

GENETICALLY-MODIFIED POLITICS

The emerging controversy over genetically-modified foods will be a significant test for a new political strain, the Third Way. The Third Way's apparent advantage is its ability to find common ground between impassioned extremes by borrowing from the best that each side has to offer. Among the Third Way policies that might help are government finance for labs that operate independently of biotechnology companies, and even a constituent assembly bringing together all interested groups.

La controverse qui émerge actuellement au sujet des aliments génétiquement modifiés ou aliments « transgéniques » sera l'occasion d'un test important pour un nouveau type de politique, celui dit de la « troisième voie ». Il semblerait que le principal avantage de la troisième voie tiende à sa capacité d'établir un juste équilibre entre des positions diamétralement opposées en prenant en compte ce que les deux extrêmes ont de mieux à offrir. Le financement public de laboratoires qui fonctionnent en toute indépendance des entreprises de biotechnologie pourrait servir; ainsi qu'une assemblée constituante réunissant toutes les parties intéressées.

Wayne A. Hunt

It is widely accepted that the interaction between technology and politics will be a shaping force in the 21st century. A number of diverse and seemingly unconnected debates have already taken place which revolve around this theme. International trade, as so often the case in recent years, has been a focal point for particularly acrimonious disputes over hormone-treated beef and genetically-altered crops. In the past, nation-states erected explicitly protectionist measures, but these new disputes are of a different order. On one level, they are about food safety and environmental protection, but on another they involve far more complex questions about the inter-relationship between capitalism, technology and social responsibility.

To provide a map of meaning that will allow these issues to be examined in a sensible manner, we need a public philosophy that aims to bring polar opposites together. The so-called "Third Way" between capitalism and socialism offers that advantage. The United Kingdom is an important reference point in the application of the basic concept of a Third Way. Governmental response in Britain to the issues of hormone-injected beef and genetic engineering has caused

widespread unease. Despite prime ministerial talk of emphasizing governance rather than government, there is still suspicion about the nature of the changes currently taking place in the British public sector.

This was not always so. As Edmund Burke famously observed, habits which had arisen over a period of generations evolved in tandem with British institutions to form the basis of a specifically British approach to public affairs. Unfortunately, the intervention of the tabloid press in contemporary times has often reduced this specifically British way of conducting public business to a caricature of its former self. Positions can quickly become polarized and, following that, rigidly entrenched. The defining moment in this tendency came with the controversy over bovine spongiform encephalopathy (BSE) in 1996. Official mishandling of the entire affair left a legacy that carries over into the present disputes. "Mad cow disease" vitiates the popular imagination, making the current controversy about the implications of transgenic plants excessively emotional.

On one side of the debate is Tony Blair, who, we have it on the authority of *The Economist*, no less, is the world's most admired politician. On the other

Prince Charles, the inheritor of a pre-modern institution, the monarchy, speaks for a post-modern cause, the sanctity of the environment. No doubt Oscar Wilde would have enjoyed the paradox.

stands a public figure of equal renown, Prince Charles. Each has a different world view. One's perspective is cosmopolitan and urban, the other's more narrowly nationalistic and — at first glance — parochial. But on reflection it becomes apparent that it is along this second view that sites of resistance to global capitalism are beginning to emerge, if only in outline. The divide, long dormant, between town and country took on a new urgency with, early in Tony Blair's prime ministership, the countryside rally to protect a rural way of life. Fox-hunting, which Oscar Wilde described as the unspeakable in pursuit of the uneatable, briefly became the subject of national debate. Of more sustained interest however, were philosophically-based questions of social justice which continue to inform the present discussions.

Prince Charles speaks for an older tradition. His is a profoundly spiritual view of the holistic relationship between human beings and the natural order. Transferring genes between totally unrelated species, the Prince reasons, "takes us into realms that belong to God, and God alone." Charles' well-publicised enthusiasm for organic farming (ridiculed in the popular press as "talking to flowers") is matched by his equally publicised lack of enthusiasm for contemporary architecture. His views are not without their contradictions. The inheritor of a pre-modern institution, the monarchy, speaks for a post-modern cause, the sanctity of the environment. No doubt Wilde would have enjoyed the paradox.

Weighing in more or less on the Prince's side were the authors of the tenth annual *Human Development Report*, issued in July of this year by the United Nations Development Program. This is the same report which ranks Canada at the top in terms of places to live. Privatisation, its authors claim, has allowed transnational corporations to write the blueprint for global change and then control it with rigid patent laws of the sort set out in the agreement on

Trade-Related Aspects of Intellectual Property Rights (TRIPS). More than knowledge is at stake. There is also money, the apportionment of which would not be decided in labs or university classrooms but in courts and patent offices. Is bio-engineered cotton, or a similar product which had gene sequencing mapped in a lab, a patentable property?

At present, a broader sense of civic engagement on the issues raised by this controversy is lacking, yet they have critically important implications for the future of liberal democracy. The UN report's introduction argues that the most disadvantaged peoples and societies risk being pushed to the margins. Its authors go so far as to refer to a proprietary regime which controls the world's knowledge:

In defining research agendas, money talks, not need. Cosmetic drugs and slow-ripening tomatoes come higher on the priority list than drug-resistant crops or a vaccine against malaria ... From new drugs to better seeds, the best of the new technologies are priced for those who can pay. For the poor, they remain far out of reach ... New patent laws pay scant attention to the knowledge of indigenous peoples ... These laws ignore cultural diversity in the way innovations are created and shared — and



CANADIAN PICTURE ARCHIVE

Blair and Schroeder: hearing the same tune

diversity in views on what can and should be owned, from plant varieties to human life. The result: a silent theft of centuries of knowledge from some of the poorest communities.

In this country, environmental lobbies want grocers to follow the lead of food chains in the United Kingdom. In Britain some stores ban genetically-modified foods, while others offer them only if their packaging explicitly lists all ingredients in a prominent place. Elizabeth May, executive director of the Sierra Club of Canada, has said that “it can hardly be considered a radical demand that food be labelled if it contains something fundamentally different from what people have been eating for generations. Ottawa,” she insisted, “should jump off the biotech bandwagon” and start acting like a government that has the health of its citizenry at heart. “We want to see the CEOs of the major supermarket chains becoming our allies in asking the government for change,” she added.

At present, the debate is being conducted in perfervid tones, and the rhetoric seems likely to become even more heated. To the general public there is the sense that we have been here before — many times, in fact. This new controversy has subliminal parallels with the wildly-inflated claims made by both sides during the 1988 free trade debate, and again, during the discussions over the Multilateral Agreement on Investment, when what was at issue was either “a Magna Carta for global investment” or “NAFTA on steroids.”

The controversy over GM food is causing a similar rhetorical spiral. At one extreme are those who paint a utopian picture: In one lab, they point out, researchers are developing food plants fortified with a DNA particle that codes for a natural pesticide, thereby eliminating the need for chemical sprays. Other labs are developing beans with higher protein levels, a potential boon for developing societies in which traditional meat sources are scarce. The moral and practical good that could arise from more bountiful harvests on overpopulated landscapes cannot be over-stated.

At the other extreme are those who fear the one-sided dominance of global business concerns and worry that biotechnology will swallow traditional agriculture whole, sacrificing a rich biodiversity to a monoculture crafted to create consumer demand in a global marketplace. Technology, David Suzuki and other critics say, has become an end in itself rather than a means to an end. No doubt it also has an appeal because of its historical association with the advance of democracy, as George Grant argued.

The Third Way promises much. It points toward a new form of capitalism or, at the very least, a capitalism with a human face. For the time being, that face seems to be Tony Blair's.

Just as it has proved difficult for stock market investors to place a valuation on a process rather than a product, it has been hard for those in positions of authority in the public sector to come to terms with the new set of demands being placed upon them. One point is clear, however: There is a need for a fresh departure, a progressive political framework within which the requisite policy debates can be situated.

In June, Tony Blair and the German Chancellor, Gerhard Schroeder, issued a document in which they vowed to pursue market-friendly economic policies which would address the problem of inequalities in society as part of the much publicised Third Way or, in Schroeder's terms, *die neue Mitte* (the new middle).

The Third Way promises much. It points toward a new form of capitalism or, at the very least, a capitalism with a human face. For the time being, that face seems to be Tony Blair's. In fact, the “godfather of the Third Way” was not the first of the current generation of political leaders to give a wider currency to the concept. In his 1996 state of the Union address, President Clinton claimed to have found a new way in politics. But it was the British prime minister who brought the concept to life. His tract on the Third Way argued that public life had to move beyond “an old left preoccupied by state control, high taxation and producer interests” and “a new *laissez-faire* right championing narrow individualism and a belief that free markets are a solution to every problem.” Rights, he concluded, have to be juxtaposed against responsibilities. Too much emphasis upon rights alone had detracted from a wider societal interest.

To date, the Third Way has appealed more to electorates, who can identify with its middle class values, than to academics and commentators, who regard it as a marketing ploy, and frequently argue that, when put to the test of actual policies, political leaders who embrace the Third Way have enacted measures not greatly different than those their more conventionally-minded conservative predecessors would have cho-

sen. As *The Economist* put it, Blair was convinced that “you could do Tory things on the basis of Labour beliefs and be thanked for it.”

But there is more to the concept than its critics allow. It has a proven record in terms of electoral appeal. And it may be genuinely useful. Take the controversy over consumer foodstuffs. The Third Way can be used to spur a broader debate on the question of societal control over the direction of technologically-oriented and even technologically-driven developments. The Third Way is internationalist and outward-looking. It has an electorally-demonstrated ability to reconcile the differences that naturally arise between producer and consumer interests. It may be able to provide similar middle ground between those who insist that transgenic plants can be a force for good in the world, and those who are concerned about the environmental consequences of rapidly accelerating the frequency with which a virus is introduced from one species to another.

The Third Way is based on the idea that there is a place for intelligent public intervention in the affairs of a society. Why shouldn't the public sector provide independent labs to do independent testing on genetically modified plants? This is not the case now. At present the industry provides its own data.

Of more far-reaching import are proposals for a digitally-based response to this problem. In order to bring together representatives of non-governmental organizations and industry experts, a new form of mediating institution could be established. It would function as a constituent assembly. Consumer rights groups and community-based activists would be encouraged to participate in electronic elections for positions in this assembly. The new body would work in tandem with existing mechanisms at the sub-national, national and supra-national levels. It would be in line with a “Third Way” shift toward a broader definition of governance and citizenship. Many of the above-mentioned responses are already taking root on an informal basis with web-based groups. This assembly would place these activities within a larger, institutional framework.

Debate about the role and purpose of genetic engineering should be the preserve of democratic institutions. This means parliaments and legislatures as much as the courts. At present, the balance is tilted far too much in the latter direction. Redrawing that balance should be the first priority of a society which honours its place in the United Nations Development index.

Wayne Hunt is a professor of political science at Mount Allison University in Sackville, New Brunswick.

MUNDELL ON INFLATION

The 20th century has not been a very satisfactory century from the standpoint of price stability. If we measure the magnitude of inflations by the product of its rate and the total value of commodities affected by it, we can be sure that more inflation has been created since 1914 than in all preceding millennia put together. Note that the starting date of the great inflations, 1914, begins with both the opening of World War I in Europe and the opening of the doors of the Federal Reserve System in the United States. Of the two events, the latter has been more culpable.

From 1560 to 1914, England's price index remained fairly constant. There were waves of gentle inflation and deflation but they tended to cancel out. World War I brought inflation followed by post-war deflation, and, with the onset of the great depression, Britain went off gold. From that time forward, Britain lost the monetary discipline it had since the time of Alfred the Great. The inflations since Britain left gold in 1931 and especially since the breakup of the anchored dollar system in 1971 have been the highest in Britain's history, higher by several orders of magnitude. In the quarter century after 1971, Britain's price level rose 7.5 times!

Like the pound, most currencies lost their gold base in the 1930s, thus removing an important convertibility constraint on money supplies. Nevertheless, until 1971, the system did preserve an indirect link to gold through fixed exchange rates with the anchored dollar. It was the severing of the link to gold in 1971 and the movement to flexible exchange rates in 1973 that removed the constraint on monetary expansion. The price level of what had become the mainstream of the world economy was now in the hands of the Federal Reserve System, the greatest engine of inflation ever created.

Robert Mundell, “Can gold make a comeback?”, 1997