



Missing the mark

In the previous issue of Atlantic Business Magazine, my fellow columnist — Stephen Kimber — attempted to explain the Occupy movement. Unfortunately he got it all wrong. Rather, he completely missed the point, as do most ‘occupiers’ I suspect.

I will give Mr Kimber credit for some valid observations. There is disenchantment with the system and a lot of folks are upset because it allows some to become very rich. There are a host of other grievances as well, like the tax system (the rich should pay more, or as President Obama likes to say, “their fair share”).

No one can, or should, argue capitalism is a perfect system. However, it has been responsible for more wealth creation, more robust and effective social programs and support than any other system yet devised by man. It offers freedom and opportunity to all, whatever your background or status. That being said, it is entirely appropriate that society should always be examining its shortcomings with a view to ensuring a constantly improving standard of living for all.

Changes to the tax system should be undertaken. But be careful. In the United States, 51 per cent of the population pays no income tax and 70 per cent receive more in benefits and payments from their federal government than they pay in. The top one per cent pay 40 per cent of all income tax collected. My point is this: at what point does the tax system stop imposing such a huge responsibility on the ranks of its top income generators? Where is the line between encouraging more risk-takers and entrepreneurs to come to Canada, invest and create jobs versus driving them away with an uncompetitive tax burden?

We need to ensure the incentive system is alive and well. That, coupled with a strong work ethic, is at the heart of capitalism and wealth creation. It has been the introduction of incentives that has driven the growth of China in the last 20 years and it was the lack of incentives that broke the back of communism. Ah, communism, that system conceived to ensure everyone was equal. What a joke. You want disparity in incomes, in standards of living? Look no further than communism at its best, a system which ensured that 99 per cent of the population had no prospects and no opportunity. Those privileges were reserved for the one per cent.

If you pursue a field with little market opportunity, you have no right to complain about low job prospects.



It is well worth reflecting on the fact that John D. Rockefeller, Henry Ford, Steve Jobs and many others like them came from the ranks of the 99 per cent and in so doing grew the size of the pie for everyone.

Capitalism respects the fact that many are quite happy to work a conventional eight-hour day and enjoy maximum leisure and family time. It also provides the opportunity for those who want to take huge personal risks, subjugate their personal lives to their business and spend virtually all their conscious time thinking and worrying about their job responsibilities. Society needs folks in both categories and in between.

People must take responsibility for their choices. If you choose to pursue an education in a field for which there is little market opportunity you frankly have little right to complain that upon graduation you are saddled with both student loan debt and limited prospects. The market is filled with rewarding career opportunities. These range from pipe fitters to plumbers to software writers to engineers. The list of virtual guarantees of good jobs for those committed to acquiring the requisite skills is extensive. No one is saying you can't pursue what you like, just that society can't be expected to guarantee you a rewarding career.

Mr. Kimber laments the fact that many rich Canadians determine what sort of charitable gifts they might like to make. Damn right. It's their money, not yours.

Such a claim simply exposes ignorance of the tax system. That many wealthy Canadians decide to give money to causes which in their view will help stimulate the economy, help the country grow and our society become richer is a very appropriate use of their money. On another foot, many also give generously to the country's health care system and its infrastructure. That child care and social work are not direct beneficiaries misses the point. Government is better able to provide such services because the economy, as it grows, can afford it.

Is this a healthy debate? Absolutely! But it's not about stupidity, it's more about ignorance. | ABM

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