

Canada's Multi-Decade Decline of Democratic Capitalism: The Ideological Plague of Prosperity Theft

Introduction

What is Prosperity Theft?

To describe it as income or wealth inequality is to perceive the phenomenon too simply; for that description doesn't capture the intentional embezzlement component of the approach by the uber-rich with the complicity of the highest levels of the government and mega-corporations they micro-manage to insidiously and surreptitiously extract many trillions of dollars from the economy.

It is defined as an elite that trans-generationally consolidated political power and then through a plethora of policies and practices systematically maliciously rigged the economy which allowed it to embezzle vast amounts of capital to the detriment of the country's middle class and poor.

Wealth inequality, of which income disparities are a symptom, is a blight of enormous and disgraceful proportions in democracies; as the presumption being there is a compelled distribution of the money the economy generates to provide a social safety net for the most vulnerable and disadvantaged which is balanced with the need to incentivize entrepreneurialism, corporate activity and reward success financially that proportional to various kinds of desired achievements. That double accommodation over the last quarter century has been under threat as the evermore concentration of almost inconceivable riches among the tiny few has undermined the principles on which democracy was originally founded.

There is no shortage of academic and media condemnation about them mobilizing all resource at their disposal to immorally advantage their parochial corporate and personal interests not caring about social injustice on a mass scale. This author coined the phrase “psychopathological capitalism”, which constitutes an acute mental condition of losing one’s humanity as a direct result of having a) a grandiose sense of self-worth because of their hundreds of millions or billions and exercising absolute control over so many who place them on a pedestal, plus b) a callous lack of concern and no shame, guilt or embarrassment for what those in their plundering wake experience in terms of life-long deprivation, all-consuming emotional suffering, injury from violence and other sources, career, opportunity and financial loss and premature death, self-inflicted and otherwise. Plus, there’s an element of collective psychosis when this class of citizen combine their resources to guarantee the perpetuation of greater wealth – where the tenets of “more, more, more” and “never enough” are paramount in their chronically dysfunctional analytical processes.

The Indicators

A leading European economic [think tank](#) places Canada as the 17th wealthiest nation in the world in 2017, 18th in 2019 and projected to be 18th in 2022. Closest to us are Belgium, Hong Kong, Germany, Finland, France and the United Kingdom. Another source [\[Link\]](#) says this about 2018:

“The US has a median wealth of \$61,667 per adult, which puts the country at number 18, well behind others, including Ireland (\$72,473), Taiwan (\$78,177), and Korea (\$65,463). Canada, on the other hand, comes in at number six, with an average wealth of \$106,342 per adult.”

Another way to look at it is by comparing GDP. This source [\[Link\]](#) states:

“Germany, Canada, France, the UK and Japan are the closest to the top 10 coming in at 15th, 18th, 19th, 20th and 23rd respectively, according to our forecasts for 2019 GDP per capita.”

In September 2018 this was published...

"[G]rowing income inequality among Canadians and the scaling-back of programs that benefit many of them challenge [the] assumption [that] poverty researchers and food security advocates detail the extent of poverty and hunger respectively in Canada and its adverse health effects, hoping for positive policy responses from governing authorities. Instead, governments are enacting public policies that primarily benefit economic elites. Our research raises serious questions about government legitimacy and competency due to these issues, and how the dereliction has significant impacts on the health and well-being of Canadians."

...by Dennis Raphael, Professor of Health Policy and Management, York University, Canada; Morris Komakech, PhD Student, York University, Canada; Ryan Torrence, Masters student, York University, Canada, and Toba Bryant, Associate Professor of Health Sciences, University of Ontario Institute of Technology [\[Link\]](#).

They go on to state:

"Economic elites also dominate political discourse through ownership of the mainstream media, funding of conservative policy institutes and lobbying efforts that weaken the social safety net"

and

"almost 50 per cent of Canadians have indicated they couldn't meet their financial obligations if their paycheque was a week late" ... "[P]overty is not only widespread, but deep. Comparatively, Canada ranks 25th of 34 developed wealthy nations in controlling poverty rates."

and

Over the past 20 years, the incomes of the bottom 60 per cent of Canadians have stagnated, while growing sharply for the highest 20 per cent. Canada ranks 20th among 34 wealthy developed nations in managing income inequality.

University of Ottawa Arne Ruckert (PhD, Senior Research Associate) and Sam Caldbick (Master of Science in Public Health), Research Associate made a submission to the House of Commons' Standing Committee on Finance [\[Link\]](#) that began with:

"Income inequalities have been on the rise in Canada over the last three decades, as acknowledged by a wide array of research institutions, think tanks and academics. Recent reports by the Organization for Economic Development (OECD) and the Conference Board of Canada paint a disconcerting picture (1;2). In Canada, between 1980 and 2007, income inequality, measured by the Gini coefficient (post-tax/transfer) increased from 0.28 in 1990 to 0.32 in 2009 (1). During this same time frame, the share of market income held by individuals at the top of the income distribution dramatically increased: for the top 1% and 0.01% from 8.1% to 13.3% and 2% to 5.3% respectively."

It was reported in an October 2017 Global News article [\[Link\]](#) about aboriginal poverty that "over 80% of reserves have median income below the poverty line"; and that "Indigenous peoples were almost as disadvantaged as in 2006 as they were 25 years earlier in 1981". The Canadian Center for Policy Alternatives reported in May 2016 [\[Link\]](#) "The worst poverty is experienced by status First Nation children, 51% of whom live in poverty, rising to 60% for children on reserve. Child poverty rates on-reserve worsened between 2005 and 2010". The study is entitled *Shameful Neglect, Indigenous Child Poverty in Canada*.

The federal government department Statistics Canada reports [\[Link\]](#) that “the proportion of aboriginal admissions to adult custody has been trending upwards for over 10 years”; and that “aboriginal youth accounted for 46% of admissions to correctional services in 2016/2017, while representing 8% of the Canadian youth population”.

The National Native Addictions Partnership Foundation [\[Link\]](#) published these findings:

“First Nations reports indicate higher rates of emotional and physical abuse of family members, especially of children and elders. Communities with higher than average percentages of drug addiction and chemical dependency have higher incidences of suicide, violent crimes, illegal activity and other forms of abuse (AFN, 2011). Other First Nations communities have reported epidemics of from 43% (Chiefs of Ontario, 2010) to as high as 85% (Health Canada, 2011) of the communities’ population addicted to opiates.”

Canada Without Poverty reported last year [\[Link\]](#) that “nearly five million people in Canada – that’s one out of every seven individuals – currently live in poverty”. Plus, “1.3 million children live in conditions of poverty (that’s 1 in 5)”.

Another indicator is how much capital is leaving this country every year under the auspices of outward foreign direct investment. Outward FDI is nothing sinister or rare; many of the world’s wealthy and medium to large corporations send their money to foreign markets for investment purposes. However, the ever increasing amounts that have been exported by this country’s uber-rich since the early 1990s is very suspicious – as the evidence and charts *infra* incontestably demonstrate – and in this author’s view deliver another smoking gun of prosperity theft on a multi-trillion dollar scale.

Historical Antecedents: The Historical Evolution of Canadian Governance

Known by its citizens and around the world as a mature democratic system, Canada's paradigm of governance harbours a dark and ugly secret. It lies in how parliamentary institutions evolved over the course of two and a half centuries. In the United States there's for the most part been a strict adherence to what the Founding Fathers did at the birth of the nation. The American Constitution, including the *Declaration of Independence*, was considered *the* 'blueprint'; and the public sector, courts, media, academia and many category of organizations went to great lengths to ensure a continuity of its principles and values.

However, north of the 49th Parallel no such democracy genesis occurred in what would become a perpetually non-transparent environment. Everything the pilgrims hated and fled England from ended up entrenched and covertly dominating politics in America's northern neighbor. All the practices and policies of the aristocracy which were so antithetical to the likes of Benjamin Franklin, George Washington, John Adams, Thomas Jefferson, John Jay, James Madison and Alexander Hamilton, were woven into the fabric of Canada's political system and administration of justice.



Where the Founding Fathers wanted absolutely nothing to do with the British Monarchy to the point of fighting and winning a series of costly and bloody battles from 1775 to 1783 to obtain independence, their counterparts in Canada embraced it wholeheartedly and enthusiastically. A famous 'London Conference' was held in the United Kingdom in December 1866 which constituted the final in a series of meetings that led to the establishment of the Canadian Confederation. The country's first Prime Minister, John A. Macdonald (knighted in 1867), was the chairman of the event and Queen Victoria gave Her Royal Assent to an English bill that created the Dominion of Canada on July 1, 1867.

From all appearances Canada was on track to becoming a respectable member of the international community. But below the public surface an ideological devolution had been occurring for many generations. While geographically massive, the size of the population back then was and through to today is small in comparison to the United States. As a consequence, medieval Europe's monarchical practices of nepotism and patronage – where if being a family member or friend of the King, Queen or Court you received a plethora of benefits, advantages and opportunities – flourished unchecked; producing a total and absolute concentration of power and wealth exercised by a molecular portion of the citizenry; and the country's 'establishment', or 'elite' went to great lengths to protect that legacy. Democracy in the most critical constituents of the parliamentary system, therefore, is a façade.

An excellent example of the genesis of the foregoing is what occurred in one of the first provinces of the new Dominion. Nova Scotia's legislature the lower house was split between those who represented the people and the aristocracy.

The internal political state of the Province may be comprehended in few words: The Lower House is as usual, composed principally of farmers. [...] They are not at all under the control, or influence, of any individuals, either in, or out, of the House; but the Government of the Province has always a considerable power over them, from its means of bestowing little favours and advantages upon the members and their friends.¹

It was put this way in *Nova Scotia at the Turn of the 19th Century*²: “In [the province] the patronage system went hand-in-hand with nepotism”.

Although little known today, William Cottnam Tonge was a dominant figure in the struggle between the House of Assembly and the lieutenant governor in early 19th-century Nova Scotia and was remembered for decades as the “tribune of the people.” Tonge was descended from a prominent and long-established Nova Scotia family.

[...]

The quarrel between Tonge and Wentworth that was to dominate public life for nearly a decade appears to have had its roots in events of the late 1790s. Wentworth successfully blocked several attempts by Tonge to recoup his finances by participation in government projects, and the lieutenant governor’s refusal to support his claims for patronage seems to have earned him Tonge’s enmity.

[...]

Patronage was also the issue in 1797 when Tonge was passed over for promotion as major in the Hants County militia. Ignoring his precedence as

¹ A History of Nova Scotia Page, Book #2: Settlement, Revolution & War:
<http://www.blupete.com/Hist/NovaScotiaBk2/Part4/Ch06.htm>

² Dictionary of Canadian Biography Online, University of Toronto (2000)

senior captain, Wentworth appointed John McMonagle, an influential Windsor assemblyman.

This was also said about Wentworth³:

His feuds with William Cottnam Tonge escalated into a constitutional struggle between the Governor-in-Council and the House of Assembly, controlled by Tonge. Wentworth, steeped in corruption and nepotism (which is how he became a governor in the first place), assisted the Halifax merchants but neglected everyone else.

Political nepotism and patronage became a trans-generational phenomenon:

Prior to 1837 both Upper Canada and Lower Canada were plagued with patronage, nepotism and corruption. Only those with the closest ties to government prospered. The rest were shut out of decision making and full participation in their own country's administration.

Source: Hansard, Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance), January 29, 2002

MacEwan quotes [lawyer, politician and Chief Justice Sir Frederick William Alpin Gordon] Haultain as saying [in the late 1800s] on his return to the West, "The Government has been acting like a big pig trying to keep the little pigs from the trough."

Source: David Kilgour MP (Liberal, Edmonton SE) website

³ Source: http://en.citizendium.org/wiki/Nova_Scotia_history

This corruption of the mind has been well described as the arrogance of power, and Liberal ministers are not immune from this near-universal human failing. Louis St-Laurent's minister of trade and commerce, C.D. Howe, once actually taunted the opposition about their powerlessness to prevent the Liberal government from doing whatever it wanted. "Who's to stop us?" he asked – not rhetorically – 1951.

Source: *The Perils of a One-Party State and the Consequences of Perpetual Liberal Rule*, Peter G. White and Adam Daifallah (March 2004)

During the [1990s] Liberal decade of drift, the ugly face of nepotism has returned to Canadian government, this time stronger than ever. The Liberal Party of Canada has replaced the chateau clique and the family compact.

Source: Hansard, Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance), January 29, 2002

[T]he lack of responsiveness, representativeness and inclusiveness of Canada's elected political elite, political institutions, and political traditions has substantially eroded the procedural legitimacy of Canadian democracy during the 1980s and 1990s. Remedying these three deficiencies in the political system, which are the objects of increasing public demand, may restore legitimacy, but the likelihood that such reforms will be adopted is presently uncertain in the face of formidable difficulties and obstacles.

Source: *Legitimacy in Question: Elite-Mass Relations, Constitutional Reform and Canadian Democracy*, by Craig W. Worden, Brock University (1998)

The long Liberal hegemony in Ottawa has created a small, self-perpetuating oligarchy or aristocracy of governors, from which the vast majority of Canadians are permanently excluded and to which only *bona*

fide members of the Liberal Party may expect to accede. Since power in the Liberal Party is concentrated in Ontario and Quebec, the source of all its leaders, or even more narrowly in Toronto and Montréal, few outsiders apply.

Source: *The Perils of a One-Party State and the Consequences of Perpetual Liberal Rule*

That nepotism and patronage had become so commonplace was never more acute in the modern age than during the retirement period of Prime Minister Pierre Trudeau. There was such a public uproar over his many hundreds of walking-out-the door appointments of senators, judges and executives on various governmental and Crown Corporation boards that the Liberal Party of Canada lost the 1984 election because he was seeking to install another generation of those who'd cumulatively governed the country for what was then approaching three-quarters of the 20th century.

But did Canadians' outrage halt the monarchical practice of advancing the careers of family members and friends to the exclusion of everyone else? Of course not. It had become such an entrenched practice over two hundred plus years that the incoming Conservative government of Brian Mulroney continued it, as did Trudeau's successor, Jean Chrétien.

'The King of Patronage'

by Jack Aubry

Ottawa Citizen

October 21st, 2000

Seven years after vowing to review the appointment process, the Chretien patronage machine is humming along, beating even Brian Mulroney at the political 'game of friends.'

One sunny July day this past summer, Prime Minister Jean Chretien joined his cabinet to hand out millions of dollars worth of federal jobs, with half going to supporters of the Liberal party.

That job finished, Mr. Chretien hopped into a helicopter for a whitewater raft ride on the Ottawa River.

Ten years ago, the Citizen examined a similar summer day's worth of appointments made by then-Progressive Conservative Prime Minister Brian Mulroney and his cabinet.

The high rate of Liberal patronage on July 27 surpassed Mr. Mulroney's one-in-three patronage ratio.

Mr. Chretien has said the upcoming election would be partly fought over protecting "Liberal values" -- the values espoused by the late Pierre Trudeau. But the Citizen review may remind Canadians of the darker side of Mr. Trudeau's legacy, including a particularly infamous spate of patronage appointments he made John Turner fulfil in 1984. That list helped hand the 1984 election to Mr. Mulroney.

Mr. Chretien defended the appointments during the 1984 election, arguing that by naming so many sitting MPs to the patronage posts, Mr. Trudeau had saved taxpayers money. Instead of drawing big pensions, Mr. Chretien rationalized, the appointees would only earn their new salaries.

Later as Opposition leader, Mr. Chretien and his Liberals were highly critical of Mr. Mulroney's appointments.

And in the 1993 Red Book of election promises, the Liberals vowed to restore integrity to government and review the appointment process to ensure jobs were filled on the basis of competence. Seven years later, the famed Grit patronage machine is humming along, apparently cranking out Liberals for one out of every two new appointments -- if July 27, 2000, is any indication.

Is patronage the oil that keeps our democracy turning?

Postmedia News

June 1st, 2012

OTTAWA — Pork-barrel politics. Nepotism. Feeding at the public trough. Cronyism. Call it what you will: Every government participates in patronage. [...] Some argue it is the oil that keeps the machinery of our system moving. When patronage works, it puts qualified people into positions that help further Canadian goals and keeps worthy people in public life, according to this school of thought.

“Patronage goes back to the origins of our political system,” said Robert Bothwell, a history professor from the University of Toronto. “I can’t conceive of any political system — one that lasts anyway — that fails to reward its followers.”

That’s essentially the definition. Patronage is when a government appoints or hires former candidates, long-time organizers, donors or backers to government jobs, either on boards and agencies, or to the Senate or even to overseas diplomatic posts.

[...]

“It’s bad for democracy, it’s bad for the public sector, it’s bad for morale,” said Donald Savoie from the Universite de Moncton, who has studied the effects of power on politicians.

It’s also bad for the government itself. Canada's first Prime Minister, Sir John A. Macdonald, left office after a scandal over patronage. Sir John A. Macdonald’s government resigned in 1873 over the Pacific Scandal, when he rewarded Sir Hugh Allan with the contract to build the Pacific railway, a gift for Allan’s donation to the Conservative election war chest.

A patronage scandal in the early 1930s forced two Liberal senators to resign over the hint of impropriety in awarding power contracts. Mackenzie

King admitted the scandal plunged the Liberals into “the valley of humiliation.”

In 1984, anger over patronage fuelled the electoral fall of the Liberals after Pierre Trudeau made some 200 patronage appointments just before leaving office, including 17 to Liberal MPs. ... Trudeau’s successor, John Turner, could have reversed the appointments, but didn’t.

“You had an option, sir, to say no, and you chose to say yes,” Mulroney thundered during a 1984 leadership debate with Turner. That blow helped vault Mulroney and the Tories to a 211-seat majority.

When Mulroney left office in 1993, he filled “every patronage post in the government” — words uttered by Stephen Harper, then a Reform Party member — including appointing Tory stalwart Robert de Cotret to be Canada’s representative to the World Bank and long-time organizer Pierre Claude Nolin to the Senate. Sending LeBreton to the Senate was particularly ironic, since she reviewed patronage appointments for Mulroney.

“Power corrupts and I think it goes back to that,” Savoie said. “Loyalty is the oil that makes politics run, and patronage is the fuel that fuels partisan politics.”

When the January 2006 federal election replaced the Liberal Party with the Conservatives as a result of the Sponsorship Scandal there was a *prima facie* belief the nature of governance would be different, more ethical. Unfortunately, the change was only cosmetic. Having been in power behind the scenes on a trans-generational basis, the ‘elite’ and its bureaucracy were totally entrenched and reform resilient. So when the new Prime Minister went to Ottawa to assume the highest political office in the land it was behind-the-scenes demanded he appoint, employ and retain the services of the

Liberal Old Guard instead of bringing in a whole new administration. If he refused the bureaucracy would have revolted and made him a lame duck for the next four years.

Fed- Harper's Eleven

University of Alberta – Office of External Affairs: Government Relations
uofaweb.ualberta.ca (University of Alberta)

March 13th, 2006

Harper's old friends and ideological fellow-travelers are glaringly absent from the roster of his new Parliament Hill elite. [...] Rather than elevating Calgary's distinctive neo-conservative culture, Harper's victory has given new life to veterans of Mike Harris's Ontario government.

[...]

Harper's willingness to invest trust in such new allies was something few saw coming. Back when he was taking command of the Alliance, and then creating the new Conservative party, conventional wisdom had it that if he ever became PM, he would transplant hard-core Calgary conservatism to Ottawa. University of Calgary political scientist Tom Flanagan was widely seen as a permanent fixture as his most important confidant. But Flanagan has faded into the background.

Rather than elevating Calgary's distinctive neo-conservative culture, Harper's victory has given new life to veterans of Mike Harris's Ontario government, like Treasury Board Minister John Baird and Finance Minister Jim Flaherty, and resuscitated figures rooted in the Mulroney era, like LeBreton, Industry Minister Maxime Bernier, and Michael Wilson, his ambassador to the U.S. The key PMO figures -- Ian Brodie, Mark Cameron and Muttart -- were all Ontario-based before the election, and are all more recent additions to Harper's inner circle than his old Calgary network.

This is argued in this author's original treatise entitled *The Last Democratic Fiefdom*.

One has to wonder out loud what dynamic emerged that led the Conservative leadership from doing what new parties in power naturally do after the fall of a corrupt regime; namely employ and appoint long-term colleagues and loyal supporters to critical positions. Was he strong-armed? Was he read a manifesto itemizing how and where his government would fail because the bureaucracy wouldn't follow his orders if he refused to appoint those who represented the invisibly mega-wealthy? A reasonable inference can be made that's exactly what happened; and Emerson's appointment is the 'tip of the iceberg' proof he was one of an entire cadre who took executive positions to ensure there was no transfer of power, but rather a smooth side-step around the sleaze that brought down the Chrétien-Martin team. Therefore there was no change in government – just a change from Liberal decision-makers to Conservative lackeys.

And, obviously, any chance western Canada where Stephen Harper was from had for fair and equitable representation in Parliament for the first time in history was sabotaged by the injection of Ontario interests into Harper's core governing group.

What also was sabotaged was any chance for Canadian democracy in the most non-transparent environments. With there being no new ideological blood advising the new Prime Minister the same set of practices, policies, relationships and agendas remained fully entrenched.

Pierre Trudeau took office in 1968 fully cognizant of what trans-generational nepotism and patronage and most of the 20th century being Liberal Party of Canada dominated delivered in terms of a complete concentration of political power. University of Toronto Professor John Myles draws attention to the work of famed sociologists John Porter and Wallace Clement; both of whom independently confirm the existence and nature of Canada's elite⁴:

⁴ <http://uregina.ca/~gingrich/d202.htm>

[John Porter] was concerned with the issue of equality of opportunity and the exercise of power by political, bureaucratic, economic, labour, and other elites in society. His major work *The Vertical Mosaic: An Analysis of Social Class and Power in Canada* (1965) showed how a small minority of powerful and rich men controlled the Canadian economic and political system. Porter was concerned with challenging the image that Canada was a classless society with “no barriers to opportunity” [...] [He] concludes *The Vertical Mosaic* by noting:

Canada is probably not unlike other western industrial nations in relying heavily on its elite groups to make major decisions and to determine the shape and direction of its development. [...] The Canadian capitalist class of the 1950s was a fairly tightly knit group of wealthy, mainly Anglo-Saxon males, mostly centered in Montréal and Toronto. This group controlled most of Canadian finance and industry, and also called many of the shots in the political sphere.

In *Class, Power and Property: Essays on Canadian Society* (1983), Wallace Clement states:

Two major processes have been occurring throughout Canada’s economic history and particularly between 1951 and 1972. During these years, there has been a marked tendency for an increased centralization and concentration of capital into fewer and larger firms. [...] The power of the indigenous elite [...] has further consolidated its position in traditional activities. The extremely high number of interlocks between the two major sources of capital, banks and insurance companies, as well as the extensive web between Canadian-controlled companies, illustrates that as corporations themselves become more concentrated so does the interaction between elites.

[...]

[T]he corporate elite during the post-Second World War period has concentrated its base of power and consolidated avenues of access to its inner circles. Important transformations have occurred in the economic structure and rapid industrialization has been evident; but the corporate elite remains as closed as it was in 1951, even tighter in some key respects. [...] Canada remains capitalist, industrial and closed at the upper levels of corporate power.

Thieves of Bay Street: How Banks, Brokerages and the Wealthy Steal Billions from Canadians by W5 producer and investigative reporter Bruce Livesey (Random House Canada 2012) describes this circumstance as follows:

[T]he nature of the Canadian establishment [is that it's] modeled on the Family Compact - that sclerotic group of officials who dominated the legislative bodies, top bureaucratic positions and judiciary of Upper Canada as an incestuous pseudo-aristocracy up until the 1949s. Today's establishment coalesces in clubby fiefdoms in Halifax, Montréal, Toronto, Winnipeg, Calgary and Vancouver, where they live and work together, protecting each other's interests. "Canada is dominated by business oligopolies...".

[...]

The financial, legal and regulatory establishments form close-knit, even insular, subsections of the population. Captains of industry, corporate lawyers, bankers and mandarins ... [are] bound together as corporate oligopolies and by a handful of dynastic families that dominate the economy. [...] Canada, in short, is run by very few people.

Essentially, Canada is a country run by dynastic families clustered in city strongholds who can, quite easily, influence regulatory bodies.

Bay Street [Canada's equivalent to Wall Street] ... had morphed into a wealth destroyer, a parasitic reaper of money from the middle and working classes, transferring it to the very people who run the financial industry and Canada's wealthiest citizens.

Porter's "small minority of powerful and rich men" and "tightly knit group of wealthy males", Clement's "economic elite", Livesey's "clubby fiefdoms" and Marshall's "parasites" comprise in this author's terminology the "Ottawa-Toronto-Montréal Triangle of Power & Wealth" aka the Liberal Old Guard – where all members of the elite are inextricably linked by birth and marriage and share similar or identical family histories. They have the same education, professional and social circles and circulate in environments of vast wealth and arguably absolute power. Triangle operators are able to project their influence and interests across and control every important institution of the state and the corporate and regulatory pillars of the economy.

Because they had enthusiastically embraced a non-democratic political ideology and anti-free market capitalism culture for generations, the idea of being close friends and associates of the United States was like eating rancid meat. Naturally, they needed the U.S. economy to increase their vast wealth, but to actually be buddy-buddy with the country's political leadership and titans of business, industry, trade and commerce just wasn't going to happen. Instead, they sought out friends on the international scene who were of like mind; to paraphrase: "ideological birds of a feather flock together". It's a very sad commentary on our history, but it's an indisputable fact that during the 1970s the Liberal Old Guard gravitated away from NATO member states and jumped into geopolitical bed with the communists of the day.

The federal cabinet of the 1970s pursued what can only be described as the most heretical foreign policy there could be at that time in world history. The former U.S.S.R.

was seeking to militarily expand its totalitarian paradigm of governance and it was no secret domestically or internationally that Pierre Trudeau was a close friend of Fidel Castro – Moscow’s man in the western hemisphere during the height of the Cold War. This antagonized a succession of U.S. Presidents and led to him being marginalized; labeled in some quarters a communist.



Canada and the World: A History

Department of Foreign Affairs and International Trade on Prime Minister Trudeau (1968 – 1984)

[B]ilateral tensions that had plagued Canada-U.S. relations in the 1960s spilled over into the 1970s and 1980s. Trudeau and American President Richard Nixon, who met for the first time in 1969, did not like each other. [...] Trudeau was too much of a leftist for the Americans, some of whom

considered him little more than a communist. He did nothing to change this perception. [...] [I]n 1972, Nixon declared that the special relationship between Canada and the United States was dead. "It is time for us to recognize," he stated, "that we have very separate identities; that we have significant differences... [...] As the Western world moved to the right in the 1980s, Trudeau became odd man out. He had little sympathy for the extreme anti-Soviet views of President Ronald Reagan.

Book Description: Three Nights in Havana

On January 26, 1976, Prime Minister Pierre Trudeau embarked on his historic three-day visit to Havana, becoming the first leader of a NATO country to visit Cuba since the crippling 1960 American economic embargo. The trip was widely denounced, especially for its timing, as Castro had recently sent Cuban soldiers to fight a civil war in Angola. As the Americans watched warily, Trudeau, accompanied by his wife, Margaret, and baby Michel, was greeted in Havana by 250,000 cheering Cubans and a 30-foot poster of himself. "Long live Prime Minister Fidel Castro!" Trudeau would famously shout at the love-in. Margaret would declare Castro "the sexiest man alive."

In this fascinating first-ever portrait of an unusual relationship between two enigmatic world leaders, author and historian Robert Wright brings to life three critical days when Canadian politics played on the international stage. Wright describes how, long before he was prime minister, Trudeau had attempted to canoe to Cuba, and how Castro visited Montréal as a young revolutionary, later welcoming FLQ terrorists to his tiny island. In a revealing look at their personalities and political ideologies, Wright shows how the two leaders, despite their official positions as allies of rival empires, had determinedly refused to exist merely as handmaidens to the United States. This fact, he asserts, is what brought them to power, and what drew them to each other.

Wright draws on extensive insight from political commentators and historians as many interviewees talk candidly for the first time. A book that will tap into our continuing fascination with Pierre Trudeau and our interest in the future political course of Canada, *Three Nights in Havana* is an intimate and insightful portrait of two controversial and often misunderstood figures and their place in history.

A scathing critique of Trudeau demonstrates what American administrations ignored only to the point it compromised U.S. national and economic security interests:

Trudeau Deconstructed

The Ottawa Citizen

June 4, 2006

"The public saw Trudeau as a quick-witted, almost insouciant man who tossed off casual remarks, slid down royal banisters or made faces and gestures on a whim," says Jim Coutts, who served as Trudeau's principal secretary in the 1970s. "But he did and said little publicly that was not carefully rehearsed." In other words, when it came to Pierre Elliott Trudeau, what you saw was not necessarily what you got. [...] [I]t might well be our collective view of Trudeau is unfocused, even distorted. A newly published biography of Trudeau, *Young Trudeau: Son of Quebec, Father of Canada, 1919-1944*, suggests as much. [...] *Young Trudeau*, authored by Max and Monique Nemni, cuts a scratch on that polish, exposes a dark underside to Trudeau's political legacy long hidden from public view.

The Nemnis' book, a model of scholarly rigour and research, reveals that as a youth and young man in the 1930s and early 1940s, Trudeau was no champion of democracy and individual freedoms. He was instead an ardent Quebec nationalist who, during the worst of the war years, admired fascist dictators, regarded reports of Nazi atrocities as British propaganda [and] plotted treason against the Canadian state.

[...]

London Journal of Canadian Studies political scientist Paul Nesbitt-Larking examined Trudeau's conduct in Parliament, where he once referred to MPs as nobodies and told opposition members to "fuddle duddle" themselves. Such remarks, Nesbitt-Larking writes in "The Discourse of Aggression: Trudeau in Parliament," reflected a fundamental trait of Trudeau's "political personality" -- that of an "ideal-hungry narcissist," a man whose behaviour accentuates "arrogance, coldness, intellectual aloofness, boastful exhibitionism and aggression." [...] Trudeau became a cosmopolitan internationalist, enjoying the company of such dictators as Fidel Castro ... and Mao Zedong.

Scroll through decades of events to this in November 2016, with The Star coverage⁵ caption being "Trudeau out of step with Canadians in response to Castro's death".



And this came after "Castro was a pallbearer at Pierre Trudeau's funeral". The article adds:

The PM's brother Alexandre Trudeau wrote in this newspaper a decade ago that Castro was "something of a superman," whose "intellect is one of the most broad and complete that can be found." Alexandre Trudeau wrote that he "grew up knowing that Fidel Castro had a special place among my family's friends".

⁵ <https://www.thestar.com/news/canada/2016/11/29/trudeau-out-of-step-with-canadians-in-response-to-castros-death-paul-wells.html>

In mid-2004 when conducting the first stage of research and to this day as a result of observing many events and circumstances, this author is of the view that behind the image of Canada enjoying a mature and mostly functioning democracy is “closet authoritarianism” where plundering many trillions of dollars over the decades was a natural outcome of the complete consolidation of power and wealth.

The Liberals’ Contribution to Prosperity Theft

In the 2010 authored treatise *The Unchallengeable Proof of Systemic Wealth Misappropriation*, this author began with this:

During the first decade of the 21st century a consensus among academics began emerging that there was something profoundly wrong about the distribution of wealth; that the prosperity the economy was generating was not being equitably shared. Empirical and statistical analyses were independently demonstrating that despite Canada being what appeared to be a democracy with a free market system the rich were getting massively wealthier and the middle class and poor were gaining absolutely nothing from an economy that over two and a half decades had more than doubled. The proof is now conclusive – trillions of dollars were stolen from tens of millions of Canadians.

People ... are almost certain to be shocked by the extremes between rich and poor in Canadian society. Their shock should turn to anger when they recall the way governments have catered to the rich in recent years and turned their backs on the poor.

Rags and Riches: Wealth Inequality in Canada
Steve Kerstetter, December 2002

To make the case that Canada’s wealthiest secretly embezzled trillions over the last quarter century requires an examination that incorporates several academic disciplines.

When combining the methodologies of research and analysis in political science, history, political sociology and statistical economics the answer to the question ‘Was Canada’s prosperity stolen by the rich?’, the answer is indisputably ‘Yes!!!’

There is a consensus on who’s in the driver’s seat when it comes to policy and decision making at the highest level of government: the Ottawa-Toronto-Montréal Triangle of Power and Wealth – a cluster of super-rich Canadians and their nationally operating companies, who through two centuries of nepotism and patronage and lengthy Liberal rule in the 20th century took full control of government for their own personal benefit and complicitly employed the largest law firms, banks and investment firms and used law enforcement and the judiciary to perpetuate and protect *their* political system.

From an economic perspective we see in the history books and records how power consolidation was taken advantage of:

Pierre Trudeau [...] [got] low scores [by historians] for his mismanagement of the economy and fiscal framework during an era that saw Canada’s federal debt increase by more than 1,000 percent.

Source: *The Best Prime Ministers of the Last 50 Years*, by L. Ian MacDonald (Policy Options, June-July 2003)

The statistics on GDP during that decade show that the economy was faring well, so there was no pressing need to increase the country’s debt in such exorbitant amounts. Here are some stats to demonstrate Canada’s assets were used as collateral by the wealthy to advance their parochial pecuniary interests:

In the late 1960s and early 1970s, the world economy was booming.

Source: Gordon Thiessen, Governor of the Bank of Canada to the Canadian Club of Toronto, January 22, 2001

Through the 1960s, 1970s and 1980s, output *per capita* in Canada increased... [...] Through the 1950s and 1960s and into the early 1970s, labour productivity in the overall business sector in Canada grew rapidly. It averaged close to 4 per cent per year. [...] During the 1970s, world prices for the primary commodities that Canada exports soared relative to prices in general. And they remained high through to the early 1980s.

Source: Gordon Thiessen, Governor of the Bank of Canada at the Fraser Institute, December 6, 1999

In the 1960s and 1970s real GDP per capita grew rapidly in Canada, averaging over 3 per cent per year. Source: Government of Canada, Department of Finance

"For 20 years, they ran continually high deficits and continually growing debt, and Canada was skyrocketing out of control," recalled University of Toronto economist Jack Carr.

Source: Economists praise Canada's debt reduction record, September 27, 2006, CBC.ca

In an [American reprint](#) of an article by Cy Gonick (Canadian Dimensions, October 29, 2006) this is stated which goes to proving Prime Minister Trudeau's policy of economy monopolization:

[There was a] massive rush of U.S. foreign direct investment (FDI) into Canada in the fifties and sixties. [...] [Then t]here was ... a period of active economic repatriation.... It began in the Trudeau era, which included the establishment in 1971 of the Canadian Development Corporation to encourage Canadian ownership of business enterprises; the monitoring of

foreign investment through the 1974 creation of the Foreign Investment Review Agency...

This 2005 study articulates how taxpayers' money was being used, or 'misappropriated', to advance the interests of the wealthy:

The Government: Influencing and Being Influenced

by Dr. Robert W Sexty

Professor of Business Administration, Faculty of Business Administration,
Memorial University of Newfoundland

[Read article](#)

The influence and involvement of government in the business enterprise is substantial. [...] Canadian governments have a long history of coming to the assistance of failing business enterprises. Bailouts occur to varying degrees and can take different forms. [...] In the 1980's, bailouts were common as, for example, with Dome Petroleum, Chrysler Canada, Massey-Ferguson ... Maislin Industries[; and] the 1992 bailout of Algoma Steel.

[...]

“Chosen instruments” have become another mechanism used to implement government policy, whereby a business enterprise within a particular industry receives some form of special attention from government through grants, purchasing policy, or tax incentives. The support from government usually goes to a technological leader, an enterprise that is positioned in the industry as a “lead” or “core” company. The intention is to pick a “winner” which will be supported, or preferred, by government for the purposes of developing new technology, or penetrating an export market. The enterprise is asked to concentrate on a particular technology, product, or process, and certain “understandings” surround the designation of the particular enterprise including: that other firms will stay out of that particular commercial activity, and that banks will support the enterprise because of the government

favouritism. The government may also support the chosen instrument through a domestic purchasing policy, and some have speculated that such enterprises will be exempt from competition policy restrictions.

The “chosen instrument” is most common in the aerospace, electronic, communication, and energy industries. Examples in the past include the Alberta Gas Trunk Line Co. (natural gas transmission), Interprovincial Steel and Pipe Co. Ltd. (pipe and other steel products), Spar Aerospace Ltd. (space technology), and Lumonics Ltd. (laser technology).

In *Chosen Instruments* (July 2000), Scott Proudfoot argues:

In addition to Bombardier, potential candidates for Chosen Instrument status, past and present, might include: The Big Six Banks, BCE, CAE, Canadian Airlines, Canadian Marconi, Canadian Pacific, Computing Devices, Dome Petroleum, General Motors Diesel, Nortel, Oerlikon, Pratt & Whitney Canada, Trans Canada Telephone Systems, Trans Canada Pipeline, Syncrude, etc.

[...]

The most remarkable feature of the government’s policy of supporting Chosen Instruments is that the policy remains unwritten, unacknowledged and, at least partially unconscious.

Successive generations of officials have supported this policy and successive ministers of various ideological biases have bought into the policy. It is one of the few consistent themes of post-war industrial policy in Canada and the closest the federal government has come to having a coherent industrial strategy.

The policy remains unarticulated because it is controversial! If government picks winners then, by definition, it is also picking losers. Determining

where the public and private interests meet is an inherently subjective exercise and open to argument.

Having established that a molecular group of the richest Canadians control policy and decision making on the federal and provincial levels, the analysis turns to what was done to accumulate wealth that deprived the middle and lower classes of what they were entitled to from an economy that more than doubled over a quarter century. The starting point here is first to differentiate between two forms of investigation – (i) the inequality of incomes or earnings and (ii) the grotesque inequality in the accumulation of wealth. The latter is of prime relevance, the former less so but is corroborative of the thesis that Canada’s prosperity has been aggressively misappropriated.

The country’s top expert on the latter is Dalhousie’s Professor [Lars Osberg](#). In his 2007 publication [*Why Inequality Matters, In a Thousand Words or Less*](#), he quotes Professor Myles: “If I were observing trends in Inequality Land, I would suspect I was observing a failed democracy”.

And Professor Osberg states in that publication:

We live in an affluent nation during prosperous times. Canada is now the 9th richest nation in the world. Unemployment is at a 35-year low, more Canadian families raising children are working, and they’re working more. And yet the income gap between the richest 10% and the poorest 10% of Canadian families keeps growing. The richest 10% now make 82 times more than the poorest — in 1976 they only made 31 times more.

A new phenomenon is also at play; one that goes beyond the extremes of the very rich and the very poor. Compared to a generation ago, 80% of Canadian families are taking home a smaller share of the economic pie they helped

make. The concentration of incomes and wealth at the very top is accelerating.

With the economy more than doubling over a quarter century there is a reasonable expectation that all Canadians would benefit; and had that been the case the figures would show up in the statistics. But as Queen's University Professor [Charles Beach](#) puts it as quoted in *Why Inequality Matters* “[The] rising tide has no longer been raising all boats.” Professor Osberg adds:

The majority of Canadians say they worry about a growing gap. About half of Canadians told Environics Research they feel they are one or two missed paycheques from poverty. Economic insecurity is rife across most of the income spectrum.

In Professor Osberg's 2008 publication [A Quarter Century of Inequality in Canada 1981 – 2006](#) he states:

[T]he available Statistics Canada data do indicate unambiguously that wealth inequality has increased in Canada. From 1984 to 1999 and from 1999 to 2005 [...] [t]he wealth of the poorest 40% of the distribution of Canadian families stagnated or actually fell over this 21-year period, but the wealth of the top deciles rose substantially — and the further up one goes, the larger the rate of gain.

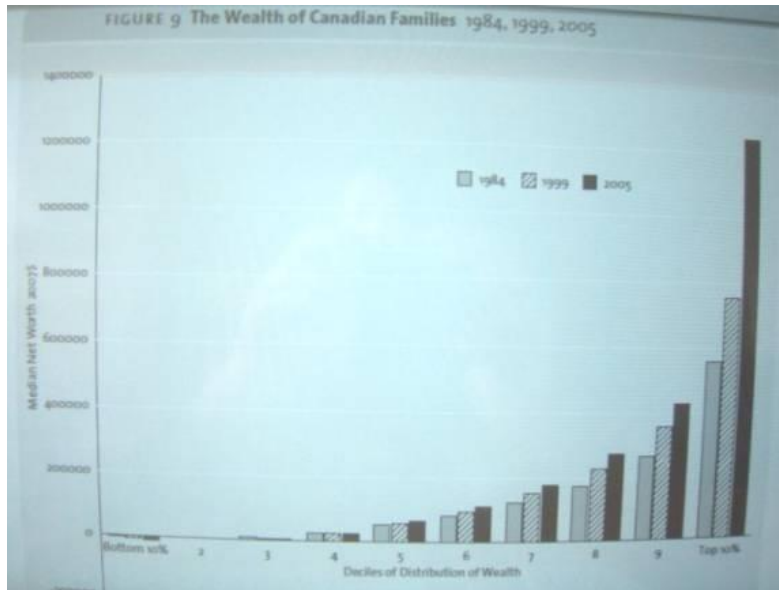
[...]

Canada's observable social reality is one of ever larger monster homes, and an increasingly glaring contrast with the homeless who clutter the sidewalks, as the consumption patterns of the New Rich diverge increasingly from the living standards of most citizens.

The Canadian expert on the inequality of income is McMaster University's Professor [Michael Veall](#). Earnings, which include employment income, dividends and capital gains, is another way to statistically determine how much the rich have been extracting from the economy. His 2003 study [*The Evolution of High Incomes in Canada, 1920-2000*](#) documents a slow decline post-World War II of what the wealthiest were acquiring through earnings and then a non-stop exponential-looking rise as the Trudeau era was coming to an end. There appears to be a perfect correlation between that increase and the policies and practices of economy monopolization commenced in the 1970s; the wealthiest secretly evermore dividing up the country's prosperity amongst themselves at the end of that decade and what they gained by way of accumulating wealth thereafter.

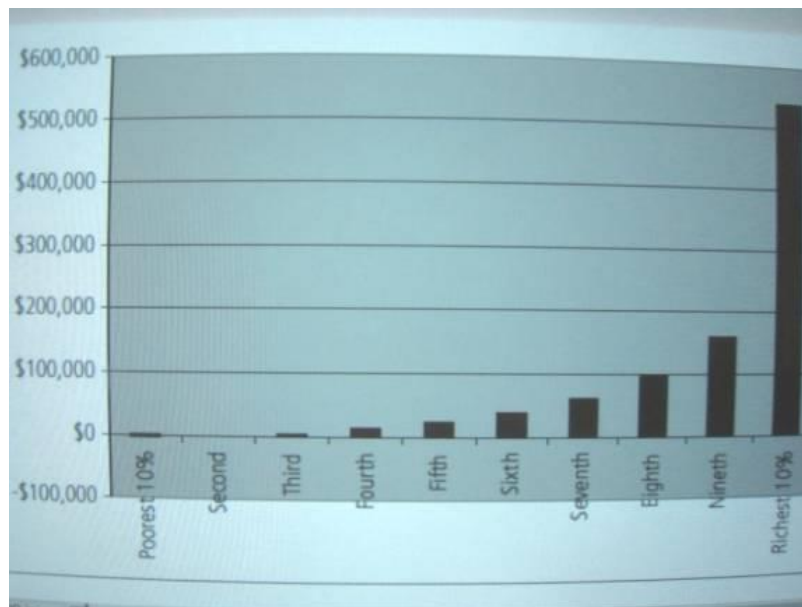
Top income shares display a U-shaped pattern over the century, with a precipitous drop during World War II, followed by a slower decline until 1970. Since the late 1970s, top income shares have been increasing steadily and the very top shares are now as high as in the pre-war era. [...] [T]he upward trend in top shares in Canada since the late 1970s cannot be explained by tax cuts. [...] [T]he surge in inequality at the top is more concentrated in Canada than in the United States.

Professors Osberg and statistical chart show how dramatic the 'theft' of Canada's wealth has been:



The Wealth of Canadian Families 1984, 1999, 2005

Professor Steve Kerstetter, a former Director of the National Council on Welfare, states in his publication *Rags and Riches: Wealth Inequality in Canada* that “[citizens] may view their country as a land of opportunity, but it is also a land of deep and abiding inequality in its distribution of personal wealth.



Wealth Inequality 1970 to 1999 (Kerstetter)

Many organizations corroborate this finding. This is what the [Canadian Union of Public Employees](#) said:

The widening gap between rich and poor is threatening our social fabric. At the same time, crumbling urban infrastructure and chronic under-funding of public services means a poorer quality of life for all communities. It is past time for a new deal that improves democratic control, protects our quality of life, supports quality public services and rebuilds our cities and communities.

This from the [Center for Social Justice](#):

Despite economic growth over the last decade, inequalities have grown. There has been a dramatic surge in the proportion of families who have ended up at the bottom of the income scale.

The NDP, which obviously has a leftist bias, put the matter on the front burner in 2007:

Jack Layton's Speech: Health Care & Canada's Prosperity Gap
March 13, 2007

The other kind of prosperity gap is that between rich and poor. The income gap in Canada is at a thirty-year high and growing. A recent report released by the Canadian Centre for Policy Alternatives stated:

"It's not just that the rich are getting richer and there are more of them. It's not just that the middle class is getting a smaller share of a bigger economic pie. It's not just that Canada's bottom half of families have been shut out of most of the economic gains. It's not just that Canada's poorest families appear to be stuck in time, regardless of their increased work effort. It's not just that every category of Canadian family — except the richest 10% — is working harder for their money. It's that all of this is changing the nature of Canadian society in new and unforeseen ways."

A recent survey suggests that half of all Canadians feel that they are just one or two pay cheques away from poverty. All the while CEOs, the banks and the oil companies are enjoying record incomes.

This is what I call the prosperity gap. It is the growing polarization between “the haves” and the rest of Canadians.

This is stated in ‘Income Gaps Grow, as Canada's Have-nots Get Left Behind’, [CBC News, May 1, 2008](#):

The [2006] census stats prove that some of the income gaps between the most and least advantaged in this country are wide — and growing ever wider. [...] Between 1980 and 2005, [the poorest's] full-time income fell by 20.6 per cent, after adjusting for inflation. [...] Those in the middle 20 per cent income group saw their earnings stagnate.

[...]

"It's outrageous," said Ken Georgetti, president of the Canadian Labour Congress. "We've enjoyed the largest sustained period of growth since the Depression and ordinary Canadians are falling behind," he said. "The only people that are getting ahead are the people who don't need the money."

Two years later this was published:

Why Americans are richer than us

by Peter Newman

CBC News

June 17, 2010

[Read article](#)

Forget this idea that Canadians are so smart and that we have breezed through the Great Recession better than our American neighbours.

And that, going forward, the wind is at our back and great things are just waiting to happen.

As we get ready to welcome the leaders of the G8 and the G20 next week, Canadians seem to be basking in a glow of economic superiority.

Part of this, no doubt, has to do with the Harper government's continued boasts about how much better we weathered the recent downturn than the U.S. and most of Europe.

But neither Stephen Harper, nor any Canadian political leader for that matter, is discussing the little acknowledged reality that Canada has been steadily falling behind the U.S. – not only our closest neighbour, but our biggest trading partner – for the past 30 years.

No one wants to talk about the data that everyone should be studying, except perhaps for the Institute for Competitiveness and Prosperity, whose recent study – "Beyond the Recovery" – should be required reading.

[...]

The Institute for Competitiveness and Prosperity, which is attached to the Rotman School of Business at the University of Toronto, reports that, at the end of 2009, the prosperity gap between the average Canadian and the average American was \$9,300 in America's favour.

What is more, the situation has been getting steadily worse. Just under 30 years ago, the gap was only \$2,600.

[...]

When it first started, the productivity gap between Canadians and American was about \$6,000. Since then, the gap has increased by more than 50 per cent.

The Institute for Competitiveness & Prosperity had this to say about the prosperity gap:

Realizing Canada's Prosperity Potential

by Jim Milway & Claudelle Poole

[Read study](#)

Against the United States, we have a large and widening prosperity gap (Exhibit 1). In 1981, Canada trailed the United States in GDP per capita by only \$1,800, but the gap had risen dramatically to \$7,200 in 2003.

The gap increasing isn't just noticed by academics, experts and specialists in Canada.

It's also recognized internationally:

Growing income gap a warning to leaders

OECD report shows rift in Canada increasing at quick rate

by Armine Yalnizyan

Vancouver Sun

October 22, 2008

[Read article](#)

The internationally respected Organization of Economic Cooperation and Development threw out a warning flag to Canada on Tuesday. It says the income gap between Canada's rich and poor is growing faster than in most other 30 developed nations in the world, and that our governments need to stop that trend.

The news is about as sober a warning as it gets. Canada is falling behind internationally. We used to be above the average when it came to income equality. Now we're below average. And there's really no good excuse for it.

As a nation, we are richer than most. Ours is the ninth-largest economy on the planet. The last decade has been one of the strongest, most sustained periods of economic expansion in our history.

But most of the gains of economic growth have gone to the richest 10 per cent. Earnings for those in the middle have been stagnant for 30 long years, and workers at the bottom have lost ground compared to a generation ago. That's why income inequality is getting worse.

Now, with the global economy veering off the rails, we need to ask ourselves: How much worse can it get? And what can we do about it? The OECD report is clear: Our governments have a strong role to play.

Canadian government interventions traditionally offset these trends, particularly in bad times. But in the past 10 to 15 years governments backed away from investing in public benefits that help the majority of Canadians and replaced them with tax cuts that most benefit the richest 10 per cent -- exacerbating income inequality in the country.

Help for those at the bottom, like unemployment insurance and social assistance, has been stripped back as Canadians have been told to fend for themselves.

That's just dumb economics, and a recipe for greater instability and slower economic growth.

Back in the 1920s, the last time we experienced such dramatic income polarization, Henry Ford saw in his workers an obvious solution: If he paid his workers higher wages, he created more consumers for his automobiles -- and a healthy middle class.

Compare that to the last 10 years, when governments and markets alike have focused on building up systems that reward the rich and ask everyone else to wait for the drops of prosperity to trickle down.

In the meantime, the rich got richer and drove up housing prices and the cost of living soared for the rest of us. Our paycheques didn't keep up.

What can governments do? Governments are being asked to bail out banks and investors. They can also be asked to keep purchasing power among the jobless, speed up investments in badly needed infrastructure projects and engage in counter-cyclical investments like housing to maintain jobs in the middle of the income spectrum.

Now would also be an opportune time for the federal government to partner with provincial governments on a clear poverty reduction strategy with targets and timelines -- because in a shaky economy, we need all hands on deck.

Anything less means Canada will continue down the troubling path of continuously growing income inequality, instability and economic weakness. It's time to heed the warnings and change our course of action.

[Armine Yalnizyan](#), Senior Economist with the Canadian Centre for Policy Alternatives, stated in July 13th:

Over time there has been a clear shift in the distribution of the benefits of economic growth in favour of corporate profits. The share of wages, salaries, etc., i.e. workers' earnings (including the richest) has declined for the past 30 years as a share of the economy. Just before the recession hit, it was at its lowest share on record.

Her former colleague at the CCPA, Steve Kerstetter, who also used to be a Director at the National Council of Welfare, states in his August 2001 study [Behind the Numbers: BC's Bountiful Crop of Millionaires](#):

The concentration of wealth is a reality everywhere in Canada, but it is especially concentrated in British Columbia. The percentage of millionaires in BC was the highest of any province, and their average net worth was also the highest of any province.

What drives home just how acute prosperity theft is and the greed and inhumanity that drives it are these trends and stats:

B.C.'s child poverty worst in Canada

Kids more likely not to eat well, to do poorly in school, drop out early

by Kent Spencer

The Province

January 12, 2010

B.C. children are more likely to load up on cheap, unhealthy food and go without warm winter clothes than children in any other province, says a child advocacy group.

The First Call child coalition released a report Monday that shows B.C.'s record for child poverty was the worst in the country during the years 1989 to 2007.

Adrienne Montani of First Call said that means youth up to age 18 are more likely to suffer deprivations here than any place in Canada.

Child poverty rate climbing in B.C.

by Bethany Lindsay

ctvbc.ca

November 23, 2011

[Read article](#)

The proportion of B.C. children living in poverty has risen, marking the eighth straight year that the province has claimed the highest after-tax rate in the country.

[...]

Susan Lambert, president of the BC Teachers' Federation, says the stats are unacceptable in a province that hosted the Olympics and sheared off mountaintops to build the Sea-to-Sky Highway.

"We have the highest average wealth in Canada, the greatest gap between the wealthiest and the poorest households, the lowest corporate tax rate -- not only in Canada but in the entire G7," she said.

[Behind the Numbers: BC's Bountiful Crop of Millionaires](#) goes on to say:

Statistics Canada also reported that the wealthiest Canadians were the only group that had made substantial gains since the time of the previous wealth survey in 1984. The agency did not provide comparisons over time for individual provinces, but the national figures show that the top 20 percent of family units had seen their median net worth go up by 39 percent in real terms over the 15 years. The lowest 20 percent saw their median net worth dip to -\$600.

Three months later he states in [BC Home to Greatest Wealth Gap in Canada](#):

BC is home to both the highest average wealth in Canada and the largest gap between the richest and poorest households. The data debunk the myth that BC has been a tough place to be rich, particularly over the past ten years. These wealth statistics highlight the fact that one of BC's foremost public policy challenges is inequality, not the perceived tax burdens of the wealthiest among us.

Thirteen months after that this news release:

Skewed distribution of financial assets driving growing wealth inequality across Canada, says new study

Canadian Centre for Policy Alternatives

December 12, 2002

[Read article](#)

Ottawa -- Canadians may view their country as a land of opportunity, but it is also a land of deep and abiding inequality in its distribution of personal

wealth. This is the key conclusion of *Rags and Riches: Wealth Inequality in Canada*, a new CCPA study by social policy analyst Steve Kerstetter, a former Director of the National Council on Welfare.

The study features data never before published about the very richest and very poorest Canadians. It draws on special data runs commissioned from StatsCan by the CCPA to provide extensive new analysis on the distribution and characteristics of wealth dating back to 1970 for each of five regions of the country.

[...]

"Our federal and provincial governments," says Kerstetter, "would do well to rethink their policies--particularly their tax policies--that have conferred huge benefits on Canada's wealthiest people: the ones who need government aid the least. These favoured few have been further enriched at the expense of the great masses of Canadians who have been able to scrape together only a tiny portion of the country's personal wealth."

In [*Rags and Riches: Wealth Inequality in Canada*](#), he states:

The tax policies of the federal government and some provincial governments in recent years have conferred huge benefits on Canada's wealthiest people, the one group capable of fending for themselves. Meanwhile, Canada's social safety nets and programs of special importance to the poor have been weakened by cuts in government support.

[...]

Canada is one of the few developed countries in the world that has no inheritance taxes, estate taxes or wealth transfer taxes. Such taxes ensure some measure of equality of opportunity, and promote democratic values by placing limits on inherited wealth.

[...]

Taken together, the surveys lead to the inescapable conclusion that there is gross and persistent inequality in the distribution of wealth in Canada. A surprisingly small number of Canadians have huge slices of the wealth pie, and a surprisingly large number of Canadians have no more than a few crumbs. And the gap between the richest and poorest actually got wider between 1984, the last year the survey was conducted, and 1999.

[...]

Given the fact that money talks—and opens doors and influences people—there are obvious problems with an economy that has so much wealth tucked away in so few pockets. At some point, the concentration of wealth compromises a country's political ... life. We all have a vote, but the wealthy are most often the movers and shakers and the rest of us are nobodies.

[...]

The gap between the very richest and very poorest Canadians rivals anything seen in the Third World. The big difference, of course, is that Canada has a large middle class, but the extremes of wealth and poverty are staggering for a country that considers itself to be “middle class.”

[...]

The differences between Kenneth Thomson and the poorest of Canada's poor are extreme to be sure, but great wealth and great poverty are far more commonplace than many Canadians might imagine. Statistics Canada's most recent survey of assets, debts and wealth shows literally millions of families and individuals living on the brink of financial disaster, while others have managed to accumulate huge slices of the wealth pie.

[...]

The fact that inequality has survived more or less unchanged for three decades, in both good and bad economic times and under federal governments of sharply different leanings, is discouraging for people who believe in economic as well as political democracy. Extreme inequality may not be inevitable in Canada, but it does seem destined to continue in the absence of radical changes in government policy.

[emphasis added]

[...]

Between 1970 and 1999, the poorest 10 per cent of family units actually got poorer, while the richest 10 per cent gained more than half a million dollars on average. [...] From 1970 to 1999, the gap between the richest 10 per cent and the poorest 10 per cent was greatest in 1999. [see chart *infra*]

[...]

On the lower rungs of the economic ladder, a sizeable number of people have debts larger than their assets and live hand-to-mouth trying to make ends meet. On the upper rungs, people have such an array of assets and so few debts that they worry about money only if they choose to.

[...]

People who read this report are almost certain to be shocked by the extremes between rich and poor in Canadian society. Their shock should turn to anger when they recall the way governments have catered to the rich in recent years and turned their backs on the poor.

This author cites one reason for inequities in wealth:

One prime area of taxation that has been completely shunned by Canadian governments for nearly three decades is taxes on inheritances. Canada is

one of the few developed countries in the world that has no inheritance taxes, estate taxes or wealth transfer taxes. Even the United States has a modest but equitable regime of estate taxes. [...] Rich Canadians get a huge break by living in a country with no inheritance taxes of any kind.

And that policy of systemic inequity is to be laid at the feet of Clement's "economic elite". Same goes for tax cuts during the turn of the century:

Rich Canadians ... benefit from the long-standing tax policies of many governments and the tax cuts that were enacted in the late 1990s and early years of the new century. The federal government went out of its way to placate leading business groups and rich people in general when it cut tax rates in the 2000 federal budget and pre-election mini-budget later that same year. It also got rid of the high-income surtax and trimmed taxes on capital gains. The minister of finance and the "spin doctors" in his department tried to pass off the February 2000 budget speech as a middle-class budget, but the biggest cuts really went to the rich and super-rich. The mainstream media never grasped this essential reality, because the tables on the impact of the cuts published by the finance department stopped at income levels of \$125,000, and the biggest tax savings were even higher up the income scale.

In British Columbia, Liberal leader Gordon Campbell promised voters a "dramatic" cut in provincial income taxes during the 2001 election campaign, but delivered a cut that was dramatic only for the rich. Calculations by the BC Office of the Canadian Centre for Policy Alternatives estimate that the top 1.1 per cent of taxfilers, or those earning \$150,000 a year or more, will get 20 percent of the \$1.3 billion earmarked for the cuts in 2002.

And for horrific public policy, nothing could top the flat-rate provincial income tax introduced in 2001 by the Klein government in Alberta. The tax is sure to produce massive savings for the rich and super-rich, but the calculations in the discussion paper published by the province conveniently stopped at an income level of \$100,000. That's well below

the incomes of the richest Albertans, who are no doubt still laughing all the way to the bank.

Finally, there are the specialized tax breaks that favour the rich, like the preferred tax treatment given to registered retirement savings plans, capital gains and stock dividends. The Survey of Financial Security showed that 72 per cent of the \$420 billion in RRSPs and other registered savings plans held by Canadians in 1999 was held by the richest 20 per cent of family units. The richest 20 per cent also owned 94 per cent of the \$92 billion in stocks outside RRSPs, and 81 per cent of the \$80 billion in mutual and investment funds outside RRSPs.

A resolution of the problem is strictly political:

The only real difference with the arguments about wealth is the number of Canadians who could be rallied to the cause of social justice. Collectively, 50 per cent of the family units in Canada had less than six per cent of all the country's personal wealth at last count. That 50 per cent may not be a majority when translated into eligible voters, but it should be more than enough votes to strike fear into the heart of any government that continues to pander to the wealthy and to forsake the poor.

In addition to the middle class not sharing in an equitable distribution of Canada's prosperity over a quarter century, tax burdens increased dramatically when perceived from an incremental perspective. Tax Freedom Day has been later and later in the year according to The Fraser Institute: 1981 – May 30; 1985 – June 6; 1995 – June 18; 2003 – June 27; 2004 – June 28; 2006 – June 19; 2007 – June 20.⁶

⁶ Notable is that that nine years later that date fell on June 8th, then June 9th in 2017, June 10th in 2018 and June 14th in 2019.

Demonstrative of the democratic illogicity of Canada's economy is how it fared during the worst crisis since the Great Depression. In November 2009 The Star [published](#) a report stating that “the total net worth of the richest 100 is \$172.7 billion, up from \$165.1 billion in 2008” and “the Thomson clan amassed roughly \$21.99 billion, up 19 per cent over last year”.

Plus, look at Canada's banks. During that period when the global banking system suffered an almost fatal collapse – with closings and bailouts in record numbers throughout the industrialized world, every one of these financial institutions operated at peak performance:

In a year marked by the worst financial crisis in generations, Canada's six largest banks earned strong results, and ours was the only G7 nation whose banks did not require a government bailout. Our banking system has become the envy of the world.

[...]

[T]he Big Six banks for fiscal 2009... produced combined annual profits of just over \$14 billion, ahead of the approximately \$12 billion in 2008.

Source: [PriceWaterhouseCoopers](#)

Only in a country such as ours with a perverse system of governance can a family such as the Thomsons increase wealth by a whopping 20% in twelve months and a primary backbone of our economy thrive during the hardest economic times in more than a generation.

Some professors of economics sought to draw wealth inequality similarities with Canada's southern neighbour. However, any comparison is flawed because of the

behemoth size of the American economy, its superpower status in relation to every other country in the world and its dollar being the world's reserve currency. Plus it has a profoundly diversified economy and its multinationals are globally ubiquitous. And it has an extraordinarily massive population, a large number of virtually 'sovereign' states (vs. the small number of provinces and territories here) and an unrelenting culture of entrepreneurialship, transparency and accountability. It is impossible even over long periods of time for an "economic elite" to consolidate power and hijack and dominate all federal and state political systems for parochial interests and purposes.

Also by sharp contrast to the American experience, when Trudeau took office the country's system of governance was already authoritarian from coast-to-coast and operating seamlessly behind a cleverly manufactured façade of democracy. By the end of his reign, taking what they wanted from what they believed to be *their* economy drove policy and decision-making was the norm. Recall in 2006 Mr. Justice Gomery called what he saw in the sponsorship scandal as a "culture of entitlement".

The first glaring example of servicing that façade of democratic respectability is Prime Minister Trudeau's "Just Society":

The Just Society will be one in which all of our people will have the means and the motivation to participate.

The Just Society will be one where such urban problems as housing and pollution will be attacked through the application of new knowledge and new techniques.

The Just Society will be one in which our Indian and Inuit populations will be encouraged to assume the full rights of citizenship through policies which will

give them both greater responsibility for their own future and more meaningful equality of opportunity.

The Just Society will be a united Canada, united because all of its citizens will be actively involved in the development of a country where equality of opportunity is ensured and individuals are permitted to fulfill themselves in the fashion they judge best.

Source: Official Statement by the Prime Minister, "The Just Society", June 10, 1968

One way to establish how much has been embezzled over the last three decades is observing how much capital was exported out of the country that experienced acute economy monopolization. Outward foreign direct Investment is a measure of how profitable the largest corporations were and how few opportunities remained after decades of said monopolization that began in the early 1970s under Trudeau's leadership as argued *supra*.

StatsCan's chart documents what left Canada over a twenty year period.



The total amount exported from 1986 until 2008 -- when the economy more than doubled in real terms -- is \$6.1 trillion. During that period of time the economy generated \$21.5 trillion. Armine Yalnizyan crunched the numbers as follows:

Year	GDP [Billions]	Outward FDI [Billions]	Inflation	GDP-FDI Ratio
1986	512,541	75,000	~4.000%	15%
1987	558,949	80,000	~4.000%	14%
1988	613,094	85,000	~4.000%	14%
1989	657,728	90,000	~4.000%	14%
1990	679,921	100,000	5.5021%	15%
1991	685,367	110,000	6.9100%	16%
1992	700,480	120,000	1.5854%	17%
1993	727,184	140,000	2.0408%	19%
1994	770,873	150,000	1.2941%	19%
1995	810,426	160,000	0.5807%	20%
1996	836,864	180,000	1.6166%	22%
1997	882,733	200,000	2.1591%	23%
1998	914,973	250,000	1.1123%	27%
1999	982,441	275,000	0.6601%	28%
2000	1,076,577	350,000	2.1858%	33%
2001	1,108,048	400,000	2.9947%	36%
2002	1,152,905	420,000	1.3499%	36%
2003	1,213,175	400,000	4.5082%	33%
2004	1,290,906	430,000	1.2745%	33%
2005	1,373,845	450,000	1.9361%	33%
2006	1,449,215	500,000	2.7540%	35%
2007	1,532,944	525,000	1.1091%	34%
2008	1,600,081	600,000	2.1938%	37%
TOTAL	\$21.482 trillion	\$6.1 trillion		

The foregoing was authored in the summer of 2010. Nine years, in the late spring of 2019, updating research was conducted to see what occurred that proved or disproved prosperity theft. On May 20th this chart was swiftly discovered.

Country/Region	2013	2014	2015	2016	2017	Rank 2017
All countries	778,371	845,203	1,043,822	1,083,730	1,121,102	

Of critical importance to the analysis is this statement...

“Canada’s ... share of world outward FDI in 2011 ... means it was ... playing a larger role in outward FDI than its economic size would warrant.”

Source: Conference Board of Canada [\[Link\]](#)

[Emphasis added]

...and this...

“[O]utward FDI from Canada relative to GDP increased ... compared to other countries. [...] Relevant data reported in figure 4 clearly indicates that outward FDI as a percentage of GDP for Canada compared to other developed countries reached its highest value in the 2015–2017 sub-period. Specifically, Canada’s ratio of outward FDI to GDP was almost three times higher than the US ratio. ... The next closest sub-period was 2000–2005, when Canada’s ratio was almost two and a half times the US ratio. Canada’s ratio of outward FDI to GDP was around 152 percent higher than the OECD’s ratio for 2015–2017.”

Source: Fraser Institute [\[Link\]](#)

[Emphasis added]

It is submitted these analyses comprise the *smoking gun* of what by now could well be upwards if not exceeding \$10 trillion in prosperity theft.

On January 21st, 2019 this statistic was reported:

"Billionaires in Canada have increased their wealth by \$20 billion over the last year, says a new Oxfam report on global inequality. Canada's 46 billionaires get richer, widening the gap from poor people.

[...]

"This level of inequality...is so obscene it's hard to wrap your head around," says Lauren Ravon, director of policy and campaigns at Oxfam Canada. ... "Last year, the fortunes of Canada's billionaires grew by a staggering \$19.5 billion.

To conclude this section of the article, the footnote question that should be asked is whether the country's billionaires and multi-hundred millionaires do an adequate job when investing *our money* in foreign markets. Here's a chart proving they're beyond inept with this country's vast wealth:

1970s C; 1980s C; 1990s D; 2000 – 2011 D.

Canada fell from a "C" grade in the 1970s and 1980s to a "D" in the 1990s and 2000s. The key to understanding Canada's "D" grade is to compare how its outward FDI performance stacks up against that of its competitors. Canada's share of global outward FDI flows fell from a high of 10.8 per cent in 1981 to 2.9 per cent in 2011. Yet its share of world outward FDI in 2011 was still 1.2 times its share of world GDP, which means it was still playing a larger role in outward FDI than its economic size would warrant.

So why does Canada not earn a higher grade on this indicator? The answer is simple: Other countries are doing relatively better. Belgium —the top performer in 2011— accounted for only 0.7 per cent of global GDP but 4.2 per cent of global outward FDI.

The U.S. earns a "D" on the Outward FDI Performance Index. Why? Because the U.S. accounted for 21.6 per cent of world GDP in 2011 and only 23.4 per cent of global outward FDI, resulting in an outward FDI performance index of 1.1.

For more on FDI trends:

[Canadian Outward Foreign Direct Investment and Its Implications for the Canadian Economy](#) (Ottawa: The Conference Board of Canada, 2012).

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Outward FDI Performance Index

	1970s	1980s	1990s	2000-11
Australia	D	C	D	D
Austria	D	D	D	D
Belgium	D	D	A	A
Canada	C	C	D	D
Denmark	D	D	C	D
Finland	D	D	C	D
France	D	D	C	C
Germany	n.a.	n.a.	D	D
Ireland	D	D	D	C
Japan	D	D	D	D
Netherlands	A	A	A	B
Norway	D	C	D	D
Sweden	D	A	B	C
Switzerland	n.a.	A	A	B
U.K.	B	A	B	D
U.S.	D	D	D	D

Source: The Conference Board of Canada.

The Conservatives' Contribution to Prosperity Theft

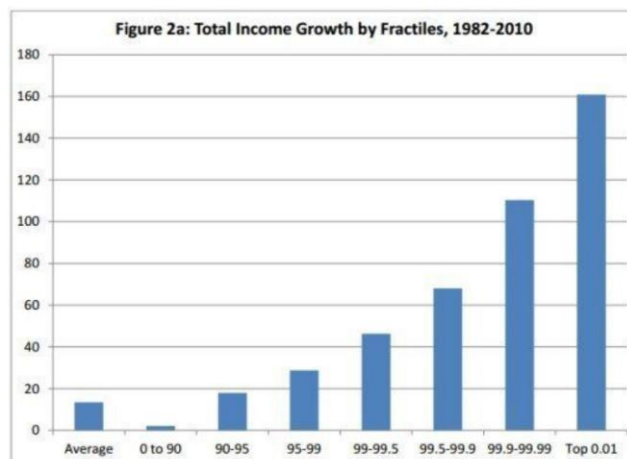
In May 2012, Professor Kerstetter published *A Cheap Shot at the Poor; Harper Government Scraps the National Council of Welfare*: “Ever since its creation by an act of Parliament in 1969, the council has been the only federal agency with a mandate devoted exclusively to improving the lives of low-income Canadians; that decision to scrap it in its 2012 budget was a cheap shot ... and that which will deprive Canadians of one more source of valuable research”.

This was reported in March 2014 by the Huffington Post:

The researchers describe the income gains at the top of the ladder as "dramatic."

The top 0.01 per cent of earners saw incomes grow more than 160 per cent, adjusted for inflation, during that time. Income growth was “negligible” for the bottom 90 per cent.

According to a new study of incomes from the University of British Columbia, which...nearly all the gains since the 1980s have gone to the top 10 per cent of earners — and much of that went to the very top 0.01 per cent of earners.



Several of the charts *supra* cover some of all or the Harper era. In addition to what they document, on May 29th, 2017 the Huffington Post ran an article entitled *Canada's Income Inequality Surged Under Harper*, and starts with “poverty and income inequality increased in Canada during the Harper era”. Just under two years later, on April 11th, 2019, the National Post reported these statistics which cover much of when he and his Conservatives were at the helm of federal governance:

Between 2008 and 2016, real median incomes grew by an average of just 0.3 per cent a year, compared to 1.6 per cent in the mid-90s to mid-2000s, the OECD review found.

At the same time, people in the top 10 per cent saw their real incomes grow at three times that rate, the report said.

“Today the middle class looks increasingly like a boat in rocky waters,” said OECD secretary-general Angel Gurría.

Is There an Out of the Box Solution?

Because of trans-generational nepotism and patronage and “one party” Liberal rule which prevented everyone except the operators of the Triangle of Power and Wealth having control of policy formation, the ultra-rich have the two primary political parties working for them *exclusively*. Therefore, what is required is a complete deconstruction of governance – or to put it another way democratic regime change by way of a structural reformulation of how our parliamentary democracy functions to promote the needs, objectives and aspirations of all Canadians.

In an undated posting on its website, the Broadbent Institute posits “To reverse the growing gap and create a more fair and just society, progressives must demand public

policies that focus on shared prosperity and equitable wealth distribution for all". The problem is the Canadian middle class has proven itself for decades to be complacent (with the only exception being its historic reaction to the Sponsorship Affair); unlike their American counterparts who have repeatedly protested in many major cities and repeatedly, where mainstream media won't let controversies and problems languish and the courts occasionally exercise their supervisory function over the other two branches of government to remedy matters the Executive and Congress won't.

It's been observed how seminal publications as compiled *supra* have only collected dust on library shelves. The one that hit the retail bookshelves in September 2018 by renowned expert on the subject Professor Osberg, entitled *The Age of Increasing Inequality: The Astonishing Rise of Canada's 1%*, will suffer the same fate.

There are really only two categories of Canadian citizen that have proven to mobilize to protect and advance common interests: the aboriginals and university/college students. Both have vast and effective networks of organizations on the national, provincial and local levels which can have their respective memberships in front of Parliament, on the streets of major cities and wherever else needed to protest long and loud. That's why this author:

- 1) in late April 2019 launched [The First Nations Coalition](#); the objective being to deliver to aboriginal organizations the foregoing analysis, i.e., the reason that's eluded them for decades why their communities have been, are and will continue to be impoverished if they don't rise up *en masse*; and
- 2) in late September 2019 launched [The Student Union Coalition](#); seeking to do the same to have more than 2 million students understand what's behind skyrocketing

tuition costs since the 1990s and to warn them of what they'll face during their careers and retirement if prosperity theft is left unchallenged.

He didn't stop there. To ensure there's a national, public conversation about systemic embezzlement, during the second half of September he launched [The Social Justice and Human Rights Coalition](#), [National Business Organization Coalition](#); and to ensure there's publicity from coast-to-coast as a result of their collaborative, synergistic efforts [The 4th Estate Coalition](#).

It would be imprudent in the extreme if there wasn't upon a successful uprising by the foregoing that got ~36 million Canadians more livid than what ousted the Liberals (the Sponsorship Scandal) in January 2006 a replacement for what'll be the demonized and destroyed Liberal and Conservative parties. This author proposed to them that which will eject the uber-wealthy from their covert multi-decade role in the exclusive influence of government and the economy that perpetuated prosperity theft: an e-referendum voting on policy. [The Canadian Citizens Party](#) will ride into power on a historic wave of public sentiment to both end with finality the ideological plague that is "obscene" wealth inequality and authorize the international community pursuant to the United Nation's *Convention on Corruption* to assist in the repatriation of the proceeds of prosperity theft.

What could be upwards if not exceeding \$10+ trillion returned to our country will be almost incalculably transformative – completely *and forever* ending poverty and middle class stagnation, offering free post-secondary education to all, extinguishing the country's national debt and annual deficits, injecting massive stimulus into the economy that'll make our GDP the envy of the industrialized world, fully funding universal health care and infrastructure maintenance and upgrading for generations and so much more.