

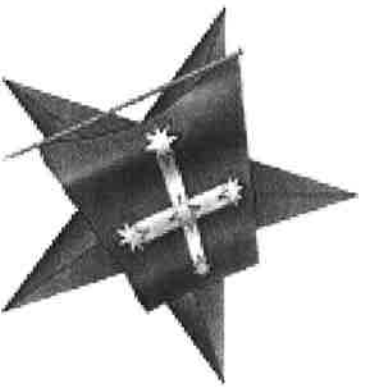
## ***Let's get rid of crony capitalism***

Some might say that there is nothing new in all of this. It's true, for example, that the pro-business Liberal Party has been past master at soliciting the financial support of powerful corporate interests. Former Prime Minister Howard was notorious for this sort of thing.

What is new is the way in which Labor is unashamedly stealing the pro-business mantle from the Liberals and their open cultivation of crony capitalism as their preferred means of keeping themselves in office.

These developments can only contribute to the further disillusionment of working people from the whole system, beginning with their rejection of Labor as any sort of alternative to the Liberals.

So long as they have faith in their own capacity to wage struggle independently of the two-party monopoly that is the bourgeois parliament, and with the introduction of an ICAC, the conditions will exist for the growth of the movement against crony capitalism.



## **ENDLESS WAR IN THE MIDDLE EAST**



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## **ICAC needed to fight crony capitalism**

The best weapon against corruption is an active and awakened citizenry. The voice of the people, emerging in the struggles of the unions, community and residents' groups, and various issue-based organizations, will always be the most genuinely independent and effective force against official malpractice.

Having said that, an ICAC acting as a watchdog over business and government is an urgently needed conduit through which the demands of the people can be channeled.

We need an ICAC to act on our demands to rid SA of crony capitalism.

Crony capitalism, according to online dictionary Investopedia.com, is a "description of capitalist society as being based on the close relationships between businessmen and the state. Instead of success being determined by a free market and the rule of law, the success of a business is dependent on the favouritism that is shown by the ruling government in the form of tax breaks, government grants and other incentives."

In a sense, it could be said that crony capitalism emerges when the *pretence* of a "free market and the rule of law" wears thin and the *reality* of capitalist governments as mere executive committees of an actual ruling class is put, shamelessly and nakedly, on public display.

The government, which is entrusted by the ruling class to exercise certain powers for the benefit of the capitalist class as a *whole*, becomes puffed up

with the arrogance of its ability to play *sectional interests* of the capitalist class off against each other, and emerges as a broker in the awarding of favours to those interests that pledge to reciprocate by maintaining it in office.

The reality of the state as the executive committee of the whole ruling class becomes tainted with the corruption of service to favoured sections of the elite.

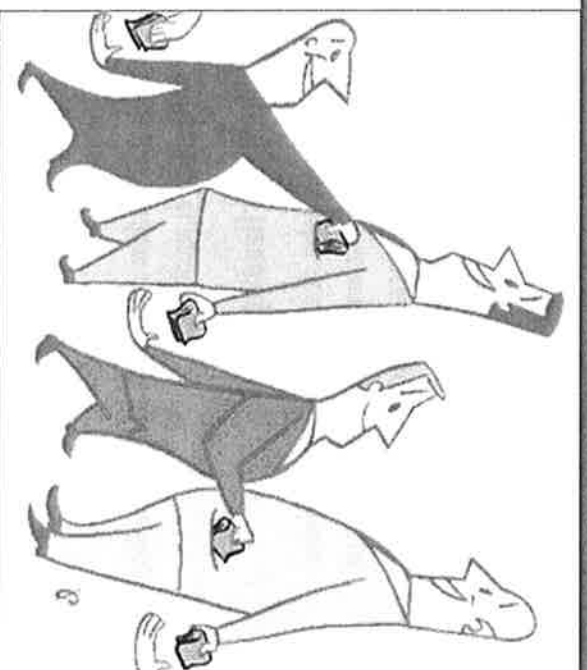
### ***Social democrats and crony capitalists getting into bed***

Generally, crony capitalism has been associated with the most reactionary proponents of capitalist class rule. The Bush-Cheney regime in the United States was a byword for crony capitalism. The privatising apparatus of the countries headed by the former Soviet Union have taken crony capitalism to new heights. Reactionary governments in Mexico, South Korea, the Philippines and Indonesia took and are taking crony capitalism to new lows.

South Australia might seem far away from these homelands of crony capitalism. But its governing Labor Party, now in its eighth year of office, obviously sees no reason why the benefits of crony capitalism should be left to the open parties of big business.

Despite the affiliated membership of certain large trade unions, it is rapidly dropping any pretence to being a social-democratic or "labor" party and has proudly rebadged itself as "pro-business, pro-growth and pro-mining".

Business leaders are offered access to leading Ministers in return for payments to Labor Party coffers.



And not just any business leaders.

### ***PPPs foster crony capitalism***

Prominent among those hosting lunches and dinners for Labor politicians are companies that were bidding for government contracts for Public Private Partnership (PPP) projects.

PPPs create particularly favourable opportunities for crony capitalism. A privileged few big corporations "win" contracts for rock solid investment opportunities with the government as guarantor of profitability. In return, they talk up the "business-friendly" and "investment-friendly" credentials of the government.

### ***Money doesn't talk, it swears...***

So rampant is this transition to crony capitalism under the Labor Party that Murdoch's *Advertiser* reports "Business leaders say brochures arrive in

the mail every week for events offering high-priced boardroom functions and cocktail briefings with state and federal Labor MPs. Some business leaders also say that they have been asked to host events."

This brings out contradictions between the various sectional interests of the ruling class, or as the *Advertiser* put it, "The functions raise questions about the potential of buying influence or paying for the ear of the state's most powerful people..."

### ***Mining and "defence" are on the front line of corruption***

A prime candidate for investigation by an ICAC is Marathon Resources, the "cowboy outfit" that damaged Arkaroola Wilderness Sanctuary.

Despite applying that label to these despoilers, Rann took part last year in a uranium-touting trip to China organised by Chris Schacht, former Labor Senator and an executive director of Marathon. The largest shareholder in Marathon is Queensland coal mining magnate Ken Talbot who is currently facing charges of bribing former Queensland Labor MP Gordon Nuttall, now languishing in goal for having taken the bribes.

US missile and bunker bomb manufacturer Raytheon is paying \$150,000 per year to Aberfoyle Park High School, in return for which it gets privileged access to the school's special gifted and talented program students. The circumstances surrounding the involvement of military contractors and weapons manufacturers with adolescent students is also worthy of an ICAC investigation.