

WITH JIM HARRIS, NATIONAL LEADER OF CANADA'S GREEN PARTY



Jim Harris has been leader of Canada's Green Party since 2003. The party ran candidates in all 308 ridings in the 2004 election, one of only 4 parties to do so in Canadian history. A best-selling author with six books published, he is a veteran on the professional speaking circuit as one of North America's foremost thinkers on change and leadership. Ranked by Association Magazine as one of the nation's top speakers, he speaks internationally at over 50 conferences a year and conducts strategic planning sessions with executive teams which focus on the pressing issues of leadership, change, Customer Relationship Management, eLearning, innovation and the creation of learning organizations. His 2003 book, *Blindsided!*, is an international bestseller published in over 80 countries. Harris's second book, *The Learning Paradox*, was nominated for the National Business Book Award in Canada and has appeared on numerous bestseller lists. He also co-authored *The 100 Best Companies to Work for in Canada*, a Canadian bestseller that sold over 50,000 copies. He was interviewed after his speech to the Frontier Centre for Public Policy in Winnipeg on September 8th, 2005.

**Frontier Centre: What is the purpose of the Green Party?**

**Jim Harris:** The Green Party's goal is to change the world, to change the way we work in Canada. That would be the long-term objective. The short-term objective is to win seats in this next election, and we're on track to win over a million votes.

**FC: You want to change Canada in what way?**

**JH:** We want to create a sustainable economy and a sustainable society, which means the creation of green-collar jobs. These are jobs in growth industries such as energy conservation and wind power, jobs that will be here for the long-term and continue to grow.

**FC: Is the watermelon stereotype—that environmentalists are green on the outside and red on the inside—fair?**

**JH:** No, it's inaccurate; in fact, we pull people from across the entire political spectrum, both into the party and as voters. A study in 2001 asked Green Party supporters who'd voted for the party how they would have voted if the party didn't exist or wasn't running candidates in their riding. Thirty percent said they would not have voted at all. In other words, they are so disillusioned and disenchanting with the old-line parties they wouldn't have even participated in the election. Thirty percent would have voted centre-right and forty percent centre-left. Two things are interesting. One, we're pulling more back into the democratic process as a percentage of our support than any other party in Canada and second, we draw pretty much equally from across the spectrum.

**FC: Do your principles necessitate big government?**

**JH:** No. Because we aren't beholden to any ideology of the right or the left, we have the freedom to look at public policy on a case-by-case basis for the best approach in any given situation. Some of those might involve using market mechanisms. Others might involve government regulation.

**FC: Environmental activists are sometimes dismissed as hopeless romantics. Is it possible to be smart and green at the same time?**

**JH:** Absolutely. In fact, you will find the solutions we're presenting are very practical. The people I work with in the Green Party are able to make things happen on very limited budgets. For example, for every eighty-six cents the Green Party spent during the 2004 election, we won one vote. By contrast, the NDP had to spend \$5.66 to win each of its votes. So we are the most efficient political party in Canada.

**FC: Can we have a healthy ecology through the use of market incentives?**

**JH:** It's not a question of "either/or." We do definitely need market regulation, and at the same time we need market signals. It's not a question of "either/or," but "and."

**FC: The countries with the best environmental records tend to be the richest ones. Is a high rate of wealth creation a necessary corollary of ecological health?**

**JH:** I'd answer yes and no. Canada has one of the highest standards of living anywhere in the world and yet within the last year a study of OECD and developed country rankings on environmental metrics put Canada as 27 out of 28. While we think we have a good track record on environmental issues, the truth is we don't. Take, by contrast, a country like Japan, which is very wealthy. They have an exceptional record in terms of energy efficiency but that's because they have three times the electricity prices, for instance, as they do here in Manitoba. Those high prices have encouraged the whole economy to become one of the most energy-efficient per unit of GDP output.

**FC: You agree that province of Manitoba should not be subsidizing the price of its hydro-electric resource. Why do you think that?**

**JH:** First, the rates are half the North American average, so it's important to frame it within North America. North American rates are lower than global rates. So Manitoba is the lowest of the low in terms of rates. This subsidy in essence prevents homeowners and business owners from receiving a financial payback to become energy-efficient. If they were to do the right thing for environmental reasons or for future generations, they would not have financial rewards for the capital outlays. In fact, they'd be punished financially for doing that.

**FC: How much is that subsidy and what would you do with it if you redeployed it?**

**JH:** The calculations from Tom Adams of Energy Probe place it between \$840 million and \$1.2 billion a year. Sawing it off in the middle, it's about a billion dollars a year. When you compare that with the federal equalization payments to the province at \$1.6 billion, roughly 60% of those transfer payments cover that subsidy. In other words Canadians are subsidizing a policy of half-rate electricity here in Manitoba.

**FC: You pointed out in your Frontier Centre speech that federal taxpayers are paying Manitoba to waste electricity through the equalization program. What do you mean?**

**JH:** That would be one way of interpreting equalization payments. Manitoba's policy of under-pricing the 70% of its power consumed domestically at half the North American market rate creates about a billion-dollar difference. The transfer payments the province receives from the federal government are about \$1.6 billion. So if Manitoba had market-rate prices, it wouldn't necessarily need the transfer payments. Therefore it is choosing to remain a "have not" province and choosing to rely on subsidies from taxpayers in other provinces to sustain a policy of under-pricing electricity by 50%.

**FC:** Could you tie that reuse of the money to the end of Manitoba's "have not" status?

**JH:** Manitoba is a "have not" economy to the tune of \$1.6 billion dollars a year in federal transfer payments. I believe if Manitoba priced its electricity at market rates, the one billion dollars of incremental revenue that would generate could be used to achieve double your energy efficiency. In turn, that would free up 35% of Manitoba's electricity for export, which would yield billions of dollars to the treasury. That would make it a "have" province and leave a dividend to divide up, either by investing more in housing or health care or reducing taxes, whatever the ideology of the government of the day dictated.

**FC:** Low prices also devastate the business case for renewables like windmills and solar in Manitoba. Deregulated markets have benefited these industries in places like Europe and American states that have opened up their markets. Do you favour deregulation?

**JH:** Yes, but only when it's done properly. The deregulation in California enabled Enron to exploit loopholes in the deregulation of the wholesale market and charge that state and its electricity users a thousand times the previous rate. This created an artificially crisis. *The Western Standard* had a very interesting article detailing how Enron exploited rate-payers in Alberta to the tune of millions.

**FC:** So you're in favour of intelligent deregulation?

**JH:** Absolutely. When deregulation is done, for instance, in such a way that there is no safety net for nuclear power, either in terms of liability or subsidies or the ability to strand billions of dollars of debt on its books and offload those onto the public purse, no business person will invest in nuclear.

**FC:** You see wind power as a green energy bonanza, but is it economically efficient? What if the wind doesn't blow? Don't you also have to capitalize a back-up?

**JH:** A couple of things. One, wind has an incredible opportunity in Canada, which has one of the best profiles for wind power. Second, when you ask power generators to sign a twenty-year contract at a fixed price, very few will do it. But wind will do it at 7.8 cents a kilowatt-hour. The only other power generation source that willing do that is hydro. Neither nuclear nor fossil fuel nor coal generators will sign those kind of contracts. That says something. The only time we can actually use electricity is when we need it; you can't store electricity. At least that's what the theory says. But we can create a hydrogen economy. We can create hydrogen by separating the hydrogen from oxygen in distilled water with wind power when it produces more than a society needs, and then run the meter backwards when we need it. In other words, create electricity with that hydrogen when we need it. It's a way of time-shifting. By combining wind with hydrogen, I see a possibility for having a very exciting and sustainable wind economy.

**FC:** What are your views on ethanol production and government subsidies to boost it in different provinces?

**JH:** The studies I've seen—and I'm open to looking at more—haven't been excited about ethanol. As far as I understand, the

energy inputs are roughly equal to the energy outputs, so I personally am not that keen on it. It is a cleaner fuel and it does support farmers, but I think there are other ways of doing that.

**FC:** There is something called pelletized biofuels, which converts prairie grasses into a high-energy, low-emission sort of heating fuel. You have any thoughts on that?

**JH:** I've just learned about this in the last few days. It seems like something that's quite interesting and I'm planning on looking more into it.

**FC:** You reject the right/left paradigm of politics that many still use. Why?

**JH:** If you listen to capitalists, they traditionally say, "It's capital that creates more wealth in our society, therefore capital or capitalists deserve a larger share of the pie." I understand that argument. Similarly, people on the left say, "No, it's workers who create more value in society, therefore workers deserve a bigger share of the pie." I understand that argument, too. The Green Party is saying, "The pie is making us sick, we need a new pie." We are neither right nor left, but out in front.

**FC:** You say you believe in fiscal responsibility. Why?

**JH:** We believe in a triple bottom-line, being fiscally responsible, socially progressive and environmentally or ecologically sustainable. We look at all public policy through these three bottom lines. In other words, it needs to make financial sense, it needs to make social sense and it needs to make ecological sense.

**FC:** So you wouldn't be into deficit financing if you were in government?

**JH:** Federally, we are going to have not just balanced budgets but surplus budgets to pay down the cumulative debt we have.

**FC:** What is the difference between the Green Party and the NDP?

**JH:** There are a number of differences. First, the Green Party is not afraid of using market mechanisms. I don't think you'd see many NDPers proposing their use. Typically, they'd say the only solution to any problem like electricity pricing is government intervention or subsidies or so on. Whereas we would say that pricing electricity at half the North American rate is sending a very strong signal that we will penalize those who make the capital investment required to become energy efficient, and we will reward those who are profligate or excessive users of Manitoba's hydro power. Instead, we'll subsidize people to change or morally exhort them to do something. The Green Party isn't afraid to say, "Look, the strongest policy tool in this particular instance is having market rates of electricity. That will automatically create demand reduction and then we can use the incremental revenue to create an energy-efficient economy.

**FC:** And fiscally?

**JH:** Is this a fiscally responsible approach? Again, we'd look at it through this triple bottom-line. Financially, giving away a billion dollars a year to promote inefficient use of electricity is irresponsible. It's socially irresponsible because of the opportunity costs of the avoided billions of dollars of revenue that could come from exporting that power at market rates. That could generate more money for the treasury to invest in housing, health care, social security, ending childhood poverty, reducing taxes, any one of a number of different social priorities. It could be used to stimulate the economy or attract business.

**FC:** The NDP wouldn't do it?

**JH:** The NDP has had this historical policy here in this province. They've had lots of opportunity to change it, but have not chosen

to do so. It's been a very conscientious decision to avoid a billion dollars of revenue and remain a "have not" province, to encourage energy inefficiency, to remain the most energy inefficient economy in the world. Those are all conscious choices.

**FC: Do you see the provincial Green Party as a factor in the next Manitoba election?**

**JH:** I can't speak on behalf of the Manitoba Green Party because I'm not a member or a resident of Manitoba. But I can say that Green Parties all across Canada have been spurred and encouraged in their growth by seeing the Green Party of Canada run candidates in every single riding and see almost 600,000 Canadians vote for the party. In the most recent Decima research poll, the Green Party was at 9% across Canada and with another 34% of voters willing to consider the party. When you do the math on those numbers, that's over a million Canadian voters who have already decided to vote Green and another 4.6 million voters who are willing to consider the party. With those kinds of encouragements, provincial parties all across the country have been setting the goal of running a candidate in every riding.

**FC: You talk about incentives, markets and fiscal responsibility very comfortably, which should help broaden your party's credibility with the vast middle class. Many of them choose to live in the suburbs with lifestyles that don't accommodate taking the bus; they don't want to live in dense, crowded cities downtown. Do you have a strategy to reach them that accepts the reality that we will remain a mobile, car-based society?**

**JH:** Short-term, we talk, for instance, about hybrids, because a hybrid uses only half the gas of a conventional vehicle. Long-term, we're seeing oil right now at \$70 a barrel and Goldman Sachs, has said it will go to \$105 within three years. As oil production declines in the future, we're going to see the price go higher and higher and this will create a challenge for those in the suburbs or in car-dependent culture. Long-term, we're going to have to look at plans to intensify urban density. Denser urban cores can support more services like mass transit and so on. Long-term, urban sprawl is not sustainable.

**FC: A majority of the broad public wants malathion sprayed, particularly with a deadly West Nile virus out there. How do you reconcile the interests of your traditional core who oppose malathion with the broad public?**

**JH:** We're sitting out here in your back yard under what the Floridians would call a lanai, which is basically a screened-in area. I haven't been disturbed by a single mosquito. There are many things we can do that don't involve the spraying of a neurotoxin such as malathion on our public. There are many people who today are chemically sensitive and I know a number of residents of Winnipeg who, when the fogging occurs, just simply cannot live in the city. So it is a human rights issue. You know, despite all the spraying over decades, we still have mosquitoes. As a long-term strategy, spraying a neurotoxin like malathion on the people, the plants and the animals of the city of Winnipeg has not proved to be a very successful strategy at all. We're opposed to it. I think the support for that position is far larger than we realize. When we look, for instance, at Markus Buchart, who ran in the last provincial election in Wolseley, one of the areas which had the largest Malathion protests, he got 19.2% of the vote, something that staggered his NDP opponent.

**FC: Let's look at two policy envelopes where many people have no idea about Green Party policy. Give us a quick snapshot of Green policy on healthcare and taxes. First,**

**healthcare. Are you on the same song sheet as the other parties, that dumping more truckloads of cash will fix healthcare? Or will the Greens consider ideas like the use of private clinics to cut waiting lists. as in European countries like Sweden and Britain?**

**JH:** We're not on the same song sheet as the other parties because we see deeper problems. I'll back up a bit. My father died of cancer and my mother-in-law is fighting her second cancer in five years. My office manager's mother just had a double radical mastectomy. In fact, we have an epidemic of cancer here in Canada. Cancers are predicted to double over the next three decades. While every other party in the last election was talking about spending more money on the health care system, which by the way, we think is a good idea, we were the only party saying, "Hey, let's step back for a minute. We know what causes cancer, it's carcinogens in our air, in our water, in our food. Wouldn't it be better to stop those carcinogens from getting into our air, water and food rather than to allow that and then get cancer and then to spend more money treating cancer?" Last year eighteen million kilograms of carcinogens, known toxins, were injected into our air, water and food. We would stop at the source.

**FC: Second, taxes. Higher taxes, lower taxes?**

**JH:** Lower them.

**FC: Which would you lower?**

**JH:** We would tax-shift. We would reduce personal income taxes for all Canadians by three and a half billion dollars and shift or transfer those taxes to natural and non-renewable resources. Last election, we talked about adding ten cents a litre to the pump tax. We didn't call it a gas tax, we called it a pollution tax, a smog tax, a childhood asthma tax because one in every five Canadian children now has childhood asthma. If you were an average Canadian driving an average car an average distance, it was revenue neutral. If you walked to work, it was a huge gain, but if you drove a Hummer, you should not have voted for the Green Party. It catches people by surprise when the first part of this policy is to reduce personal income taxes at the lowest brackets for all Canadians.

**FC: Do you think the public would trust you, though? They would say, "We've never heard of a politician cutting taxes?"**

**JH:** Actually some politicians have cut taxes and, because we are not your standard politicians, I believe Canadians trust us far more.

**FC: Are you ready for the election? How many seats do you predict your party will win at the next election?**

**JH:** We are definitely ready for the election. We were ready for the election on May 19. In terms of the number of seats, I'll use some benchmarks from the NDP. In 1993, the NDP, with only 6.9% of the vote won nine seats. In 2000, with 8.5%, it won 14 seats. We have been above both those benchmarks in polls released by numerous polling companies over the last year. In the provincial election in BC, we were over 9% and in the Ontario by-election in March, we were at 10%. We have not just polls from numerous polling companies but actual election results from all across Canada putting us above those levels.

**FC: How many seats?**

**JH:** We'll win multiple seats in the next election. More than one.

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