

## 14. A future for our children's children

Rarely has Australia faced a starker choice than we do today as we are forced to choose between recovering our traditional democratic form of capitalism and being drawn by global forces to fully privatise our government and public service.

### **Corrupt American-style capitalism**

America would do well to return to its roots and the prophetic voice of one of its greatest men:

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country ... corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavour to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed.

*United States President Abraham Lincoln, 21 November 1864, in a letter to Col. William F Elkins: in The Lincoln Encyclopedia, Archer H Shaw, Macmillan, 1950, NY.*

If Lincoln was trembling then, what would he do now? We in Australia are already well down the path of corrupt American capitalism where the ultra-rich have too much power and use it to shape government decisions in their favour and increase their personal wealth and power. The richer they get, the more influence they wield, and so the cycle goes on. It's a pattern that has been re-shaping our society at an accelerating rate since the days of Reagan and Thatcher.

The trend seems impossible to resist. As it develops we see the breakdown of traditional values, as everything seems to have a price.

Human rights, social justice, family rights, workers' rights, environmental protection, programs to help the poor, public health and education programs, and foreign aid are all targeted for destruction by the advance of global capitalism and its intrusion into every aspect of our lives. For Howard and Murdoch's neo-politically correct mercenaries, it has become weird, economically irresponsible, elitist and soft-headed to strive for improvements in these areas, to give them priority.

Howard and the radical Right tell us that we want 'tax relief' and 'more choice'. Australians give their tacit consent, when they opt for consumerism, racking up the greatest household debt levels in our history. Is this what we inherited from our forbears? Is it what we want to pass on to our children?

Global capitalism has a plan. Every company aims to improve shareholder returns by more than 15 per cent per year. Year after year after year, a 15 per cent increase in business has seen companies run out of markets and then create new markets out of everything from weapons, privatised armies and gaols to the explosion in junk food the cosmetic surgery and pornography industries.

Global businesses work as a team at the United States Chamber of Commerce. They seem to have all the power because, over the past decade, you and I have become used to them directing government in the United States and in Australia.

If we wish to stop this juggernaut, we need to reclaim power over our government. The way to achieve this is through active democracy. So, what do we need to do as a nation to preserve the treasure that we have inherited?

### **Democratic capitalism**

Access to clean water, good roads, telephones, television, fresh fruit and vegetables, health and medical services, and so much more are all possible because of huge advances in science, technology, business and

our social and political systems. Yet we take them all for granted; the systems that make them possible exist in the backgrounds of our minds.

It is the same with democratic capitalism. This political system has provided the longest period of peace and prosperity in modern history. This system has been responsible for the spectacular dynamism of societies such as England, Australia, Canada, the United States, New Zealand, France, Germany, Denmark, Sweden, Finland, Korea and Japan. These societies are highly innovative and productive while meeting the needs of their people for peace and security. Democratic capitalism has been so successful that the people in developing countries and even ex-communist countries have adopted it as their goal.

Australia has prospered culturally and economically under this system. Past generations constructed our political institutions brick by brick, but today we take them for granted and the system itself is not widely understood. We have become complacent.

Yet, if the political/economic system that has given us such prosperity is under threat, we need to understand it in order to protect and preserve it for the next generation. Information on the Australian political system can be found on websites such as:

[www.australianpolitics.com/](http://www.australianpolitics.com/)

[www.ozpolitics.info/](http://www.ozpolitics.info/)

[www.anu.edu.au/polsci/austpol/aust/aust.html](http://www.anu.edu.au/polsci/austpol/aust/aust.html)

### **What currently threatens our system?**

It should now be clear that private interests have made strong moves to buy and manipulate government to serve them ahead of the public interest. In order to prevent a takeover by corrupt American-style capitalism, we need to attack those things that feed it. We have seen that full privatisation of government grows out of three things:

- smaller and weaker governments
- corporations and individuals with too much power

- corruption.

### ***Smaller and weaker governments***

One of the goals of the ultra-rich is to weaken government power relative to corporate power. Their strategies include:

- Tax cuts
- Undermining government's traditional responsibility to protect its citizens by using terms such as 'nanny state'
- Pressuring government to keep out of the marketplace through waves of negative comment from across the entire business community
- Asserting the absolute rights of shareholders above any other values
- Privatising regulatory bodies, for example, in areas such as building inspections and the media.

International capital does, indeed, have a lot to offer but, like a wild horse, it needs a firm hand. Protection of our democratic capitalist system demands that we be alert to all attempts to reduce government or weaken its power or its role in managing and regulating the economy for the common good.

### ***Corporations and individuals with too much power***

As we saw in the United States, companies and individuals with too much power have a strong tendency to abuse their positions. We have seen how they capture government roles and then use them to control public power (e.g. regulatory power) and spending (e.g. no-bid contracts) so as to benefit themselves. In the United States we have seen how large-scale corruption leads to the rapid concentration of extraordinary wealth, and consequently of power.

The media industry in particular is open to abuse, since it can directly impinge upon the democratic processes of forming public opinion and influencing elections. In Australia, there appear to be few

restrictions on the role of media in electioneering and its capacity to corrupt election processes.

The Murdoch media's attack on the Greens in 2004 was an example of this. However, there appears to be nothing in place to prevent further abuses of this same media power.

It is clear to most observers that no individual parliamentarian or political party would be willing to curtail the power of media moguls because they have a huge capacity to take revenge. If this is so, it is a clear example of corporations having too much power. So it needs to be addressed quickly. However, this is just one example. We also saw the abuse of power by certain industries to shape our greenhouse policies. The only comprehensive and non-partisan way to address such threats to our democracy is through a Royal Commission, with terms of reference drawn up by a multi-party committee of parliamentarians.

### ***Corruption***

In the United States, politicians' need for massive political donations creates opportunities for 'investors'. In Australia, it is corrupt to for a politician to accept money from an investor who expects a dividend. However, there is a widespread belief that such corruption is rife.

The Australian Electoral Commission needs more teeth if it is to be an effective watchdog on corruption

Groups and individuals can currently influence election outcomes without having to come out of the shadows. We need a public register of lobbyists. Clandestine groups should be flushed out. Think tanks should have their books opened. Conflicts of interest should be less easy to disguise. The role of overseas interests lobbying in Australia needs to be exposed and regulated.

This whole area is too political to trust to any one political party. The national interest must prevail over the interests of any political party or its investors. Only a Royal Commission would have the

resources and the capacity to conduct a fully professional and independent review, and propose new legislation.

Attacks on proposals for such improvements need to be understood as attacks on our attempts to preserve and modernise our system of democratic capitalism. We want it to be strong enough to pass on to the next generation. Like the natural environment, it must be protected because it is one of the barely visible pillars of our social prosperity.

## **Conclusion**

I am saddened when I hear talk that the Australian people have become meaner and more self-centred over the past decade or so. Is this really true? Have we changed that fundamentally?

While there seems to be evidence of greater greed, could this be just a short-term response to our new affluence? Could it be a temporary response by practical Australians to a leader who promotes competition while attacking community organisations that speak for cooperation and compassion? Could it be a response to a politics that bolsters fear and greed in order to hold on to power?

I suspect that Australian people have deep reserves of egalitarianism. We want a fairer society. I suspect that for the Australian 'fair go' to re-emerge, we simply need good leadership.

Democracy in Australia is robust, with the guarantee of a great tradition behind it. The United States is also resilient. We can only hope that the incoming governments in both great nations have a powerful commitment to democracy and that they re-nationalise the government and public administration in both countries. Big money and the radical Right, who will always seek new markets and quicker ways to make profits, will resist their endeavours. Only mass support from the people will give our parliamentarians the strength they need to win this battle on behalf of our common good.