts to maintain good life. Relative to that, Canada is lucky. I would almost say that Canadians have a "Grace", which is a luxury beyond the reach of the majority of people in the U.S.

So those Canadians who do know what happening in the US do not wish to become "Proletariat" living in poverty and under the power of the US "Capitalist". But then, probably the majority of Canadian are not informed as to what is happening in the U.S. Their view of the U.S. is what T.V., Hollywood movies, Harlequin Romance, Reader's Digest suggest to them. Academic publications, texts --- even in Economics, Social Sciences --- carry a "Subliminal Message" in that effect.

And in the belief in Virtue of Competition for Power, Canadians are not unlike Americans. I may be talking too much like Max Weber, but I do not think I am too wrong in reading off the "Mind" of people. There seems that there are two basic implicit assumptions common to all parties in the debates on FTA:

- 1) It is Economic reality that the might of U.S. can, and about to, do nasty things to Canada. Canada has no choice but to be subservient to the U.S. If Canada does not make concessions to the U.S., she may be "Punished".
- 2) Yet, the U.S. would not treat Canada as if one of "Banana Republics". The U.S. would be reasonable and "understanding" toward Canada, even if the U.S. may be vicious and cruel in any other country under its domination.

[Canadian understand this as "Special Relation". Anglo-Canadians think that US dares not treat Canada like Mexico, because of the common Racial origin.]

They are two contradicting assumptions. But as much as they are not explicitly stated, the contradiction is hidden. But, the Reality of Canadian-Political Economy, perhaps is a contradiction. We think that Canada may be "exploited" a bit, say, in terms of lower wage for Canadian workers, but the exploitation would not be so bad that Canadian

Capitalists and Canadian Middle Managers would not be treated less than "Junior Partners".

To be sure, I grant that these two assumptions do have grounds. They are "Myth", yet they are also "Reality", and as much as they are believed they retain their effective Power. Canada will not be treated by the U.S. like trading countries in Asia such as Japan, Korea, China, or for that matter Mexico. Canada puts up trade barriers against the Third World Countries, while she is preaching the virtues of "Freer Trade". There is a possibility for Canada of making a "Sweet Relation" with the U.S. so as to protect herself in the global trade competition. She does not to be left alone, while European Countries are making up formidable Economic Union, and Japanese is gaining trade surplus. Leave things as it is, Canada will fall into the position of being one of Third World Countries. Therefore, some Canadians may wish to join the U.S. to defend her position in the shadow of the Giant. After all to become the 52nd State is better than becoming another Mexico. I guess the logic of Free Trade goes like that.

It is interesting to observe that Canadians have never developed any sense of Economic "National Identity", say the degree in which Swedish developed Volvo to sell in North America. Canada, if she had a "Will", she could have modernized of Steel Industry in 1960-1970s as Japan did and built a basis for economic competition for 80's. Canada had every resources and opportunities to do so, but did not have "Will". Instead, Liberal Government of Canada "imported prosperity" from the U.S. Canada was "borrowing time". Canadian intellectuals have never once raised concerns about this.

What happened to Electronics Industry in Canada? If Japan can beat the U.S., despite trade restrictions, Canada can do the same. Why not? This is not a rhetorical question, because "Free Trade" may well be another attempt by Canada to repeat the "Borrowed Prosperity from the US." Some people in our group voiced their concern that U.S. may not be a Dependable Economic Power. But Canada never had a Will to be Independent, not even in the degree South African had. We are "Colonists".

Interestingly enough, Japan developed High Tech Industry, precisely because Japan was disadvantaged in the trade with the U.S. Japan never had "Special Relation" with the U.S. like Canada had. She had to compete against "privileged" countries --- you may not know it, but Japan had to operate with full knowledge of the racial prejudice against oriental products existed in the North America then

---. Much that I dislike what happening in Japan, I would that Canadians had it too easy.

But, can you imagine any political party saying things like the above in the election campaign? I am a card carrying NDP. But even within the context of "Socialist Party", I do not have any opportunity to point out what had been going on in Canadian Economy.

In the debates about FTA, I notice that the issues raised about Unknown Future. They are arguing their speculations about what Canadian Economy will be like with or without FTA. The "Experts" are, at best, like weather Forecasters, though they are worshiped as if "Prophets". However, it seems that they do not have over-all view on Canadian Economy, but merely examining this and that wordings in the FTA. The arguments that are going around are no more than reiterations of the assumptions, such as (1) and (2) cited above. Differences come from differences in "nuances" created in mixing of two contradicting assumptions. PC is saying, in a translation to a honest street language, that "we are screwed any way, so we might just as well enjoy it". Lib, is saying "Let us maintain a facade of Dignity while being screwed." And NDP is saying "Let us negotiate good wage for being screwed". Canada, as a mistress to the Giant U.S., does not have an easy time. And since we Canadians do not wish to do anything about that, there is no point in bringing up unpleasant awareness of the situation. Besides, in Election, one would not win popularity by reminding people painful truth about Canadian Economy.

If people are cynical, they have a good reason to be. It is remarkable, however, that despite all that Canadians do manage to maintain a degree of "Social Grace" that People in the U.S. find it very hard to do. It is perhaps, Canadians are not too crazy about "Competition For Power" like Americans are. In saying above, I am thinking what Kissinger, Hitler, Weber, Nietzsche said about "Will To Power". I also "meditate" on your question of "What Economic Development Is For?". Making more things which is equated making more jobs does not seem to make people any happier, and it is not feasible in a global scale any way. In that context, for Canada to become a "Banana Republic" and to join the rank of "Third world Countries" may not necessarily be a bad idea, provided we can maintain the "Social Grace".

Yours

Sam

C.C. Joan P.