

# Selling hope for hard times

By Tony Brown

*An old woman falls and breaks her hip. She is admitted to a major teaching hospital and her daughter is told she will require an operation within 12-15 hours to prevent the bone being irreparably damaged.*

*For 60 hours the woman is left waiting on a bed in a corridor. Because of the delay the daughter is informed that if her mother is operated on she will most likely not survive the anaesthetic, if she is not operated on she will die within 24 hours. She is asked to make a decision.*

*The woman dies two days later. During that time the old woman suffers as she continuously relives her fall and suffers involuntary spasms. Her daughter sits by her side watching, able only to comfort her, waiting for her to die.*

*The senior doctors explain that there were insufficient beds and resources to treat the woman.*

same battlers and suffering middle class found out, to their surprise and cost, that they had indeed been the recipients of middle class welfare all that time.

As part of the Coalition's strategy of further restricting state spending by cutting away areas of social provision and by re-commodifying as much as possible of what had previously been de-commodified it became crucial to sell the idea that "we" can no longer afford the "luxuries" of the (modest by international comparisons) welfare state.

Labor began the campaign to convince working people that "the economy" couldn't afford such spending. The groundwork for the Coalition's policies was laid by Labor policies such as Susan Ryan's reintroduction of university fees, Brian Howe's and Graham Richardson's claims that Medicare could not survive without cuts to its services and

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In the 1950s and 1960s conservative politicians, the media and the mainstream economics profession were trumpeting the fact that capitalism was the best, most successful economic system of all time, capable of delivering comfortable living standards for all. They had overcome the boom/bust cycles which had always been associated with the capitalist mode of production. Their modern day heirs are now selling a quite different message.

In the midst of a dramatic reduction in living standards for the majority of Australians (the "disappearing middle"), falling household income, mass unemployment in some areas, a rate of economic growth which can't even absorb all the new

entrants into the labour market, and plummeting levels of funding for public services, Paul Keating was able to declare that "this is as good as it gets". He was probably quite right. *A 33 year old man has a brain haemorrhage on the south coast of NSW. He needs an emergency operation. There is not a single hospital in NSW with a vacant intensive care bed able to admit him. An emergency helicopter carrying the critically ill man circles Sydney hoping a suitable bed will become available. He subsequently dies.*

It is now clear that the post Second World War "long boom" was an aberration in the history of capitalism.

Angus Maddison's important survey of long-term growth rates makes this very plain. (*Monitoring the world economy 1820-1992*, OECD.) The Australian economy grew at a rate of 2.4% between 1951-73 but slowed down to 1.7% between 1974-89. A decline of 0.7% in the annual growth rate seems small, but it can have large consequences as it accumulates the way that compound interest does in a savings account. Workers have been hardest hit. Since the 1970s, average wages for most categories of workers have fallen and income inequality, measured by either individual wages or household income, is greater now than at any other time since the 1930s. In the past, when incomes were

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increases in charges, and the wave of privatisations in banking, telecommunications, and airlines.

Keating's 1986 "Banana Republic" message said, "we're living beyond our means." The Coalition government is intensifying the campaign.

State governments have played their part in promoting this idea as they have had to implement the spending cuts in areas such as education, health, public transport and housing.

*School teachers in New South Wales struggle to win a pay rise which enables them to recover lost ground in their wage relativities.*

*The Minister for Education and the Premier say that the government simply can't afford to pay the rise even though it's warranted. The increase, when finally achieved, is largely paid for by reducing spending on teaching resources, facilities for the children and further whittling away of teachers' conditions.*

A PROFESSOR of Medicine at the University of Western Sydney tells ABC's Four Corners, matter-of-factly, that the public's expectations of the health system are unrealistic and that they will have to readjust.

We are told that 'we' will have to lower our expectations of the health services for the future. The message is that the public expects too much, the public is greedy, that people expect the government or state to pay for everything. Cuts in many areas of public spending, and the attacks on the concept of "universal" benefits, such as health care, are sold as being cuts to "middle class welfare".

*Higher education fees are introduced and study assistance reduced because, we are told, only the well off receive the benefits of publicly funded higher education.*

During the election campaign Howard went out of his way to assure the electorate that under Labor the battlers and the middle class had lost out and that the Coalition would restore their economic position. As soon as the Coalition got elected those

growing, most Australians accepted a progressive taxation system to pay for welfare as well as other public expenditure. When growth was steady the majority were open to the idea of including everyone in a higher standard of living. In response to the demands of trade unions, women, students and a higher level of political activism, the ALP in the early 1970s felt comfortable in advocating measures to limit poverty, in supporting anti-discrimination and affirmative action programs, free vocational and higher education, an expanded immigration program, Aboriginal rights and a universal health care system such as Medicare.

But today these same programs are denounced as unaffordable luxuries and the work of a conspiracy of at best soft-headed, economic illiterates, at worst antiquated socialists. Instead of addressing the end of the illusion of continuous economic growth directly, politicians deflect attention to its symptoms, as if everything, from welfare to broken families to violence, youth "gangs" and youth culture is the cause and not the consequence of poverty.

For nearly two decades the right has been systematically educating the electorate in the principles of free market economics, which in Australia goes under the name of economic rationalism. They have used the media and think tanks to equip their political representatives and they have convinced the majority of ALP politicians that there are no other feasible alternatives.

The labour movement, both within the trade unions and the parties of the left have failed to offer a political and economic alternative. Instead they argue that the economy is merely going through a difficult period and that with the right policies, mutually agreed to by capital and labour, a new internationally competitive dawn is achievable.

But this downturn is neither short term nor one that can be resolved in the common interests of capital and labour. To turn that understanding around will require an education effort at least as concerted as that undertaken by the right over the past two decades. And like the right it will need to be based on a coherent view of the world which can be broadly articulated.

It will most of all have to recognise that Australian society is not moving towards being a more egalitarian society but rather over the past twenty years has become more unequal with class division becoming more evident and entrenched. The working class, in all its diversity, can ill afford to accept Paul Keating's view that this is as good as it gets.

## Gambling: the pathology of hope

**T**HE end of affluence has brought with it a rapid increase in the promotion and incidence of gambling — the pathology of hope. Australian gamblers gave \$8.26 billion to racing and gambling operators in the 1994/95 financial year. At \$617 a person, that was \$74 (12%) in real terms more than in 1993-94, and nearly twice the losses of a decade ago. And these figures were collected the year before the Sydney Casino began operating. The \$8.26 billion compares with the \$11.8 billion spent nationally on age pensions and \$14.6 billion export income from mining products.

Whereas once the most popular forms of gambling were shared experiences such as a day at the races or buying lottery tickets, today's growth areas are in the least sociable forms of gambling-poker, slot machines and the computer generated lotteries such as Keno and Lotto with their phenomenally low chances of success and guaranteed superprofits to their private owners.

In the 1980s Australian governments generated about 9-10% of their revenue from gambling. Now it's up to 13%. However, the big winners have been in the private sector. Australia is following a trend established in the USA. As recently as 1988, casino gambling was legal in only two American states, Nevada and New Jersey. By 1994 casinos were operating legally in 23 states and were proposed in many others. Total yearly casino revenues doubled from about US\$8 billion to about US\$15 billion, and by the early 1990s revenues in the gambling industry were climbing about two and a half times faster than those in the manufacturing industries.

By the beginning of 1995, legal gambling in the US (including lotteries) was generating over US\$37 billion in yearly revenues — more than the total amount Bill Clinton promised to use during each of his first four years in office to rebuild America's transportation system, create a national information network, develop the technology to clean up the environment, and convert the defence industry to a peacetime economy.

Governments compete to reduce the level of tax paid by casino operators. When the Queensland Government halved its "junket tax" rate on Jupiters Ltd's operations to 10 percent earlier this year it intensified

the pressure on other state governments to follow suit by cutting tax rates on the lucrative premium high rollers' market. The comparable rates around the country are Crown (Victoria) 9%, Burswood (Perth) 15% — though legislation to cut it to 10% is in train — Adelaide (13.7%) and Sydney Harbour (21%). The Queensland cut will help the Sydney Harbour Casino pressure the NSW government, which recently rejected pleas for a cut.

By legalising casino gambling and promoting more diverse lotteries, state governments are encouraging what one author calls, "the pathology of hope. One consequence has been the collapse in confidence in the utility of work. In an American survey in the 1960s nearly 60% believed "hard work pays off." By the 1980s only one in three considered this to be true. People with money to spare gamble for entertainment, but the poor gamble to change their lives. For many the only chance of relief from poverty is the dream of fantastic luck.

The problem with the gambling industry is that it doesn't create anything; and it corrupts, as has been spectacularly demonstrated in recent years, in Italy, in Belgium — and in Victoria, with the Crown Casino and the massive wealth being accumulated by the three developers, the possible corruption of government in the letting of the contracts, and the close connections between the Premier and the successful bidders. Victorian premier Jeff Kennett also won the Albert Park Grand Prix from Adelaide by alienating public land and devoting millions of public dollars on a speculative venture with little if any public economic benefit. A few years earlier Victoria had won back the motorbike Grand Prix from NSW.

To score these coups, the Victorian government has enacted repressive legislation which John Pilger claims to be unprecedented anywhere in the "democratic world": "The Act exempts the Grand Prix from the Freedom of Information Act and from laws governing environmental studies, pollution and planning controls. It allowed the Australian Grand Prix Corporation to fence or cordon off any area it wanted... No resident whose home was damaged by construction of the race track could claim compensation."