ERIK PAUL

AUSTRALIA IN THE US EMPIRE

A STUDY IN POLITICAL REALISM

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To Keiko

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CHAPTER 1

Geopolitics

The position of Australia in a rapidly changing and increasingly dangerous world is an important subject for scholarly study. In geopolitical terms, it involves Australia's role in the US-led neoliberal globalised economy and international foreign affairs, and the challenges posed by the rise of Chinese power, the emergence of other players such as Russia, India, and various Latin American states, and the rise of alternative theories as to what constitutes a state's best interests. Domestically, the strains on Australian democratic policies to deal with climate change, growing corporate power and malfeasance, and increasing inequality, among other issues, are also in need of analysis. In all this, the perspective of national self-interest and realism provides a sharp analytical tool and potentially beneficial alternative policies.

Geopolitics is a well-established field of academic study. It consists of a number of analytical frameworks and world views to explain the planetary organization and relations of humans in the modern world. The first has its roots in the imperial ideology of Western domination of the world. Harold Mackinder was an advocate of British imperialism and an influential writer in the field of imperial expansion. During his long career as a teacher and politician he was the director of the London School of Economics from 1903 to 1908. Mackinder was concerned with the implications of unequal economic growth and unchecked territorial and economic expansion. He argued that the 'the great wars of history … are the outcome, direct or indirect of the unequal growth of nations' (Mackinder, 1942/1962: xviii).

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Geopolitical reality was such, he explained, 'as to lend itself to the growth of empires, and in the end of a single World-Empire' (ibid: xix). He was a proponent for 'the deliberate control of economic growth in accord with a universal plan' (ibid: 1–2). Other approaches to geopolitics focus either on the power relations of states in a hierarchical world system or on the dynamics of the global economy such as globalisation within a world-system (Johnston et al., 2000: 310–311).

A major academic school of critical geopolitics is represented by the extensive works of Michel Foucault and Noam Chomsky on power and social justice. In a debate with Chomsky on Dutch television in 1971, Foucault was critical of the use of democracy to describe Western societies and said, 'we are very far from democracy. It is only too clear that we are living under a regime of a dictatorship of class, of a power of class which imposes itself by violence, even when the instruments of this violence are institutional and constitutional' (Chomsky & Foucault, 2006: 39). He argued that the task in society is to 'criticize the workings of institutions, which appear to be both neutral and independent; to criticize and attack them in such a manner that the political violence which has always exercised itself obscurely through them will be unmasked, so that one can fight against them'(ibid: 41). Chomsky also maintained that the task was to clearly understand and communicate the nature of power and oppression. Chomsky's world view required that:

> every form of authority and domination and hierarchy, every authoritarian structure, has to prove that it's justified—it has no prior justification … These questions should be asked—and the person who claims the legitimacy of the authority always bears the burden of justifying it. And if they can't justify it, it's illegitimate and should be dismantled. (Mitchell & Schoeffel, 2002: 201–202)

The construction of the modern world's political economy is articulated by periods of transition when the existing hegemonic power is in a period of perceived or real decline because of the rise of new concentrations of economic, political, and military power. Chomsky has argued that the first global hegemony in history was the control by white peoples of the world (Chomsky, 2010: 4). He quotes military historian Geoffrey Parker who wrote, 'It was thanks to their military superiority, rather than to any social, moral or natural advantage, that the white peoples of the world managed to create and control, however briefly, the first global

hegemony in History'(Chomsky, 1993: 8). The second global hegemony was the rise and dominance of the world system by the United States of America (US), reaching a high point with the dissolution of the Union of Soviet Socialist Republics (USSR) in 1991.

Hegemony

In their contributions on 'Hegemony and Rivalry in the World-System: Trends and Consequences of Geopolitical Realignments, 1500–2025', sociologists Giovanni Arrighi and Beverly Silver argued that hegemonic transitions were periods of world disorder and conflict (Arrighi & Silver, 1999). Their analysis of hegemonic crises highlighted three major interrelated but distinct processes: 'the intensification of interstate and interenterprise competition; the escalation of social conflicts, and the interstitial emergence of new configurations of power' (ibid: 30). Major critical studies on the current hegemonic crisis emphasise the dynamics and evolution of global capitalism and the role of the political economy of the American empire, particularly in its leading role in the financialisation of the global economy, the global redistribution of wealth and income, and the global financial crisis of 2007 (Duménil & Lévy, 2011; Foster & Magdoff, 2009; Panitch & Gindin, 2012).

Hegemonic transitions are crises of legitimacy in the world order. They are periods of world disorder and conflict and 'increasingly dysfunctional social conflict, leading to periods of systemwide rebellions, state breakdowns and revolutions … transforming the world-scale balance of class forces' (Silver & Slater, 1999: 152–153). One process at work is the growth and toxicity of both the intranational and international uneven economic development and the polarisation of wealth (Milanovic, 2005; Therborn, 2017). Another is the role of the militarisation of US foreign policy where the priorities of the military-industrial complex dominate the national state and its use of military power for the purpose of economic domination. The election of Donald Trump as president of the US has been likened to a tendency towards 'neo-Bonapartism', which sociologist Dylan Riley defines as

> a form of rule that substitutes a charismatic leader for a coherent hegemonic project. Like the original nineteenth-century version, this latter-day Bonapartism is linked to a crisis of hegemony ultimately stemming from the erosion of the material base that allows the American capitalist class to pursue its own interests while claiming to represent those of society in general. (Riley, 2017: 21–22)

Political economists Leo Panitch and Sam Gindin argue that global capitalism is a US project that has gradually unfolded since the late nineteenth century (Panitch & Gindin, 2012). Panitch and Gindin maintain that the foundations of US power are solid and that the unmaking of global capitalism 'will only be possible if the states that have made it are themselves transformed—and that applies, above all, to the American state' (ibid: 340). Their work disentangles the concept of imperialism from the concept of capitalism by focusing on the role of the US empire and emphasising the exceptional role of the 'American state in the creation of a fully global capitalism' (ibid: 1). Panitch and Gindin claim that the US hegemonic decline is an illusion. The reality, however, is that imperial power is always undermined by various counter-powers which contest its mandate and strength and by corruption within, as well as undermined by processes which impose high economic costs and severely limit growth in the destruction of the biosphere (McCoy, 2017).

The emancipation of East Asia from Western dominance is the most critical aspect of an ongoing hegemonic transition and crisis. China is the most dynamic centre of economic growth and capital accumulation in the world, and its inexorable growth is a harbinger of the dominance of Asia in the near future. The question, however, is the possibility of transforming the modern world of nation-states into a commonwealth of civilisations, reflecting the dynamics of changes in the balance of power. Can the US, Europe, and the Indian subcontinent peacefully adapt to a reemerging China-centred civilisation? The danger has been succinctly argued by political scientist David Calleo that the 'international system breaks down not only because unbalanced and aggressive new powers seek to dominate their neighbors, but also because declining powers, rather than adjusting and accommodating, try to cement their slipping pre-eminence into an exploitative hegemony' (Calleo, 1987: 142).

The greatest challenge to the globalisation of the world economy and the imbalance of power is the ethnic-racial revolution, eroding the white majority's domination of the world's economy and political power. The US is rapidly moving towards a post-white majority of Indigenous Americans, and people of African, Asian, and Latin descent. It implies a more profound transfer of power initiated with the presidency of Barack Obama. Historian Theodore White in *The Making of the President 1960* elaborated on the conundrum of the American identity arguing that 'America is a great nation created by all the hopeful wanderers of Europe not out of geography, but out of purpose—by all men sought in fair government and

equal opportunity … if America falters in greatness and purpose, then Americans are nothing but the off-scourings and hungry of other lands' (White, 1961: 422). A majority of humans are now awake to a new reality of a world of civilisations dictated by Western military hegemony. Uncontained power of a Euro-US centred universe is increasingly opposed because it continues to be perceived as white global hegemony. A new power configuration of power and remembrance/memories will eventually emerge and likely rewrite history in ways unthinkable today.

In the past, the rise and fall of hegemonic power has been accompanied by extensive warfare. Among the most destructive wars are global wars. US military dominance is the outcome of three world wars, including the Cold War. These wars, according to William R. Thompson, were 'fought to decide who will provide systemic leadership, whose rules will govern, whose policies will shape systemic allocations processes, and whose sense or vision of order will prevail' (Thompson, 1988: 7). Global wars are also 'significant "cogs" in the political economy "machinery" that structure global politics and economics' (Rasler & Thompson, 2000: 301). Past global wars led to the end of the British Empire, the dissolution of the Soviet Union, and the rise and hegemony of the US empire. There is an ongoing global war generated by a complex set of circumstances closely linked to the global political economy structuring US hegemony. It is fought by many actors in many localities. US policy for planetary domination is responsible for waging many wars to consolidate and expand gains in Europe, the Middle East, and East Asia, and to counter emerging great powers in Russia, China, and Iran, as well as other forces opposing it (Bacevich, 2011; Booth & Dunne, 2002). Transcending the geopolitics of the global economy is a worldwide emancipatory struggle waged by people in all countries against existing social and political institutions and structures which impose harms on people and in their demands for social and political justice (Wright, 2010).

In recent times, the growth and diffusion of humans worldwide went with the expansion of economic and political-military power cores and their competition and struggle, mainly by warfare. The construction of the modern world system becomes more clearly defined with the history of ambitious and deadly struggle by major powers to construct and expand their economic and political power to control parts of the earth. The initial phase in the diffusion of European people and power is the conquest and colonisation of the world, first by the Spanish and Portuguese and later by Russian, Dutch, English, French, and other Europeans. The period of

empire building and world colonisation was driven by various utopian projects about bringing Christian salvation to barbarians and later about their rights to civilise and enlighten non-whites. Driving conquest was population pressure and the acquisition of wealth allied with a warrior-class passion for power and destruction. European competition for wealth and power led to World War I, causing more than 38 million casualties. At the time, the world's population had reached 1.7 billion. World War I was a hegemonic war to determine whether England or Germany, and the interests they represented, would dominate the world system. While Germany lost the war, England's hegemony was already in decline.

A second phase was the rise of the US as a leading global economic and military power. At the time, there was a renewed challenge by Germany for European hegemony. A new and rising power was Japan, challenging the American-European control and exploitation of the Asia-Pacific; by 1939 the world's population was about 2.3 billion. The outcome was World War II and more than 60 million killed. By the end of the war, the world economic and political power system was split between the US and the USSR, opposing two utopian projects promising humanity's well-being and world harmony. The Cold War was a hegemonic war to determine which country would govern the international system. It led to an armament race, the threat of nuclear annihilation, and many wars, including the Korean and Vietnam wars. The Cold War ended on 26 December 1991, when the USSR was peacefully dissolved. The economic and human cost of the Cold War was a major catastrophe for humanity. More than 5 million people died as a direct result of the Cold War, including more than 3 million deaths during the wars in Indo-China.

At the time of the fall of the Berlin Wall in 1989 the world population had reached 5.4 billion, and the US was the world's most powerful economic and military power. US neoconservative power was in a triumphal mood, promising the 'the end of history' with another utopian project to bring peace and prosperity to the world. This was globalisation, a new cycle of economic expansion and wealth accumulation, based on the diffusion and adoption of neoliberal capitalism and the construction of a 'free' global economy supervised by US-controlled international organizations, and backed by US dominant military power. Since 1989, the US-led imperial project has engineered a number of crises, including the disintegration of Yugoslavia, the 1997 Asian financial crisis and the 2008 Global Financial Crisis (GFC), the 1991 Gulf War, and the post-9/11 invasion and occupation of Afghanistan and Iraq. The African continent

has also been ravaged by many wars, largely caused by the new international order imposed by the West, including the deadliest war in the first decade of the twenty-first century in the Democratic Republic of the Congo. The death toll since the end of the Cold War exceeds 10 million. The US declaration of the 'war on terror' in the aftermath of 9/11 was the affirmation of the latest phase in an ambitious and ill-designed world project of a permanent war for a permanent peace.

New Imperialism

US imperialism has its roots in the conquest of North America by Europeans. By the end of the nineteenth century, capitalism's grand strategy was directed offshore and required political and military power. In the 1880s, the surplus capital theory of imperialism articulated by Wall Street's Charles Conant argued that imperial expansion was necessary for America's surplus capital (Gowan, 2004: 157). By then US policymakers believed that prosperity was the key to domestic political stability and perceived that 'America's prosperity depends on access to overseas markets, investment opportunities and raw materials' (Layne, 2007: 32). Dangers and obstacles to US capitalism and prosperity were also being formulated and informed by the ideology of imperialist expansion (Foster, 2006). James Burnham, American political philosopher, political theorist, and former radical activist and follower of Leon Trotsky, wrote a post-war, anti-communist blockbuster *The Struggle for the World* (1947). It was originally 'drafted as a secret study for the Office of Strategic Services (the precursor to the CIA) in 1944 … and was intended for use by the U.S. delegation to the Yalta Conference' (ibid: 3). Burnham maintained that an axiom of geopolitics is that 'if any one power succeeded in organizing the [Eurasian] Heartland and its outer barriers, that power would be certain to control the world' (ibid). The implication is that if the US were to gain control of Russia and China, it would control the world.

With the end of the Soviet Union the new geopolitics of triumphalism tied the future of global capitalism on the US' complex set of relations of domination and subordination of the world's states. The future of capitalism was predicated on the imposition of market imperatives and compulsions on the world's entire population. Economic growth and the accumulation of wealth became equated with the accumulation and diffusion of political power over the world by controlling the politics of the states. Hence, the viability of the US republic and capitalism

could only be assured by the US military domination the world. Political economist John Foster makes the point that what is at stake today is not

> the control of a particular part of the planet—no matter how large—putting at a disadvantage but still tolerating the independent actions of some rivals, but the control of its totality by one hegemonic economic and military superpower … This is what the ultimate rationality of globally developed capital requires, in its vain attempt to bring under control its irreconcilable antagonisms. (Foster, 2006: 8)

Borrowing on the works of Karl Marx, Vladimir Lenin, and Rosa Luxemburg, philosopher Hannah Arendt argued that the central idea of imperialism is to be found in the concept of 'expansion as a permanent and supreme aim of politics … and the ultimate political goal of foreign policy' (Arendt, 1967: 125, 126). Capitalism as expansionism is the never-ending accumulation of capital and the accumulation of power required to protect and expand the accumulation of wealth. US imperialism combines the ideology of laissez-faire capitalism and a nationalistic doctrine of the US as an exceptional country with a manifest destiny to bring democracy and liberty to the world. The danger is for the US state to become totalitarian and for militarism to destroy the constitutional republic because it is driven by the fear that it will lose the power it has unless it achieves global rule. As a result, it must rely primarily on establishing satellite countries to impose market imperatives of global capitalism, articulated by global capital and corporations and capital, on the total population.

The danger, however, is that US democracy gradually metamorphoses into a tyranny. American historians William Williams and Charles Beard have argued that the US is an expansionist state driven by fear that the republic is at risk without open-door access to the world's economies (Bacevich, 2002: 12–31; Williams, 2009). Economic expansion is necessary to maintain the unity of the country, and the US must resort to external war to avoid internal war. Andrew Bacevich maintains that 'America today is Rome' (Bacevich, 2002: 244). US academic and former national security adviser Chalmers Johnson argues that successful imperialism

> requires that a domestic republic or a domestic democracy change into a domestic tyranny. That is what happened to the Roman Republic; that is I fear is happening in the United States as the imperial presidency gathers strength at the expense of the constitutional balance of governmental powers and as militarism takes even deeper roots in the society. (Johnson, 2006–2007: 153)

The only pathway for the US to avoid some form of military dictatorship is to liquidate its empire, vacate its overseas bases, and cease its global covert operations.

Hegemonic Crisis

Twenty-five years after the disintegration of USSR, there were tens of millions of refugees, uprooted by war and the deterioration of living conditions. Millions of refugees have been seeking asylum in the European Union (EU), and many millions were facing starvation in Africa. There were other signs that the US-led capitalist empire was failing. World growth is slowing down and many economies, including the US, EU, and Japan, are stagnating. Financial markets continue to be exposed to reckless and fraudulent behaviour, highlighting a serious financial risk of another global financial crisis. Many studies show that the US-led capitalist empire has largely served the interests of corporations and the rich (Duménil & Lévy, 2011; Piketty, 2014). An overall assessment indicates increasing global risks, rising from the interplay between geopolitics and economics, between the geopolitics of the G7 and the resistance and challenges from the world they control (Mason, 2015). The architecture of global governance will be further tested as the implications of climatic change become more visible and a bigger challenge to the neoliberal imperative of economic growth and the promises of endless collective progress.

The US imperium has reached another dangerous stage in its development, pointing to the possibility of more destructive wars. In his compendium of the geopolitics of empire, political economist John Bellamy Foster concludes that US imperial geopolitics 'is about forming a world dedicated to capital accumulation on behalf of the US ruling class—and to a lesser extent the interlinked ruling classes of the triad powers as a whole (North America, Europe, and Japan)' (Foster, 2006). As the second decade of the twenty-first century ends, the election of Donald Trump as president of the US was symptomatic of the US hegemonic crisis, a turning point when important changes are taking place, which will bear on the fate of US hegemony and the plan for the US to rule the world (Armstrong, 2002). In his Farewell Address to the Nation in 1961, US President Dwight Eisenhower warned the nation of the military-industrial complex threat to democracy, a growing union between the military and business. He said:

> We must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together. (Eisenhower, 1961)

The military-industrial complex has expanded into a formidable megamachine, threatening the balance of power between civilians and military authority. The national security establishment is increasingly contesting elected authorities, threatening the survival of the republic. Militarism is a phenomenon where the military establishment is less concerned with the integrity of the democratic process than with the preservation and expansion of its own institutions and power. Military power in the US is increasingly involved in the conduct of domestic and foreign affairs and has taken many tasks which should be conducted by civilians. The worst scenario is one where military authority believes that only their institution can save the republic and that they represent the 'true' and 'legitimate' national interests. One outcome, argues US academic Milton Esman, is a decline in the living standards of Americans and the rise of the US garrison state where the national security state, military contractors, and an empire of overseas bases threaten to bankrupt the country (Esman, 2013). The danger is that growing inequality in the US and social unrest further militarises society and increases police power to spy on and impose force to discipline and punish the population.

Donald Trump's election is widely viewed as the outcome of growing economic and geographic inequality in the US. In his *The Silence of Animals*, philosopher John Gray provides an incisive vignette of the problem:

> When the financial crisis erupted in 2007, the incomes of most Americans had been stagnating for over thirty years. Concealed by the credit boom, the majority were becoming poorer. A new American political economy was emerging: one in which a larger proportion of the population is incarcerated than in any other country, many are permanently unemployed, much of the workforce is casualized and large numbers subsist in a shadow-economy of drug dealing and sex work—a post-modern plantation economy where servitude can be found on every street corner. (Gray, 2013: 68)

Since the 1970s, a majority of residents have been shut off from economic growth. Income has stagnated for the bottom half of US residents at about US$16,000 a year while income has skyrocketed for the top 10 per cent (Piketty, Saez, & Zucman, 2014). Inequality in the distribution of household wealth has become ever more pronounced than income inequality with the top 1 per cent now holding nearly half of the national wealth (ibid).

Power

Resistance and challenge to globalisation comes from growing global inequality and the deterioration of social conditions in many countries, particularly among poorer countries and the failed states of the world. Opposition to the US model of capitalism and market democracy is on the rise. Power and policies of multinational corporations, free trade, and the doctrine of neoliberal capitalism are all coming under rigorous criticism and political opposition in many parts of the world. The domination and exploitation of Anglo-American capitalism is being contested by the rise of nationalist political parties. In the advanced capitalist societies, resentment is on the increase, clearly evidenced in the success of the UK's Brexit movement to secede from the EU. In the US, President Trump was elected in 2016 on his promise of 'America and Americans first'.

A process of deglobalisation is at work which coincides with a broader crisis of capitalism. Pope Francis told reporters that 'capitalism is terrorism against all humanity' (Knight, 2016). Sociologist Wolfgang Streeck argues that

> capitalism as a social order held together by a promise of boundless collective progress is in critical condition. Growth is giving way to stagnation; what economic progress remains is less and less shared; and confidence in the capitalist money economy is leveraged on a rising mountain of promises that are ever less likely to be kept. (Streeck, 2016: 72)

Capitalism's promises are incompatible with democracy because capitalism requires inequality in income and wealth and the privatisation of political power. Capitalist democracy is shifting towards a post-democratic authoritarian order (Crouch, 2008). Capitalism's promises are likely to flounder with the destruction of the biosphere (Klein, 2014). In 2013 James Clapper, former general and director of US national intelligence,

warned Americans that 'Extreme weather events will increasingly disrupt food and energy markets, exacerbating state weakness, forcing human migrations, and triggering riots, civil disobedience, and vandalism' (Scranton, 2013). Clapper's was another signal of the probable militarisation of climate change by the US military-industrial complex (Klein, 2014; US, 2003).

Finally, the US faces a major domestic crisis because of the contestation by rising great powers. The rise of China as a global economic and political power constitutes a direct challenge to US ambition of world dominion. US doctrine on national security is to prevent any country from surpassing, or even equalling, the power of the US (Bush, 2002). China is also an expansionist state, and its economic and political power will necessarily reach out to sustain its domestic economic powerhouse. Great powers share the need to accumulate wealth and political power expanding into foreign markets and countries. China's own accumulation of wealth and power is already clearly evident in its capitalist economic and political relations in Southeast Asia. China's confrontation with the US in the South China Sea is a precursor to China's challenge to US hegemony to share power with the US. *The Economist* reported that a retired admiral likened the American navy 'to a man with a criminal record who is wandering just outside the gate of a family home' (EC, 2009). US political realist John Mearsheimer argues that a war between the US and China is likely and warned Australians in 2010 to prepare themselves for the likelihood of fighting against China (Mearsheimer, 2010).

In the *Rise and Fall of the Great Powers*, historian Paul Kennedy maintains that power is always relative and that the US is unlikely to maintain its dominant position in the world system. It will eventually succumb to 'imperial overstretch' because it no longer has the resources to advance and defend its global obligations and interests (Kennedy, 1989). US public interests are being sacrificed for the interests of the military-industrial complex and role as the world's policeman. Mass poverty and incarceration and other social ills are translated in the world's biggest military budget for the manufacture of weapons of mass destruction, the maintenance of hundreds of military bases, and never-ending warfare. The rise of other great powers confronts US dominance and contests US' legitimacy to lead the world. The US military-industrial complex is viewed by many as a protection racket, a mechanism to maintain the high profitability of the US armament and security industry and the extortion of profits from the sale of protection to the rest of the world (Arrighi, 2005).

Retaliation against the US imperium is foremost in the minds of the US elites. The US 'homeland' is increasingly vulnerable to attack from within. Historian Chalmers Johnson has documented the threats of blowbacks to US security. He refers specifically to 'retaliation for illegal operations carried out abroad that were kept totally secret from the American public' (Johnson, 2010: 30). He documents the case with 9/11 as retaliation for CIA operations in the late 1970s in Afghanistan. US imperialism, he maintains, is not sustainable and the republic will drift towards financial bankruptcy and the possibility of a US military takeover of the government. US academic Christopher Layne also argues about US vulnerability and the likely danger that the US will 'succumb to the hegemon's temptation—employing its formidable military capabilities promiscuously and becoming entangled in conflicts that it could avoid' (Layne, 2007: 7). US hegemony will not last, he argues, and the US can only avoid future tragedies if it removes the present foreign policy elite from power and moves away from the 'American hegemonic grand strategy' (ibid: 201).

US imperialism is likely to fail because its neoconservative doctrine is founded on a totalitarian freedom of market forces. The US has become an armed missionary state sublimating Christianity for neoliberal capitalism, saving the world from evil. The American imperial project should be viewed as a utopian totalitarian movement which promises immortality in the pursuit of heroic projects. It is covertly religious as it promises that faith in market forces transcends death by destroying evil in the world. It turns a passion for destruction into a creative project of enforced democracy and liberation from tyranny that redeems its followers. European philosopher John Gray argues that the US imperial project is dangerous because it Americanises the apocalypse as a desirable outcome for humanity (Gray, 2008). The US 'war on terror' and the election of Donald Trump in 2016 are both symptomatic of a foreign policy based on the myth of apocalyptic religion framed in the liberation theology of democracy and freedom. Not unlike past totalitarian utopian projects, the US project failed with the invasion and occupation of Iraq in 2003 and the destruction of the city of Fallujah.

Australia

Both the US and Australia are continental-size states driven by the endless accumulation of wealth, which requires the endless accumulation of political and military power. The US grand strategy aims for global economic

and military hegemony. Australia is an important satellite state in the US imperial project for planetary hegemony and the struggle among great powers. The Australian continent is increasingly a contestable geographical asset for the US grand strategy as well as for China's economic and political expansionism. The election of Donald Trump to the presidency of the US in 2016 is symptomatic of a deep domestic and external crisis faced by the US. It is also symptomatic of the US hegemonic crisis that will affect the situation of Australia as a US satellite state. Australia's deep dependency on the US is incompatible with democracy and the security of the country. The US is a dangerous ally for Australia, and the US crisis is an opportunity for Australia to regain sovereignty and sever its military and economic alliance with the US. A critical question is whether Australia can accomodate the rise of China as a superpower without going to war against it.

Since the end of World War II, US imperial expansion has relied on the acquisition and control of subordinate client states. Australian academic Gavan McCormack points out that 'the formal sovereignty of the client state is not in question' and that submission is not forced but chosen (McCormack, 2013: 2).The client state is happy to have its 'patron occupy parts of its territory … It pays meticulous attention to adopting and pursuing policies that will satisfy its patron, and readily pays whatever price necessary to be sure that the patron not abandon it' (ibid). The Australian ruling elite acknowledges US domination and in exchange for military and other tribute, gains favourable treatment in economic and political relations and military protection from potential enemies. Australia along with other members of the Anglosphere—the UK, New Zealand, and Canada—have more intimate military and intelligence relations with the US and are more trusted than other client states.

Australia's former Prime Minister John Howard was referred to as US 'sheriff' by former President George W. Bush, whereas the prime minister of Japan at the time was known within the White House circle as 'Sergeant-Major Koizumi' (ibid). Australian vassalage to US authority readily came to the fore during former President Obama's 2013 visit to Australia to announce that the US would station US Marines in Darwin. Earlier, former Australian Prime Minister Julia Gillard told the US congress that 'Down under, you have an ally in Australia, an ally for war and peace, and ally for hardship and prosperity, an ally for the 60 years past … an ally for

all the years to come' (Mann, 2011). The reality is that the US empire does not have equal relations with client states, and that friendly relations last as long as they serve US interests. This was amply verified when US interests intervened to overthrow the Whitlam government in 1974 and the Rudd government in 2010.

The late University of Sydney Professor Ted Wheelwright was foremost in warning about the threat of US capitalism to Australian sovereignty. In his teaching and writing, he warned about the danger of global capitalism to Australian sovereignty and of its likely impact on equality and the environment (Stilwell, 2007). Wheelwright wrote extensively on the rising power of foreign capital and corporations and that as a consequence,

> the power of the nation state to control its own economic destiny has been gravely weakened … In short, the contradictions of capitalism are now being expressed in the international economy, and there is no world government to soften them internationally, as was the case when capitalism was more subject to national control. (Wheelwright, 1981)

The adoption of neoliberal capitalism by the Hawke government in 1983 was firmly opposed by progressive forces, including the *Reworking Australia Movement* against economic rationalism. Its aims were to reclaim control of the economy and 'challenge the economic rationalist dogma which dominates the politics of the Federal Government, the Opposition parties and the top levels of the Bureaucracies' (Pusey, 1991).

Like his contemporary Ralph Miliband, Wheelwright was concerned about the growth in the wealth and power of corporations and their concentration of power in the economy by their dominance and control of whole industries, including media and advertising, and ultimately their control of political power (Miliband, 1982). At the time, historian Humphrey McQueen raised the important issue that transnational capital came under the scope of imperial states and that transnational corporations worked together with imperial states 'to crack only those aspects of state power in a client country that impede their interests while repressive and military elements are strengthened through integration with those of the imperial state' (McQueen, 1982: 19). These important developments were highlighted in Gary Sauer-Thompson and Joseph Wayne Smith's study, which argued that the consequences of globalisation for Australia

were for 'an increasingly authoritarian business democracy in which we have basically one political party with two right wings' (Sauer-Thompson & Smith, 1996: 247).

McQueen pointed out that the importance of the expansion of US capital in Australia went along with the integration of the country into the US military machine. This raises the issue whether Australia is a satellite rather than a client state of the US imperium. Satellite may be a term better suited for the reality of the US political, economic, and military influence on Australia. The level of control, it could be argued, is such that it goes beyond being a mere client of the US empire because it implies a deep ideological and military allegiance to US hegemonic power. Australian independence is further restricted by its status as a constitutional monarchy with governor-generals representing the Queen of England's supervisory power over the federal and state affairs of the country. These were all prescient warnings for what was to come when the country's elite adopted the doctrine of economic rationalism to deregulate the economy and begin a vast programme of the privatisation of Australian public assets and power.

Such matters raise important questions, the subject of this book, about the impact of recent decades of neoconservatism and neoliberalism on Australian sovereignty, independence, and democracy. The extensive privatisation of public wealth and power has significant implications in the sharp decline of economic and political equality for Australians. The mantra of economic growth as globalisation dominates the political and electoral agenda, largely funded by major inflows of migrants to boost population growth to implode on Australian labour markets and major cities. Militarism is on the rise, sustained by war operations in many parts of the world and constant government propaganda. The integration of the Australian security state in the US imperial war machine and 'war on terror' has created social tensions and enhanced the politics of fear, giving rise to a garrison state and the securitisation of the population.

Of great concern to Australian well-being is the rise of China as a global economic and political power, and its influence on the Australian political economy. The growing conflict between China and the US and existing geopolitical tensions in the Asia-Pacific are clear signal of wars to come. Australia is a major satellite in the US pivot to Asia strategic policy to maintain US supremacy in the region and to regime change in China. It may explain why John Mearsheimer came to Sydney in 2010 to warn Australians that 'no far-sighted American or Australian leader will allow China to

dominate Asia without a fight', and to prepare for war (Mearsheimer, 2010). Australians should demand a public debate and referendum about the future of the country and of the merits of regaining their sovereignty by severing the military and economic alliance with the US.

This study is primarily situated in the scholarship within the broader field of critical political economy as an emancipatory social science to generate knowledge relevant to challenge various forms of human oppression. The book is the accumulation of past research and constructs an expanded and more comprehensive analytical framework on the forces and processes at work, shaping the relationship between the US and Australia. It also builds on a great depth and variety of recent scholarship other than my own.

Realism provides a paradigm to relate the interactions between capitalism, imperialism, and militarism as they undermine democracy and shift governmentality towards new forms of authoritarianism and assertion of nationalism. It highlights that the study of the dynamics of power in the growth and competition among great powers is vital to understand the processes at work, which presently challenge the viability of Australian democracy and the well-being of Australians. It also focuses from various perspectives on rapidly developing and deteriorating Australia–China relations.

In particular, the overall 'realist' framework provides a powerful analytical and critical tool to identify and deconstruct threats to the world order. These are becoming magnified, and their impending danger needs to be heeded by governments, including the Australian government. The book provides an original analytical and argumentative framework and a synthesis of previous works. It is positioned at the cutting edge in political theory and political economy. What is also new is that the study is informed by a critique based on the concept of realism as a new analytical tool. Significantly, realism's linkages highlight deep contradictions between public and elite interests in the control of foreign policy. These and issues of inequality and the destruction of the biosphere are increasingly dominant themes in Australian politics.

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CHAPTER 2

Globalisation

Growth

With the end of a white-only Australia policy and the Cold War, Australia embraced the political agenda of Anglo-American laissez-faire capitalism, which had become a dominant political ideology and economic policy under Margaret Thatcher in the United Kingdom (UK) and Ronald Reagan in the United States (US). Both countries were plagued by slow growth and rising unemployment and were faced with stagflation—low economic growth combined with high rates of inflation. Australia faced similar problems and began to adopt neoliberal measures under Prime Minister Malcom Fraser. It became a dominant doctrine with the coming to power of the Hawke Labour government in 1983. With the end of the Gold standard declared by President Nixon in 1971 and the recognition of the People's Republic of China in 1972, and the disintegration of the Union of Soviet Socialist Republics in 1991, the pathway for the conversion of Australia's political economy to a US-led neoliberal global capitalism was assured.

Its ideological foundation was the rebirth of a nineteenth-century capitalist fundamentalist theory about the primacy of markets, the deregulation of the economy, freedom of capital movement, the privatisation of public power and assets, and safeguarding private property rights. In its updated version it became better known as 'neoliberalism', 'globalisation', and the 'Washington consensus'. A leading economist, Manfred Steger, wrote that this repackaging of classical liberalism as 'globalisation'

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presented 'Western countries—particularly the United States and the United Kingdom—as the privileged vanguard of an evolutionary process that applies to all nations' (Steger, 2002: 12–13). Economic rationalism, as it is called in Australia, is religious scientism with its practitioners claiming globalisation as the path to freedom and prosperity for all and messianic claims for a future world at peace. Globalisation for Australia, however, is part of a bigger package which further enmeshes it in the geopolitics of US hegemony.

More than 30 years have passed since the Hawke government signed the accord to neutralise the union movement and let loose the transfer of public power and assets to the private sector, both domestic and foreign, and open up the economy to the free movement of capital. For Australians, globalisation has meant the integration of the Australian economy and society into dense commercial and financial networks in a globalised trading system of capital accumulation. This system was largely put in place by the US and the UK, which were responsible for the arrangements to organise and control the free movement of capital. Economic growth has been remarkable for a number of years, and Australia has become one of the most affluent countries on earth. The adoption of the Anglo-American model has made steady progress in transforming society from being citizens to status-seeking consumers.

With the election of a Labour government in 1983, wealth accumulation in Australia entered a new cycle in concentrating wealth and power. While the country has registered substantial growth in its GDP, it has served mainly to concentrate wealth and power in ruling elites and undermine democracy. David Harvey's analysis of neoliberalism demonstrates how neoliberal economic governance operates as a mechanism for the accumulation of wealth and power by dispossession (Harvey, 2007). Under a political regime which legislates laissez-faire market capitalism, the free flow of capital, and the sale of public wealth, it lets loose the greed of private power and wealth, mainly that of corporations and wealthy individuals. Harvey and others have argued that neoliberalism is a global project to achieve the consolidation of neoconservative authoritarian power (Harvey 2007; Duménil & Lévy, 2013; Piketty, 2014). In Australia, it is also anti-democratic because it operates to reinforce the power of the ruling class and increases political, economic, and social inequality. It imposes market discipline on citizens while providing a nanny state for corporations and the rich. Noam Chomsky's critical research on power and wealth clearly outlines the case that the concentration of power and privilege is a

major threat to democracy and that the growth of corporate power is a new form of totalitarianism (Chomsky, 2016).

Australian icon Herbert Cole "Nugget" Coombs warned in 1992 that 'the intellectual basis of Australia society is being corrupted … the driving force behind this … is a view of the economy as a machine independent of social purpose' (Pusey, 2003: 13). Anglo-American capitalism has constructed a society embedded in market relations. Human interactions have become more transactional, competitive and contract-based, and valued for their monetary market worth. The economy is burdened with foreign debt and the country has lost control over the use of its natural resources and the purpose of its economy to foreign capital and power. Growth comes at a considerable cost to Australian society's well-being and the quality of the biosphere. It has also imposed the burden of a US imperial project to construct and impose a single economic civilisation on all human kind, which is failing and causing considerable dereliction and human suffering, while its military policy of world's dominance is itself endangering human survival.

Privatisation

An ongoing privatisation programme by a series of Australian governments represents the cutting edge of accumulation by dispossession. These are operations conducted by the federal and state government to transfer public wealth and power to the private sector. They involve productive public assets, including companies, capital assets, land, and natural resources. Privatisation of public assets further concentrates power and wealth in private hands, unaccountable to public scrutiny. Globalisation is the privatisation and deregulation of the economy to privatise profit from economic growth in favour of corporations and wealthy individuals while socialising the cost of their operations, including environmental degradation, poverty, crime, and rising health costs resulting from an economy devoted to the maximisation of profit and increased inequality.

Privatising public wealth began in earnest with the election of a Labour government in 1983. By 2003, more than A$33 billion of public assets had been transferred to the corporate sector, including the country's 22 biggest airports, all public banks such as the Commonwealth Bank of Australia, big chunks of Australia's maritime and land transport infrastructure, and other valuable assets such as the Commonwealth Serum Laboratories and the Australian Defence Industry. Privatisation accelerated

following the end of the Cold War, when political support for socialism further collapsed. Large transfers of Crown land to the private sector took place, particularly in Western Australia, and electricity assets in New South Wales (NSW) and other states. In Queensland the government sold Queensland Rail (QR) for A$6 billion. More recently the federal government sold Medicare to the private sector, and the NSW government disposed of its 'jewel in the crown' in 2016 with the sale of the state's highly profitable 150-year old land titles registry to Hastings Funds Management and First State Super for $2.6 billion (Han, 2017). The joint venture is fully owned through RBS Pension Trustee Limited in London.

A major instrument of privatisation by stealth is the Public-Private Partnership (PPP) programme. PPP is essentially a cover for the perpetuation of corporate interests and power. It is privatisation by another name and covers a wide range of strategies and assets, including airports, roads, and tollways and tunnels. The scheme involves the government paying private companies to provide, operate, and maintain government facilities such as hospitals, roads, and schools. The programme calls for the transfer of government-owned assets on 'long term contracts up to fifty- four years, revenue guarantees and compensation for future policy changes by governments' (Hodge, 2003: 5). Fundamental to any PPP project is to borrow from the financial sector almost the entire value of any project.

A major player in privatisation is Macquarie Bank, known as the millionaire's factory (Haigh, 2007). The bank became a major mover in the privatisation of big infrastructure projects and one of the world's largest asset managers, earning huge fees. It has been described as an 'unelected elite making big money from handling what the public used to own: it's a target-rich environment, if ever there was' (ibid). Many of their projects were designed specifically for the compulsory superannuation funds. These schemes have been particularly successful and very lucrative for their directors and shareholders. In essence, the Macquarie model 'bundles assets into funds, on-sells them to investors and collects fees along the way. The assets are nearly always monopoly businesses and the trusts are then loaded up with debt' (Askew & Murray, 2006). Invariably, Macquarie Bank has retained substantial financial interests in the funds sold to investors by means of subsidiaries in tax havens in Bermuda and elsewhere (Rochfort, 2011).

PPP contracts are confidential, but enough information has leaked over the years to show why such schemes are not in the public interest. A tollway PPP is usually based on a 30-year-plus contract to run facilities, and it

includes taxpayer guarantees on revenues and bars competition within designated exclusion zones, which prohibit the building of any road that could be construed as competing against it. The expansion of certain designated roads along managed corridors is also barred. In the case of Sydney's Cross City Tunnel tollway, the private operator forced the state government to close local roads 'to make it difficult for motorists to avoid the two-kilometre tunnel' (Scott, 2006). A defining clause is the obligation to compensate for a shortfall in revenues, leaving the taxpayer open to major payouts in the coming years.

Nationally, privatisation has led to the dominance of road transport and urban sprawl, and to the decline of the country's public transport system. The rail system in Australia is antiquated and dysfunctional. Sydney's rail system fails to meet the needs of a fast-growing population. Despite many government studies and inquiries in the last 20 years supporting a more extensive and integrated rail system incorporating fast trains between major cities, there is not a single fast train in the country. Privatisation and government subsidies to the private schools, mainly Christian, meant that more parents have been enrolling their children in private schools because of a widespread belief that public schools' standards are declining. Universities have been transformed into corporations with the introduction of fees and the insertion of private businesses on campuses, which are all, with the exception of a few private universities, on state government land as specific endowment for the public good.

Privatisation is an ongoing process in rural areas. Presently, large land holdings are concentrated in the hands of a few. Sixteen families hold 246,000 sq. km or 3 per cent of the Australian land mass. Twelve corporations control almost 500,000 sq. km, while 'foreign interests control some 44 million hectares, or 11.3 per cent of Australian agricultural land' (RIRDC, 2011; Spindler, 1997). Aboriginal communities have been able to reclaim substantial acreage, particularly in the Northern Territory, following the Aboriginal Land Rights Act 1976 (NT). All minerals and energy resources in Australia are controlled by the private sector and by listed public companies, and in many cases are privately owned by wealthy individuals and families. Together, these non-Aboriginal domestic and foreign asset holders are responsible for most of the value of Australia's export of goods, mainly iron ore, coal, liquefied gas, bauxite and alumina, and grains and other foods.

Crown land not zoned for national parks or special purposes, such as military activity, has usually been on long-term leasehold to the private sector for agricultural purposes and subject to transfer to the private sector at the expiration of the lease. Water from the national river system has also been privatised. This project began in 1996 when states started the process of allocating water rights to users usually associated with farming activities. The entitlement holders were issued free water rights. In the process, there was a gross overallocation of irrigation permits. At the time, 'rural water was worth as little as A$2 a megalitre. At its peak, the average tender price for water rights ranged from A$1300 to A$2400 a megalitre' (Snow & Jopson, 2010a). Presently, Australia's rural water market is said to be worth more than A$30 billion, operated by some 200 brokers in Australia, and trading was worth more than A$3 billion in 2016 (Cranston, 2016). Foreign investors are keen buyers because water rights can be separated from the rural land title. This market is said to be 'the largest and most advanced water market in the world' (Snow & Jopson, 2010b).

Foreign Capital

Economic growth is critical to Australia's viability as a political entity and, after population growth, relies primarily on the role of foreign investment. In 2015, foreign ownership in agriculture was relatively small but growing. In contrast, foreign ownership of financial corporations was in excess of 50 per cent and more than 40 per cent for non-financial corporations, including control of the mining, energy, automobile, and other industries (Treasury, 2016). The leading investor-country was the US (28 per cent) followed by the UK (17 per cent). While China's position was minor at more than 4 per cent, it was steadily growing despite attempts by the government to deny some major Chinese investment proposals on the grounds of national security (Australian Bureau of Statistics (ABS), 2015). The US is the largest investor in Australia. It owns and operates many large companies in Australia and exercises considerable economic leverage because of its sizeable shareholdings in major Australian companies by major US financial institutions such as JP Morgan Nominees and Combined Citicorp (Coghlan & MacKenzie, 2011; Hunter, 2013). These hold major shareholdings of Australia's big four banks—Commonwealth, National Australia, Westpac, and ANZ—as well as major companies such as BHP Billiton, CSL, Origin Energy, Rio Tinto, Westfield, and Woodside Petroleum.

JP Morgan, Citicorp Nominees, and HSBC Nominees hold major shareholdings in the Australian Stock Exchange as well.

Concentration of power and wealth is also a characteristic of Australia's 385 million hectares of agricultural land, which is becoming an attractive and valuable asset, particularly in view of the Australian government's ambition to turn the country into a food bowl for Asia. The Australian Taxation Office (ATO) 2016 records show that 13.6 per cent of the country's farmland was owned by foreign firms or individuals. Close to 53 per cent, or 27.5 million hectares, was owned by UK-based investors, followed by the US with about 7 million hectares, the Netherlands' 3 million hectares and Singapore with close to 2 million hectares (ATO, 2016). Other major holders were from the Philippines, Switzerland, and tax havens Jersey, Indonesia, and Japan. China was among the top ten owners of farmland with around 1.4 million in mid-2016, but its acreage was increasing rapidly. In late 2016, it became Australia's largest source of foreign investment in agriculture when it acquired Australia's largest cattle property, the S. Kidman & Co., in partnership with Gina Rinehart, Australia's richest person (Koziol, 2016). Its cattle holdings cover 11 million hectares and represent some 2.6 per cent of the country's agricultural land. Most of the land held by foreign entities is on leasehold; this is particularly the case for the Northern Territory (Curtain, 2015).

Many US investments have played an important role in the growth of the economy, such as the Utah Development Co. in the mining of coking coal. By 1981, Utah, a subsidiary of US-based General Electric and incorporated in Nevada and the giant in Australia's coal industry, was accused by Gough Whitlam of sending most of its profit offshore. He said that Utah 'symbolized the extent of the exploitation of Australian mineral wealth and the inadequate controls imposed by successive government. With generous subsidies, direct payment, tax exemptions and transfer payment arrangements, Utah made the highest profit of any company in Australia—most of it went offshore' (Hocking, 2013). According to the Australia-based American Chamber of Commerce, US investments in Australia 'runs across all sectors, the largest being oil and gas, defence, followed by agriculture, IT and manufacturing' (McHugh, 2016). Some of the leading investments included ExxonMobil, which developed the Bass Strait oil field, and Conoco Philips and Chevron—major contributors to the emergence of Australia as the world's largest exporter of liquefied gas. Major companies in agriculture were Archer Daniel Midland in grain operations and Cargill in beef production.

There is a concentration of US capital in Australia's production and exports of resources and energy, including oil, gas, coal, and uranium resources. The coal industry is dominated by Anglo-American metallurgical Coal Ltd, BHP Billiton, Rio Tinto, Peabody Pacific, and the Anglo-Swiss conglomerate Xstrata. Australia has the world's largest reserve of uranium and exported more than 7000 tonnes in 2012 by companies controlled by Rio Tinto, BHP Billiton, Heathgate Resources, and the Honeymoon ISR mine, a Canada-based company. Heathgate was owned by Neal Blue, a US citizen and Chairman of General Atomics, a company better known for the manufacture of killer drones used in Afghanistan and Pakistan. US investments were also major players in Australia's fast-growing gas extraction and export economy. Chevron was the largest holder of natural gas in Australia, and other significant players were ExxonMobil, ConocoPhillips, Apache, and Arrow Energy. Moreover, the US had significant shareholdings in BHP Billiton, Origin Energy, Shell, and Woodside Petroleum.

Free Trade

Foreign investment and free movement of capital are incorporated in Free Trade Agreements (FTAs) and provide profitable conditions for investment and trading relations among corporations which greatly expand Australia's growth in trading with other countries. Australia's major move in unilateral trade deals was initiated during the Howard government with a free trade agreement with the US, perhaps as a reward for joining in the invasion and occupation of Iraq in 2003. The Australia–US free trade agreement (AUSFTA), which came into effect in 2005, reinforced an existing close economic alliance and gave US business further entry in the lucrative intellectual property rights and insatiable drug markets. The agreement lifted the screening threshold on investment from A$50million to A$800 million, and specified that 'all US investment in new businesses is exempted from screening under Australia's Foreign Investment Promotion Board (FIPB) (CA, 2004: 3). Former senator Bob Brown said that 'the US is about A$12 billion better off than Australia is from that agreement so far … Australian farmers had received an extremely raw deal on agriculture' (Kerin, 2010).

Australia's recent mining boom and bust was largely generated by Anglo-American capital. The social costs were significant. Australia lost a significant share of the repatriated offshore profit and suffered tax losses

because of the shifting offshore of production costs to companies in Singapore and other tax havens. The same applies for the construction of a substantial gas export production industry in northern Australia. Both sectors imported most equipment and metal fabrication needs and secured rights to import its workforce for projects worth more than A$2 billion. Steel fabrication, machinery, and other manufactured goods and services linked to the construction of the mining, energy, and food sector is largely dependent on firms controlled by Anglo-American capital and subcontractors in China and elsewhere in East Asia. Chevron's A$43 billion Gorgon Liquefied Natural Gas (LNG) project, for example, sourced all but 7500 of the 260,000 tonnes of steel used overseas (Cleary, 2011: 92). All three of the Gladstone LNG giants' plants being built by the US firm Bechtel depended on prefabricated parts shipped to Australia (Fraser, 2011).

Recent research show that AUSFTA has been largely negative for Australia and that the critics were right when they fronted the Senate inquiry to argue that AUSFTA was economically of little benefit to the country. A study by the Australian National University shows that the treaty delivered zero benefits to Australia. According to economist Shiro Armstrong's research, 'there is no evidence that the agreement has been associated with an increase in trade between the two countries, or the creation of efficient low cost trade' (Armstrong, 2015a, 2015b). Other studies show that the cost of Pharmaceuticals Benefits Schedule (PBS) has increased by 80 per cent, and that 'it is reasonable to infer that the AUSFTA is partially to blame for the rise' (Palombi, 2014). Trade figures show that the current account deficit with the US has increased in the decade since the treaty was signed and is the largest contributor to Australia's growing current account deficit, which reached more than A$22 billion in the March quarter of 2016. A major component is the outflow of income from overseas investors in Australia, much of this, some 27 per cent in 2015, to US investors (ABS, 2015). The trade has been used by the US to alter the domestic regulatory system 'to achieve greater profits for US companies' and undermine Australia's PBS (Faunce, 2014).

Free trade agreement with China, Singapore, South Korea, Thailand, and other countries in the region have been opposed by the Australian Council of Trade Unions and the Australian Fair Trade and Investment Network as being detrimental to the public interests. The China-Australia Free Trade Agreement is said to be 'the worst trade agreement that Australia has ever signed'. Some of the benefits were reduced agricultural tariffs for Australian beef and dairy products, but the costs were the loss of

the automotive industry with the agreement to stop federal financial assistance to the industry (Aston, 2015). As a result, the agreement has cost jobs, lowered workplace safety and health standards, and undermined Australian democratic process (Australian Confederation of Trade Unions (ACTU), 2016; Ranald, 2015; Wong, 2015). Recent trade deals with Thailand, for example, have favoured Thai imports by an estimated ratio of 9:1, which has contributed to a significant rise in Australia's current account deficit (Stilwell, 2016: 7). Moreover, trade agreements signed with Japan, China, and Korea this decade as part of the Abbott government's economic growth strategy will cost Australia several billion in lost revenue until 2020, 'following the abolition of tariffs, particularly for cars, and other imported goods'(Greber, 2015).

Trade carries major social costs for both importing and exporting countries. Import of food from China and Thailand to supply major food outlets in Australia is a case in point. Woolworth, Aldi, and Coles have been caught up in child labour scandals after it was revealed that seafood supplied by Thai companies used forced labour, including child labour in their prawn peeling facilities (Danckert, 2015). Greenpeace has accused prawn exporters from China, Vietnam, and Thailand of human trafficking, environmental damage, and the spread of disease (Han, 2015). Impact of trade deals on health is another source of concern. Imported fish farm feed finds its way in the production of Australian aquaculture products, including prawns and salmon, and can contain waste products from the poultry and ruminant industry. A reminder of the danger was the 2015 hepatitis A outbreak among people who had eaten frozen raspberries grown and packed in China (McColl, 2015).

The case is an example of the many dangers of a globalised food chain, which lowers food safety around the world and allows dangerous practices, such as toxic contents of livestock foods and contamination of food and drinks by heavy metals and other industrial pollutants. Australia's balance of trade positions in agriculture and food manufacturing has deteriorated since FTAs with New Zealand, the US, and Thailand have come into play (McGovern, 2015). FTAs have considerably increased the value of imports to Australia, including food products, and the cost of administration, particularly in regard to the rules of origin and the amount of transformation on manufactured goods (Martin, 2016b). Journalist Alan Mitchell suggests that the cost of compliance 'with the rules of origin for the free trade agreement with the ASEAN countries has been estimated at up to 25 percent of the value of the good' (Mitchell, 2015).

The latest project is a proposed Trans-Pacific Partnership (TPP) which brings together Australia, the US, New Zealand, and Japan, Brunei, Canada, Chile, Malaysia, Mexico, Singapore, Peru, Vietnam, and 12 other countries in the Pacific region, but purposely excludes China. Questions have emerged about detrimental social impacts, lowering environmental standards, undercutting laws, and giving business interests, both domestic and foreign, power over the government to rewrite legislation in their favour and set up new tax-dodging regimes with tax havens. If successful, the agreement, negotiated in secret, would 'deliver more money and power to US pharmaceutical companies, criminalize the use of technology'; it would gain the right to interfere with any government health campaign and take away the right of government to rule against foreign investors, and extend copyright terms (Martin, 2015). The treaty would further the right of investors to pursue claims against the government in foreign jurisdiction, thus removing the right of an Australian government, and therefore its people, to control foreign business investment in Australia. Many studies have rejected claims made by the government that the TPP would serve the national interests. On the contrary, modelling by Tufts University in the US suggests that the trade deal would destroy tens of thousands of direct jobs in Australia, drive down wages and drive up health costs, and threaten democracy by increasing economic and political inequality in Australia (Hutchens, 2016a; Martin, 2016a).

The Australian Competition and Consumer Commission warned Australians that a TPP would touch on all forms of intellectual property (IP) 'from copyright to trademarks, patents, confidential information, pharmaceutical intellectual property, cybersquatting of domain names, and internet service provider (ISP) liability'(Hutchens, 2015). An agreement would favour foreign IP rights holders to the detriment of Australian consumers and likely lead to many costly court battles with foreign companies in tribunals outside Australia. Australian Fair Trade and Investment Network (AFTINET describes TPP as 'a bad deal for workers, democracy, health and the environment' and a mechanism to oppose China's proposed Regional Comprehensive Economic Partnership (RCEP), which is 'bigger and more secretive than the TPP', because it would increase the number of 'temporary migrant workers who are vulnerable to exploitation without testing whether local workers are available' (AFTINET, 2016).

As with other trade treaties, the reality of the TPP is about entrenching the interests of foreign corporations and the rights of powerful states behind them. The right of the Investor-State-Dispute Settlement (ISDS)

is a mechanism for business interests to sue governments and disempower citizens, and therefore, undermine democracy. Australia's High Court judge Chief Justice Robert French said that the ISDS 'lacks the basic protections of democratic legal systems. There is no independent judiciary, since arbitrators can also be advocates. There is no system of precedents or appeals, so decisions can be inconsistent' (Ranald, 2014). The treaty had little benefit for Australians and was widely seen as a political ploy to ensure US influence in the region as part of its 'pivot to Asia' policy. Australia's role is essentially to support the right for the US to control the rules of a global economic order against China's rising economic and political power.

Former US President Barack Obama warned that China would write the rules if the US failed to enact the TPP. He said 'we will be shut out—American businesses and American agriculture. This will mean a loss of US jobs … we don't want China to use its size to muscle other countries in the region around rules that disadvantage us' (Seib, 2015). Australia's TPP agreement relied on the Department of Foreign Affairs and Trade's (DFAT) research but failed to submit the TPP to an independent economic analysis. The DFAT national interest analysis was slammed as a 'farce' by the Greens Party, while the Australian Productivity Commission criticised the government for failing to 'adequately assess the impacts of prospective agreements' (Frazer, 2015; Hutchens, 2016b, 2016c). While the proposed TPP was shelved in 2016 by the newly elected US President, Donald Trump, it could be resurrected at a later date along with a proposed treaty negotiated in secret by the DFAT, the 2016 proposal for a Trade in Services Agreement (TiSA), described as 'a hugely ambitious effort promoted by the United States to liberalise trade in services between 32 countries, including Australia, Canada, Japan, South Korea, Taiwan and the European Union, representing its 28 member countries' (Dorling, 2015).

The text published by WikiLeaks shows that Australian trade negotiators are working 'on a financial services agenda that could end the Australian government "four pillars" banking policy and allow foreign banks much greater freedom to operate in Australia. Changes could also see Australians' bank accounts and financial data freely transferred overseas' (Dorling, 2014). Australia's four largest banks—ANZ, NAB, CBA, and Westpac—support the process. The TiSA 'requires signatories to allow entry of each other banks and financial institutions, and 'to allow them to take over domestic institutions' (Martin, 2014). It would allow

the commercialisation by foreign investment of all services, including Australian banks and human services, such as old age and child care, and the privatisation of public services such as transport. The agreement would allow 'foreign financial institutions to bring "temporary" workers into Australia, including computer, telecommunications, actuarial and legal specialist' (Dorling, 2015). The proposed TiSA is widely viewed as an attempt by the US to tie the hands of the Australian and other governments with amendments 'seeking to end publicly provided services like public pension funds which are referred as 'monopolies', and to limit public regulation of all financial services' (Dorling, 2014).

Financialisation

Global capitalism would not exist today without the major role of the US in the expansion and internationalisation of finance, particularly the role of financial derivatives and their markets, including the futures market in currencies. In 2016, both markets were trading in excess of US$10 trillion a day. Wall Street investment banks played a dominant role in the creation of a new age in finance and were more instrumental in the integration of London financial markets into the American empire, enabling the Americanisation of the Eurodollar and Eurobonds markets (Panitch & Gindin, 2013: 118). Derivatives continue to play a major role in the financial dominance of the US and its expansion, along with the banking and securities sector, with the role of the US Treasury in printing more money as part of the quantitative easing and low interest rate policy.

In 2011, the derivatives market with contracts worth US$700 trillion, largely regulated by a cartel of US banks, was not unlike a gambling vehicle, trading mostly done in London and New York, between banks and big enough to affect the price of commodities such as oil and gas, securities, bonds, and currencies. These contracts were used by the banks for structured finance and to create fictitious value further inflating a huge debt bubble (Duncan 2012: 30). Billionaire investor Warren Buffett warned that 'derivatives are financial weapons of mass destruction, carrying dangers that, while now latent, are potential lethal' (Buffett, 2003). According to American lawyer and former bank regulator William Black, 'the financial sector functions as the sharp canines that the predator state uses to rend the nation. In addition to siphoning off capital for its own benefit, the finance sector misallocates the remaining capital in ways that harm the real economy' (Black, 2011).

Finance-led capitalism in Australia is an integral part of the expansion and deepening of global capitalism (Foster, 2007). The financialisation of the Australian economy is largely the product of the deregulation of the financial and banking system and the rapid expansion of financial services and represents a critical sector of the economy and an essential ingredient in the growth of the national economy. It involves the explosive expansion of credit and the sale and trade of shares, bonds, and many financial instruments such as futures contracts, involving liquid and fictitious assets. Of particular concern is the growth of speculative and manipulative operations in various markets, including the share, currency and commodity markets, to gain huge profits for insiders and the financial elites. Australians have become an integral part of global capitalism in their employment and use of credit, debt, investments, and pension funds. The financialisation of the Australian economy, which Susan Strange has likened to the operations of a global casino, affects everyone because it creates boom and bust cycles, financial bubbles, and major financial crises (Strange 1986). These in turn constitute a major causal mechanism in the increasing inequality in the distribution of income and wealth in Australia.

The Global Financial Crisis (GFC) erupted in the US in 2007. The root crisis 'lay in the growing importance of US mortgage finance … and the decisive role of American state agencies in encouraging the development of mortgage-backed securities figured prominently in their spread throughout global financial markets' (Panitch & Gindin, 2013: 20). Direct links between the US housing bubble and the global financial meltdown in 2007–2008 and the subsequent economic crisis in the US and elsewhere in the world was characterised by a dramatic fall in employment and consumer spending, catastrophic decline of the stock market and pension fund values, and major financial frauds and scandals. All these events raised major questions about the viability of neoliberal global capitalism as well as created growing discontent about globalisation and US leadership of the world order. It expressed widespread fears that global capitalism in the twenty-first century was no longer sustainable.

The crisis itself was triggered by US mortgages bundled as securities, which increased from US$55 billion to over US$2 trillion between 1990 and 2006, and sold by investment banks to the global financial markets (Panitch & Gindin, 2013: 308). The impact on the Australian economy was dramatic with equity prices falling by about 50 per cent between late 2007 and November 2008. Access to overseas funding became increasingly difficult, and the weakening of the global economy resulted in a

decline in Australian export and a fall in Australia's terms of trade. Consumer spending declined. The Rudd government intervened to dampen the crisis by guaranteeing all Australian bank deposits and stimulating the economy with a series of packages to support the construction and infrastructure industry, education, and other sectors of the economy, totalling more than A$100 billion (Australia, 2011). Australia survived the GFC without a recession, but the economy registered a sharp decline in the Real Net National Disposable Income (RNNDI) per capita by 6 per cent in 2009–2010, which has continued to fall even while the GDP headed back towards average growth (ABC, 2016).

By 2015, Australia was experiencing a decline in the level and distribution of economic well-being, highlighting a trend towards inequality in income distribution. The country faced a budgetary crisis necessitating serious cutbacks in social services and a decline in economic growth, avoiding a recession only because of a sharp increase in immigration and an expertly organised national housing crisis to boost growth. Economic stagnation which followed the mining bust was a signal for the government to create frenzied speculation in housing to boost growth. The Reserve Bank of Australia engineered a construction boom to stimulate the property market (Taylor, 2016). Investment in property has been fuelled by the free movement of foreign capital and the expansion of credit as well a high level of immigration, with most newcomers settling in Australia's major cities: Sydney, Melbourne, Brisbane, Perth, and Darwin.

The subsequent bubble in rising prices, which began in 2012, was set to continue until the end of the decade. The inflationary increase in the price of housing, the expansion of credit, and interest rates at their lowest ever, enabled buyers to buy multiple properties and speculate, fuelling Australia's latest and biggest housing bubble. In 2016, there were more foreign investors than first-home buyers coming into the market, mostly from China, the UK, New Zealand, and Indonesia; in NSW and Victoria, foreign buyers were investing $8 billion yearly on housing (Munro, 2017; Redman, 2017). Offshore Chinese were key players in the housing market, buying real estate and as developers in housing and commercial projects. Growing numbers of middle class and rich Chinese were shifting capital to Australian capital cities, seeking safety for their newly acquired wealth (Cranston & Thistleton, 2014; Wardell & Holton, 2015).

Australian investors were also accumulating more rental properties, furthering inequality between landlords, renters, and the homeless. About 'one in seven Australian taxpayers owns rental properties, but among

federal politicians it is at least one in three', including the Prime Minister Malcolm Turnbull who owns seven rental properties (Hunter & Hutchens, 2015). The growing bubble in property value was fuelled by cheap credit from Australian and offshore banks and shadow banking, as well as generous capital gains and negative gearing tax benefits. Household debt, mostly in housing has risen accordingly, adding considerable weight to the country's foreign debt of more than A$1 trillion in late 2016 (Bowen, 2016). Australia's household debt-to-GDP ratio reached 123 per cent in 2017, 'the second highest in the developed world, way above the United Kingdom at 88 percent and the United States at 79 percent' (Tingle, 2017). During the past 20 years, 'private debt in Australia, including corporations, has doubled to about 160 percent of GDP' (Kehoe, 2016).

Exploitation

Australian neoliberal governance wilfully collaborated with global capitalism with a generous taxation regime to the mining and energy sectors at the expense of the public interest and the common good. Recent research shows the failure of companies to meet their tax obligations, including Google, Apple, Facebook, eBay and PayPal, Murdoch's media empire News Ltd, betting behemoth William Hill, Serco, Chevron, Shell, and Pfizer (West, 2015a). According to the ATO, 'nearly 600 of the 1500 largest companies operating in Australia did not pay a cent in tax in 2013–2014' (Aston, Khadem, & Butt, 2015). Shell service stations generated billions in revenues 'but not a cent in company tax' (West, 2015b). Chevron, one of the biggest energy operators in Australia, paid $248 in income tax despite earning an estimated A$1.73 billion in 2014 (Chenoweth, 2015).

Qantas Airways, Glencore and ExxonMobil, and Lend Lease all reported a taxable income of zero despite their billion dollar income during 2013–2014 (Evershed & Hurst, 2015). The energy and resource sector 'had the highest proportion of public companies that did not pay any tax, with 60% of them in the nil-tax category' (ibid). According to the ATO, 'more than a third of large public and private companies paid no tax in 2014–15' (Janda, 2016). Oxfam Australia's report on *The Hidden Billions*, estimated that tax evasion, often referred to as tax minimisation, by 'Australian-based multinationals deprived Australia of A$6 billion in tax revenue and also deprived developing countries of $3 billion in vital public funds' (Oxfam, 2016a, 2016b).

Generous tax minimisation schemes are making some people richer. The Packer gambling empire was an example of how rich insiders were being generously treated by the government, both state and federal, in the approval process and tax liability of his big hotel and casino project on Sydney Harbor (Saulwick, 2015). Taxes paid by private companies controlled by wealthy Australians, including Australia's richest woman Gina Rinehart and the scandal-plagued 7-Eleven empire of billionaire Russ Withers, were exempted by the government from new tax disclosure requirements (Aston, 2015). Former Australian of the Year Dick Smith claimed that 'the only reason that wealthy business owners were pushing for the exemption was to avoid paying tax' (ibid). According to the tax office, at least 75 Australians made more than $1 million in 2011–2012, the average was $2.6 million, and 'none paid any income tax, Medicare levy or Medicare surcharge' (Janda 2016). In 2016, millions of documents were leaked exposing hundreds of thousands of clients, including thousands of Australians, to a Panamanian worldwide tax evasion network (Chenoweth, 2016).

Shortfall in tax revenue to meet deficit in social services has been steadily exacerbated by tax evasion of corporations and wealthy individuals, using tax havens and various other mechanisms such as transfer pricing in countries such as Singapore. Wayne Swan, former federal treasurer in the Rudd government exposed BHP's culture of tax evasion. He compared 'BHP's use of Australia's resources to a hotel guest who stays in the penthouse, orders room service but leaves without paying the bill' (Aston, 2016b). The full extent of tax evasion in Australia is difficult to assess. One estimate puts the loss to public revenues at $8.4 billion in 2013 (Dunning, 2014). According to the Organisation for Economic Co-operation and Development (OECD), Australia was 'one of the biggest losers in the G20' (Khadem, 2015). US companies' tax avoidance in Australia was estimated at $US1.45 billion a year (ibid). Most untaxed profits ended in tax havens in the Netherlands, Ireland, Bermuda, the Cayman Islands, Luxembourg, or Mauritius (Fitzgibbon, 2016; Zucman, 2015a, 2015b).

Profit shifting operated by many Australians companies such as BHP were moving their untaxed profits to countries like Singapore or Switzerland (ibid). Frankel makes the point that had Australia followed the examples of the Netherlands, Austria, and Sweden, the country should have collected an additional $175 to $280 billion a year (Frankel, 2012: 39). More tax could have been raised had the Australian government not succumbed to the mining lobby at the height of the mining boom. As a

result of the tax concession given to the well off during the Howard years, the federal government lost $169 billion in revenue. According to Richardson, Denniss, and Grudnoff, 'of the $169 billion in tax cuts, 42 percent, or $71 billion, went to the top 10 percent of income earners, the top 10 percent got more in tax cuts than the bottom 80 percent' (Douglas et al., 2014; Richardson, Denniss, & Grudnoff, 2014). Nothing short of a Royal Commission will unwrap the extent of tax avoidance in Australia and its close links with public corruption.

Domestic and multinational companies have made large investment in the development of the Australia natural gas industry, more than A$200 billion in new LNG projects in the past six years or so. Most are now producing LNG for export and earning considerable income. The biggest resource project in Australia's history is the $70 billion US Chevron Gorgon investment in Western Australia. Chevron has also invested in Wheatstone in the Northwest Shelf LNG project; added together, Chevron estimate that they will contribute in excess of $500 billion to the economy by 2040 (Aston, 2016a). According to the industry, Australia will bypass Qatar to become the world's biggest exporter of LNG by 2021. By then, Australia is forecast to receive less than $1 billion in tax revenue while Qatar's will exceed $26 billion. The problem is that the Australian government has allowed producers to deduct all their costs, including the value of the capital invested, before paying federal taxes.

ATO statistics show that for the oil and gas industry, dominated by Anglo-American capital, it will be eight years or more before capital expenditures of some $187 billion 'is written off against sales' (ibid). Australian oil and gas industry commitment to export markets, mostly to Asia, means that domestic customers, including a large number of households and businesses, have to pay more for their gas, which makes many domestic businesses uncompetitive in an international market. Major Australian unions and progressive advocacy organizations such as the Australian Council of Social Services are confronting the government about the exploitation of Australia's resources with small if any gain in the well-being of Australians. Scott McDine, national secretary of the Australian Workers Union denounced the industry, saying, 'It's bad enough the government has allowed foreign multinationals to sell our gas offshore without limit, meaning Australians now pay more for our own gas than overseas buyers. But now they're failing to even tax these exporters for the privilege' (Aston, 2016a).

Australia's labour market has dramatically changed under a neoliberal state. The globalisation of the Australian economy, including a raft of free trade agreements that allows foreigners employment, has exposed the labour market to competition from producers and workers from the rest of the world who produce goods and services and work for lower wages. This is the case for the economies of many countries in South and East Asia, particularly Bangladesh, China, India, Indonesia, and other countries of the region. In addition, there are technological developments which have lowered the cost of production, particularly in the manufacturing and service industry. Structural change has led to a sharp decline in full-time employment, job security, and increase inequality in remuneration. Insecure work is on the increase, including casual work, fixed-term contracts, seasonal work, and contracting and labour hire.

An inquiry by the ACTU suggests that more than two million workers are in insecure employment. It reports that 'almost one quarter of employees in Australia, 23.9% or 2.2 million workers, and one-fifth of the total workforce, are engaged in casual employment' (ACTU, 2015). Towards the end of 2016, full-time employment had further declined while the share of part-time employment had increased to 32 per cent of the workforce, employees in insecure work condition, concentrated in the retail, accommodation and food services, health care and social assistance, and agriculture industries (Hutchens 2016c). Trends are for the casualisation of work, lower or static wages for a range of occupations, and a decline in demand for service industry workers, including academics, journalists, accountants, and financial workers. Casuals at Australian universities account for a staggering 40 per cent of all university employees and 'eighty percent of all jobs created from 2004 to 2014 were either casual or fixed term' (Halse, 2016). University professor Raewyn Connell points out that the university workforce is increasingly vulnerable to continual restructurings, cuts, and purges and that 'around half of the undergraduate classes are now taken by teachers on fixed-term, casual or other insecure employment conditions' (Connell 2015). Universities workplace environment are 'sites of endemic job insecurity and gross worker exploitation' (Halse, 2016).

Low wages and the exploitation of workers has gone hand in hand with exorbitant salaries, bonuses, and interests paid to managerial executives, financiers, and political leaders. Keeping labour cost down has created a growing class of low-paid workers and welfare recipients. A Fairfax investigation has detailed the widespread gross underpayment of workers in

many industries, including marketing, fundraising by charities, and agricultural workers provisioning the major food chains. In many instances the workers were young and often on short-term visa, as students or tourists and backpackers (Ferguson, 2016a). It pointed to underpayment of more than 250,000 workers on enterprise agreements (Schneiders, Toscano, & Millar, 2016). It also reported that 'Australian workers in retail and fast-food outlets, including Woolworths, Hungry Jack's and KFC are being underpaid more than $300 million a year, in a national wages scandal centered with the shop assistant union' (ibid). Other low-wage deals involved giants Coles and McDonald's by the biggest union in the Australian Labour Party, the Distributive & Allied Employees Association (SDA), a conservative union strongly opposed to social reforms. Wage fraud scandals have also plagued charity workers, marketing companies such as The Bay Marketing, petrol giant United Petroleum, which has 440 petrol outlets, Domino's pizza shops, Caltex, Pizza Hut, and a billionaire-owned 7-Eleven franchise (Dingwall, 2017; Ferguson, 2016b; Ferguson & Danckert, 2017).

Labour hire companies and contractors are major exploiters of the labour market. More than 30 per cent of employees are 'people engaged as contractors, casuals or in labour hire', as part of what British economist Guy Standing describes as the 'precariat', a growing class of workers reliant on transitory work (Millar & Schneiders, 2015). Sham contracting is a widespread practice to hire white-collar workers, including 'receptionists in doctors' surgeries, as independent contractors to avoid paying them their entitlements' (Patty, 2017). Other forms of wage fraud were exposed in a 2017 study commissioned by the Australian Department of Employment, showing widespread exploitation of Australians under the age of 24. More than half of Australia's young adults have been working in unpaid jobs as part of required or imposed work experience which in most cases breached minimum wage laws (Patty, 2017).

Such practices further entrench inequality because young people from more disadvantaged backgrounds are less likely to be offered unpaid work opportunities which could ultimately lead to paid employment. Young Australians 'are increasingly being ripped off, particularly in areas of high youth unemployment, many end up working for free in the desperate hope it may help them grasp a paid job' (Patty, 2016). Low wages are maintained by the exploitation and underpayment of a temporary work force consisting of some 1.3 million, or one in 10 workers, foreign workers on temporary visas (Ferguson, 2016a). An investigation by Fairfax

Media and Monash University highlighted the reality of hundreds of thousands of temporary foreign and often young workers 'being illegally exploited and underpaid in "black jobs" in food courts, cafes, factories, building sites, farms, hairdressers and retail across Australia' (Schneiders & Millar, 2015).

Anthropocene

Overall, population growth is the main driver of economic growth and maintaining inequality in Australia (Dowrick 1997). It continues to be a critical feature in the imperative of economic growth and the Australian geopolitics to populate or perish (Paul, 2006: 154). Australia's population was in excess of 24 million in 2016 (ABS, 2016). Australia is the fastest growing advanced capitalist country in the world. With a yearly rate of population growth of 1.6 per cent, the population was likely to reach 36 million by 2050. A big Australia is the political agenda of the ruling elite. Gerry Karidis, one of Australia's influential developers, said Australia should be a nation of 35 million: 'more people, means more business and more demand for services and that creates job' (Owen, 2012). Billionaire developer Harry Triguboff and one of the country's more generous political donors claims that 'Australia has plenty of land … and that our population should grow at least fourfold to 100 million' (Bearup, 2010).

Population and economic growth go together as part of Australia's ample migration programme. The 2015–2016 population licit flow consisted of a permanent stream of more than 190,000 migrants in addition to more than 15,000 refugees on humanitarian visas. This was complemented with more than 2.5 million people on non-tourist visas, including international students, skilled temporary workers, working holidays and New Zealanders moving to Australia (DIBP, 2016a, 2016b). This represented a workforce of more than 1.3 million temporary workers in Australia in 2016, competing for jobs with citizens and representing a major leverage in the labour market responsible for lowering wages and the widespread exploitation of causal workers by many employers. The substantial stream of temporary residents, hoping to gain permanent residence in Australia, represented a critical workforce in many industries including agriculture, food and lodging, retail, and construction.

Many businesses have been involved in human trafficking and the exploitation of the non-permanent visa population (Doherty 2016). Recent inquiries show the systemic exploitation within the 1.3 million

foreign workforce on temporary visas. It involves labour hire companies contracted by big businesses such as Woolworths, Aldi, Coles, McDonalds, KFC, and Pizza Hut (Patty, 2015). A University of Sydney business school survey found that 80 per cent of international students working in restaurants across Sydney were being paid below minimum wage (Bagshaw, 2016). Wage fraud was also prevalent in the $170 billion franchise industry, including the 7-Eleven co-owned by billionaire Russell Withers (Ferguson & Danckert, 2016). A Senate Inquiry, *A National Disgrace: The Exploitation of Temporary Work Visa Holders*, reported on the systemic nature of the problem in the Australian economy and that some big companies were 'hiding behind supply chain abuses by using labour hire firms or sub-contractors' (Ferguson, 2016a; Senate, 2016).

Australia's economic growth and neoliberal economy are likely to be compromised by anthropogenic power. Damage to the biosphere in Australia and the world threatens the survival of the human species. Global warming is such an event where a rise in temperature brings a slow end to economic growth as we know it and embarks many societies on a survival mode, occasioning widespread social and military conflict. There are many other contemporary sources of concern about the well-being of humans because of the deleterious effects of anthropogenic chemical changes to air, water, and soil which sustain life. Chemical changes to food and beverages and pollution of the air have consequences on human evolution and produce gene mutation and new diseases against which humans have no protection. These are the outcome of large-scale use of combustion engines which pollute the air, as well as industrial farming using a range of chemicals including pesticides, herbicides, and antibiotics, whose impact on health is becoming a source of serious concern. The widespread use of coal and the diffusion of fracking technology to blast the subsoil and release gas and oil using large quantities of fresh water and toxic chemicals is the latest example of technological change driven by profit which endangers life.

Climate change has major implications for Australia's political economy of growth and the well-being of citizens (CA, 2015). Extreme weather events, fires, droughts, and floods will become increasingly costly and require substantial emergency funding to respond to the human crisis. Heat waves, changes in geography, and a regime of precipitation will affect agricultural and other farming output and export markets. Ocean acidification and water pollution will damage the fishing industry and affect the food supply. This will happen because the absorption of greenhouse gases

by the oceans around Australia will destroy the fisheries' food chain. The tiny pteropods, snail-like creatures in the oceans' food web, 'will lose their ability to form shells as oceans absorb more of the CO2 from the atmosphere' (Hannam, 2015). A rise in tropical infectious illnesses due to climate change is likely, and some areas may become too hot for human habitation. Sea level rise is already noticeable in a number of locations along with severe weather events, and these are likely to accelerate, causing serious damage to coastal community and substantial increase in insurance costs to be borne by the nation as a whole (Maguire & Oakeshott, 2009).

Australia's coastal areas, where more than 90 per cent of Australians live and work, are likely to witness the brunt of climate change. Griffith University's Centre for Coastal Management's Peter Helman predicts the destruction of many of Australia's iconic beaches, 'including Surfers Paradise, Byron Bay, Noosa Heads, even Bondi' (Jackman, 2009). Many coastal towns and cities are at levels subject to recurrent flooding and are affected by rising sea levels and higher levels of precipitation. The Gold Coast is an example of a rapidly growing coastal urban network which is prone to extreme weather, eroding beach front, and flooding of low-lying areas. Yet investment continues to expand the urban built space and infrastructure to cater to a growing tourist industry and overseas demand for coastal apartments. The Gold Coast could become more like Miami where 'global warming is slowly swallowing up Florida, and its politicians, many of whom are climate-change deniers, are letting it happens' (McKie, 2014a). In 2016, at a time when Chinese investment announced big plans to build new high rises along the coast, a report on carbon emission indicated that electricity generation demand and consumption continued to increase and that greenhouse gas emissions were 2.7 per cent higher than the previous year (Saddler, 2016).

Australia is by far the largest per capita emitter of greenhouse gas in the world. Of the 20 largest polluting nations ranked by emissions per person, Australia topped the list in 2015 at 28.52 tonnes of greenhouse gasses per person followed by Canada, the US, and Saudi Arabia (Hannam 2016b). These are conservative figures which exclude carbon emissions by ships and planes, forest fires, and the impact of Australia's large population of ruminants. In 2012, the country's greenhouse gas emission was 2.5 per cent above 2000 level and projected to increase in 2020 to 17 per cent above 2000 levels (CCA, 2014: 8). Continued growth of greenhouse gas emission in more recent years came from rising rates of deforestation.

Scientists are warning about Australia reverting back to a 'frontier mentality' for allowing huge land clearing development, such as Queensland's 300,000 hectares a year, 'after the Campbell Newman government loosened restrictions on landholders' (Hannam, 2016a). The expansion of land clearing is linked to big plans for northern Australia to become Asia's food basket. The Australian Institute reported that Australia's greenhouse gases from power stations had jumped by 3.8 million tonnes in 2015, 'emissions from electricity production are now 5.1 percent higher than in June 2014' (Hannam, 2016b). In 2016, coal-dominated electricity generation supplied around two-thirds of Australia's electricity generation; on a global scale 'Australia remains one of the most coal-intensive electricity markets' (Letts, 2016).

Globalisation is a major mechanism in the intensification of agribusiness and food production in the integration of Australia in a global food chain which creates major disturbances in large ecosystems and promotes the evolution and spread of pathogens responsible for chronic diseases and epidemics. Behind these activities are major concentrations of capital and power representing a number of economic sectors, including the chemical and pharmaceutical industry (Wallace, 2009, Wallace & Wallace, 2016, 2017). Australians are on the receiving end of such major environmental disturbances as in the spread of influenza viruses because of the diffusion of Confined Animal Feeding Operations (CAFOs) in East Asia. The country is also an incubator and diffuser of pathogens linked to the expansion of food production, including the expansion of concentrated animal feeding operations in the cattle industry.

The economic and human cost of climate change to Australia is rising and constitutes a clear challenge for decision-makers. In the country's first comprehensive cost assessment of climate change on Australians, Professor Garnaut's 2008 *Climate Change Review* warned of a rise in the death toll due to frequent heat waves and millions exposed to dengue virus; the end of agriculture in the Murray-Darling Basin and the destruction of the Great Barrier Reef; and a GDP collapse of 48 per cent with a 7.8 per cent fall in real wages, and the costs of probable warfare in the region (Garnaut, 2008). Garnaut's more recent update argues that costs are rising significantly as warming rises and that the country's living standards would decline (Garnaut, 2011; Wilkinson, 2008). The political implication of declining living standards and rising inequality in Australia are seldom discussed. Malcom Turnbull's government 2017 federal budget presentation,

full of hubris and obsessed about growth, made no mention of climate change. It demonstrates that 'the government continues to be focused on fossil fuels … and is turning a blind eye on the most severe global economic risk we are facing today' (CCA, 2017).

Australia's region is already experiencing severe damage from rising sea levels, extreme weather, and volcanic eruptions. These events are likely to accelerate and uproot millions of people, creating waves of environmental refugees seeking asylum in Australia and other countries. The United Nations University World Risk Index list countries facing natural and human disaster and the displacement of large numbers of people, including Solomon Islands, the Philippines, Papua New Guinea, Indonesia, Vietnam, Cambodia, and Bangladesh (UN, 2015). According to a final draft report by the Intergovernmental Panel on Climate Change, 'hundreds of millions of people will be affected by coastal flooding and land loss as global temperatures rise, ice caps melt and sea levels rise' (McKie, 2014b). Rise in day and night temperature will increasingly lower yields of major crop such as rice, wheat, and maize.

Anti-environmentalism in Australia gained traction in the 1980s, influenced by the climate deniers in both the UK and the US embedded in a powerful political movement to convert Australia to the doctrine of economic rationalism. At the time, climate science and concern about the impact of greenhouse gases on growth and the well-being of people was firmly established in the public mind. Macquarie University climatologists Ann Henderson-Sellers and Russell Blong wrote that 'the awareness of the greenhouse issue is probably greater amongst the general public in Australia than in any other country in the world' (Henderson-Sellers & Blong, 1989: 155). Growing public and political concern led the Hawke Labour federal government to establish in October 1990 'an interim emission reduction target for the nation to lower greenhouse gas emissions 20 percent below 1988 levels by 2005' (Taylor, 2014: xii).

Neoconservative forces were eventually able to turn public opinion around and gain the ascendancy in their war against environmentalists. The campaign was successfully carried out by right-wing think tanks, the Murdoch media, mining and other corporate groups, and scientists largely funded by the coal and oil industry in Australia and offshore. Lobby groups, such as the Minerals Council of Australia and the Business Council of Australia, played a significant role in the media war and power play in support of the country's major polluters (Cahill, 2004; Hamilton, 2014; Pearse, 2007; Taylor, 2014). More important was the capture of Canberra's

bureaucracy and power. Sociologist Michael Pusey's 1991 study of Canberra's bureaucracy showed how far the ideology of economic rationalism had converted the senior ranks of the federal bureaucracy and economists to influence their political masters (Pusey, 1991). The ascendancy of neoconservative power led to the 1996 election of the Howard government to further the privatisation of public assets and power and advance business welfare policies based on the Industry Commission's economic rationalist modelling. During his ten-year hold on office, Howard declared war on Iraq, pursued the politics of fear and anti-environmentalism, and lauded the benefits of the mining boom which witnessed record production in earnings and exports of iron ore and coal. The politics of growth, free markets, and unending material consumption have continued uninterrupted in more recent times with the election of the Abbott and Turnbull government in 2013 and 2016.

Australian climate change denial policy can be sourced to powerful US lobbies. Many Australian parliamentarians in the coalition government have been groomed by US climate denier thinktanks such as the Heartland Institute, and the mass media controlled by the Murdoch empire, including the Wall Street Journal and Fox News (Readfearn, 2016). In 2016, the US elected an outright climate denier to be their president. Bill McKibben, the founder of 350.org, writes that 'America is sadly joining Australia as two rogue developed nations openly thrashing global climate efforts' (McKibben, 2017). Sadly, both political leaders have chosen to use their power in pursuit of a dangerous ideological agenda against the scientific evidence and the Paris climate agreement, and without a mandate from their electorate or the world at large, to threaten the survival of humans on earth.

Environmentalism and climate science are a threat to the mindset and world view of neoconservatives generally. It goes against their belief that capitalism is a linear and expanding global process of human development which will improve the living standards and well-being of all. Scientists who advanced the view that climate warming will put an end to never-ending growth became the enemies of global capitalism and neoliberal governments. Environmentalism became viewed as anti-progress and anti-freedom. Market economists saw environmentalists as 'green on the outside and red on the inside' (Hamblin, 2017: 248). It led to the emergence of many right-wing think tanks and foundations funded by corporations and wealthy individuals because it threatened the wealth and power of a ruling elite and technocrats who gained dominance in the

post-Soviet world order. Climate science is a major threat to laissez-faire Anglo-American capitalism to construct a global 'free trade' economy for the international corporate expansion under a US-controlled world authority.

Neoconservative power in Australia has clearly identified the 'green' movement as the enemy to be destroyed because it is a major threat to its world view. Queensland Senator George Brandis was the leading warrior in the Howard government's campaign to destroy the Australian Greens as a political force. During a lengthy Senate session on 28 October 2003, he accused Senator Bob Brown and the Australian Greens of being a Nazi-inspired political force, and a party of fanatics who were overtly Judaeophobic. Framing the Australian Greens as anti-growth and anti-Jewish was a powerful weapon intended to generate hatred by targeting his support from a predominantly white Christian population, a powerful corporate lobby dedicated to economic growth and profit, and a politically powerful Australian-Israeli lobby. Brandis called the Australian Greens an anti-democratic 'sinister force', hostile to democracy, and therefore, un-Australian (Kingston, 2003).

Attacks on the green movement by government and the coal industry have continued in recent years. Both the 2015 Tony Abbott and 2016 Malcolm Turnbull liberal coalition governments initiated legislation to abolish 'tax deductibility for groups that engage in advocacy … and to abolish the rights of conservation groups to bring legal actions to protect the environment' (Davies, 2015a). Rob Purves, a wealthy businessman and Chair of the World Wide Fund for Nature fears that 'attacks on advocacy and legal standing will do serious damage to environmental groups: I think this as much about intimidation as trying to screw environmental groups' (ibid). Senator George Brandis branded Purves and his colleagues as 'radical green activists because they are prepared to use the legal system in environmental battles' (Davies, 2015b). Coalition governments are keen to advance Australia's position as the world's leading exporter of coal and to do battle to advance the interests of the coal industry and use clean-energy subsidies to build new generation of coal-fired power stations (Kenny, 2016).

According to Clive Hamilton, professor of Public Ethics at Charles Sturt University, while there were signs at the United Nations 2015 Paris Climate Change Conference that the world was getting serious about reducing greenhouse gases, 'on current pledges we are on track for a world warmed by around 3.5C. This amount of warming would be disastrous

and means we should remain scared about the future' (Hamilton, 2016). James Hansen, former NASA scientist, claimed the Paris talks were a 'fraud' because there was no 'action', just promises that 'would not result in a carbon tax that would drive down fossil fuel use' (Milman, 2015a). Novelist and essayist Amitav Ghosh is more cynical about the Paris meeting which he views as 'yet another neo-liberal frontier where corporations, entrepreneurs, and public officials will be able to join forces in enriching each other' (Ghosh, 2016: 156).

Australia's Tony Abbott government scrapped the carbon tax in 2015, abolished Australia's publicly funded Climate Commission, and began the privatisation of the Commonwealth Scientific and Research Organisation (CSIRO). Abbott's suppression of evidence-based climate science positioned the government with big business and the expansion of resource-hungry corporate giants, as he rebranded Australia the 'affordable energy capital of the world' (Griffiths, 2014). Lord Deben, head of the British government's climate change advisory body, criticised Prime Minister Tony Abbott for his 'staggering hubris' and 'pathetic target' indicating that 'Australian had opted out of the greatest physical challenge of our times' (Milman, 2015b). Prime Minister Turnbull in 2016 pursued the attack on the green movement by his decision to abolish 'the two government bodies driving clean energy investment and innovation': the Australian Renewable Energy Agency (Arena) and the Clean Energy Finance Corporation (CEFC) (Waters, 2015).

Social movements for a sustainable population and lower immigration intake are too weak to stop the push for a Big Australia. Many have argued that climate change will put pressure on the biosphere and restrict growth and increase inequality. A *State of the Climate* report by the Bureau of Meteorology and CSIRO is clear about the implications of global warming: 'rainfall averages could plummet across food producing areas of south-eastern Australia by up to 70 percent by 2070, with far more common periods of drought and days of extreme heat' (Opray, 2015). The impact on the country's food security has been examined by the Climate Council saying that 'water scarcity and heat stress and increased climatic variability in food-producing regions such as the Murray-Darling Basin would imperil Australia's food-supply' (ibid). Such events could lead to 'climate refugees moving from the Murray-Darling Basin and the wheat belt in Western Australia to northern Australia (PA, 2008). Climatic change will affect living conditions in many countries, particularly in the tropical zone of the region. Rising water and the flooding of major coastal

and riverine cities, drought, and threats to food supply will likely lead to hundreds of thousands, if not millions, of climate refugees, heading for Australia. This is a scenario on the minds of the ruling class and behind a paranoid 'fortress Australia' policy.

Human Costs

Australian wealth has substantially increased since the 1970s. Economists Christopher Sheil and Frank Stilwell write that 'the stock of the nation's capital has practically doubled from three to six times the value of the national annual income' (Sheil & Stilwell, 2016: 14). Australia is now one of the richest countries among advanced capitalist societies and ranked second after Norway in the 2016 United Nations Human Development Report (UNDP, 2017). The 2016 Global Wealth Report by Credit Suisse ranks Australia second after Switzerland with the highest average wealth at US$376,000 per adult (Palmer, 2016). The country is a top destination for migrants, and thousands of millionaires moved to Australia in 2016, attracted by the lifestyle, safe schools, and remoteness from the conflicts of the world.

For Australians, economic growth carries substantial social and political costs which are not reflected in the nation's output worth of goods and services. The aim of the market, writes Thomas Piketty, 'is not to produce social justice, or to reinforce democratic values; the price system knows neither limits nor morality. Indispensable as it is, there are things that the market cannot do, for which we need specific institutions' (Piketty, 2014: 108). There are many human costs to growth under a neoliberal economic regime, reflected in forms of maldevelopment where the social and political costs of economic growth undermine Australia's democratisation and the mental and physical well-being of the population. Overdevelopment is another useful concept that applies to advanced capitalist societies such as Australia where overconsumption and the creation of waste promotes ill-health and the destruction of the biosphere.

A country's progress should be measured in terms of improvement in the mental and physical well-being of its inhabitants, which needs to be based on a whole-of-life view and what the World Health Organization considers health as 'a state of complete physical, and mental and social well-being, and not merely the absence of disease or infirmity' (WHO, 1948). Many studies on the determinants of health indicate links between low socio-economic status as a risk factor in health. There are other important factors besides poverty, including social inequality, which affect mental and

physical health. Research on the social gradient of disease shows that control over one's life, including job security, and being part of a social network and supportive relationships play a significant role in determining level of well-being. Economic growth should, therefore, be about full employment (Marmot, Ryff, Bumpass, et al., 1997; Wilkinson & Marmot, 1998).

Economist Nicholas Gruen and his colleagues constructed an elaborate index of Australia's social progress; a major weakness of the index is that it incorporates additional income required to restore the losses of well-being perceived by those affected by such losses because of mental disorder or obesity, for example, as well as the cost of lost productivity because of absenteeism or incapacity. A more progressive and useful effort is Clive Hamilton's Genuine Progress Indicator. Clive, then director of the Australia Institute, argued that the well-being of Australians had been declining for more than 15 years because of the increasing costs of crime, climate change, air pollution, accidents, and underemployment, and other costs which are structured in the Gross National Product but which are detrimental to the mental and physical well-being of the population (Hamilton, 1997). He diagnosed the national problem as affluenza, overconsumption, and the production of waste while polluting and destroying the biosphere. He urged Australians to downsize their lifestyle, live with less, but be happier and healthier. Contrary to the view of the designer of the Herald-Lateral Economics Index of Australia's well-being, changing the situation does not necessarily require more money but a major change in lifestyle (Gruen, 2011; Lancy & Gruen, 2013).

An increasing volume of research shows the rising social costs of the Australian political economy. Costs of policing society are increasing and were estimated at more than A$14 billion in 2013–2014 (AG, 2015). It includes the costs of incarceration of Indigenous persons who, while constituting 2.5 per cent of the Australian population, make up 26 per cent of the prisoner population (ABC, 2013). In 2009, the National Council to Reduce Violence against Women and their Children estimated that violence against women and their children, including both domestic and non-domestic violence, cost the Australian economy $13.2 billion (PA, 2014). Further costs are generated when victims of child abuse reach adulthood. Australia's Adult Surviving Child Abuse (ASCA) organization argues that economic costs to 'Australia's estimated 5 million adult survivors of childhood trauma' at some $9.1 billion annually based on direct costs of 'alcohol abuse, mental illness, obesity and suicide or attempted suicide' (Browne, 2015).

The dynamics of the social war and the war on crime waged by both society and the authorities tends to reinforce itself whereas crime becomes a form of social control which greatly benefits the authorities and feeds on itself, creating a system of justice with a life of its own and which demands more resources, The war on crime, in other words, becomes big business for both the state and the corporate world, increasingly involved in the provision of human and physical resources to fight crime and the construction and privatisation of jails. The costs associated with crime in Australia in 2005 'amounted to approximately $21.3 billion. When combined with the costs of criminal justice, victim assistance, security and insurance the total estimated cost of crime to the community amounted to almost $36 billion'(PC, 2014: 11). The justice system, including the incarceration of large numbers of individuals, is a major growth industry in the economy while playing a vital role in maintaining social order as an integral part of the Australian social war.

Much has been written about violence in Australian society and in particular about the high level of domestic violence and violence against women and children. According to Our Watch 'One in three Australian women has experienced physical violence, since the age of 15 and one in five Australian women has experienced sexual violence' (Our Watch, 2016). In 2013–2014, there were 304,097 notifications of child abuse across Australia reported to the authorities (AIHW, 2015). Causal analysis of domestic violence suggests close links with gender inequality, alcohol and drugs, poverty, and mental disorder. Dr Emma Partridge who writes for Our Watch argues that 'There is consensus in the international research community that gender inequality, in both public life and personal relationships, is the key to understanding violence against women' (Partridge, 2016). Professor Patrick McGorry, a mental health expert, gives reason that domestic violence is the 'result of multiple factors including untreated or poorly treated mental illness and/or substance misuse' (Alcorn, 2016).

Mental illness and other health costs linked to diabetes, obesity, destructive lifestyle, and other forms of self-harm, and increasing toxicity of the biosphere because of human intervention, are increasing yearly. In 2010–2011, around 60 per cent of Australian adults were classified as overweight or obese at a direct and indirect cost estimated at $21billion and $35.6 billion, respectively, in 2005 (Colagiuri et al., 2010). For the same year the estimated cost of tobacco, alcohol, and illicit drug abuse to Australian society was estimated at $55.5 billion (Smith et al., 2014). Since 1925, more than 187,000 have died, and millions have been injured on

Australian roads. Road toll devastate thousands of families every year and cost the economy an estimated $27 billion a year (DIRD, 2016). In 2006, there were an estimated '653,853 road crashed involving approximately 1.16 million vehicles, with 1602 people dying' and 31,204 people admitted to hospital (Risbey, Cregan, & De Silva, 2010).

Maiming and killing pedestrians and vehicular users, overseas wars, domestic crime, ill health, biosphere toxicity, addiction to drugs and gambling, and domestic and other forms of violence contribute a sizeable share of the country's annual rate of economic growth. Growth is thus increasingly generated by various forms of violence which are structured in ways society organises and manages the Australian political economy (Paul, 2016). More hidden is the cost of mental illness to Australian well-being estimated at $200 billion a year—'equivalent to about 12 percent of the economy's output' by economist Nicolas Gruen (Wade, 2016). The impact of Australian political economy on the health and well-being of Australians due to toxicity, the destruction of their living environment, and climate change has been very significant and likely to have had a negative impact on social progress in the last decades. An instructive case is that of Linc Energy in Queensland. The company built an underground coal gasification plan in Queensland to produce fuel by igniting underground coal seams. The company stands accused of polluting some 320 km of prime agricultural land with toxic explosive gases and endangering the lives of workers and breaking into a saltwater aquifer. Queensland Environment Department claims the company never had any serious intention to produce fuel 'but was instead attempting to manipulate the stock market … known as pump and dump' (Solomons, 2016).

Australia is not a healthy society. Seven in 10 Australian men are overweight or obese, and one in two women and one in four children are overweight or obese (Butt, 2015). In 2013, Australia ranked fourth in the OECD countries 'with the largest proportion of obese citizens (28.3%), behind the US, Mexico, and New Zealand' (Beck 2014). Health expenditures are increasing every year and so are the cancer rates which some study show are avoidable and result from environmental and lifestyle factors such as toxic chemicals and radiation (Bray, 2014; PA, 2015). Testing of foods imported for sale in Australia show illegal levels of heavy metals, carcinogenic insecticide and arsenic, which raises many questions about the safety of Australia's food import industry (SBS, 2016). In his 2016 Boyer Lectures, Professor Michael Marmot, President of the World Medical Association, reminded his audience that the life expectancy

between Indigenous and non-Indigenous Australians 'is about 11 years. Aboriginal men are six times more likely—and Aboriginal women 11 times more likely—to die of ischaemic heart disease than non-Indigenous men and women' (Marmot, 2016)

Marmot maintains that health inequalities are a major measure on how well a country was functioning. Employment, education, and other measures of well-being are closely related to longevity. The higher the level of well-being, the longer and healthier is life. A steep rise in the costs of public and private health to address health issues such as drug addiction or domestic violence deal mainly with symptoms, and do not generally identify and address the underlying causes of the problem. It is not by increasing personal income and budgeting more wealth to build more prisons that the situation can change for the better but only by rearranging and reordering the way we work, live, and die. Research on causes of domestic violence where the root cause is taken to be gender inequality shows the need to identify other issues such as poverty, drug addiction, and other causes (Alcorn, 2016). Poverty is an obvious and significant factor. Economic abuse has clearly been identified as a major form of domestic and family violence 'that prevents and undermines a person's capacity for economic independence', particularly when 'women do not identify the economic abuse as a form of violence—let alone the perpetrators' (VCOSS, 2013). The social determinants of poor health outcomes of Aboriginals are well known. The most significant is the disempowerment of the Aboriginal people and racism and their effects in 'the spiritual or psychosocial malaise which afflicts much of indigenous Australia and surfaces in conditions such as drug and alcohol dependency, and high suicide and accident rates' (Devitt, Hall, & Tsey, 2001: 8; Dick, 2007).

Growth under a globalisation regime has substantially increased the concentration of wealth in Australia and inequality in the distribution of income and wealth. It has serious implications regarding the physical and mental well-being of Australians and the nature of democracy. Progress in equality in the distribution of income and wealth was reversed in the 1980s by the Hawke-Keating government's economic growth policy to neutralise the union movement. A shift to a policy of business welfare programme, favouring corporations and overseas investors, led to a massive transfer of public power and assets to the private sector. In their groundbreaking work on inequality in Australia, economists Christopher Sheil and Frank Stilwell conclude that inequality has markedly increased since the 1970s and write:

> Currently the poorest 40% of Australian households have effectively no wealth at all: about half of them actually have negative net wealth because of their personal debts. At the opposite pole, the wealthiest 10% of Australian households have more than half the nation's total wealth. The Top 1% of households alone has at least 15 percent of the nation's wealth. This affluent elite—the Top 10% and especially the Top 1%—is getting cumulatively richer, not only relative to poor households but also, significantly, in relation to the next 50% of households. (Sheil & Stilwell, 2016: iv)

According to the OECD, inequality hurts economic growth (Keeley, 2015). Their research shows that the impact of inequality on growth 'stems from the gap between the bottom 40 percent with the rest of society, not just the poorest 10 percent' because it undermines education opportunities, lowers social mobility, and hampers skill development (Keeley, 2015; OECD, 2014). Nobel laureate Joseph Stiglitz and former US Labor Secretary Robert Reich argue that the transfer of income and wealth to the top was bad for economic growth and health. Statistics show the decoupling of wages and productivity growth in recent decades and the concentration of income in the same period. Clearly, the rise of low-paid jobs, casualisation, and higher levels of drug use bid major problems for economies like the US and Australia. Reich said that 'if most of the gains from your growth are going to the top, then the middle class and the poor don't have enough money to spend to keep the economy going' (Cleary, 2016).

David Morawetz, director of the Australia Institute, highlights the fact that growing inequality is divisive: 'it polarises our society, splits regions, and carves up the nation between rich and poor. It reduces equality of opportunities, stifles upward mobility between generations, increases social tensions, harms our economy, and reduces economic growth. It is something we simply cannot ignore' (Morawetz, 2015). Poverty in Australia has been on the rise in the last decade. The Australian Council of Social Service (Acoss) research shows that '731,300 children or 17.4% of all children in Australian are living in poverty, an increase of 2 percentage points over the past 10 years' (Acoss, 2016). The poverty rate for children in lone-parent families has gone up from 36.8 per cent to 40.6 per cent and that households most at risk were unemployed. Households employed on low wages were also increasingly falling below the poverty line (ibid).

Erich Fromm wrote extensively on the relationship between capitalism and a sick society (Fromm, 1973, 1982). More recently, Richard Wilkinson,

professor of social epidemiology and expert in public health, has argued that inequality is the enemy of a healthy society (Wilkinson, 2005). Inequality is 'the most important single explanation for the huge differences in the prevalence of social problems in societies' writes Wilkinson (Wilkinson, 2009). The work of Wilkinson and Pickett demonstrate that inequality is the scourge of modern societies and provides evidence that 'physical health, mental health, drug abuse, education imprisonment, obesity, social mobility, trust and community life, violence, teenage births, and child well-being outcomes are very substantially worse in more unequal societies' (Wilkinson & Pickett, 2009). Wilkinson's comprehensive surveys in recent years across a number of countries demonstrate that economic inequality harms societies and that reducing differences in income within society improves the quality of life (Equality Trust, 2009; Wilkinson, 2011). Relevant to Australia is that the effect of inequality prevails across a vast majority of the population and that 'even the middle class people on good incomes are likely to be less healthy, less likely to be involved in community life, more likely to be obese, and more likely to be victims of violence' (ibid).

Crisis

Globalisation is a project to structure the nation-state system within a complex set of relations of domination and subordination. It is a US-led formatting of global capitalism, an order of social relations and political power, requiring the imposition of market imperatives on the economies of the world. Australia's role in global capitalism is both as a subordinate and dominating state in the chain of capital accumulation. It has undergone deep transformation under economic rationalism and is now geographically a major player in capital accumulation as a subordinate to the US empire. Australia, acting as a US client state, is itself an expansionary state not only to impose market imperatives on other countries but also to accumulate wealth beyond its national boundaries.

Australians have been disempowered because they no longer control the country's economy or claim sovereignty over its natural resources. Australia has become largely an instrument of power and offshore capital under the protection of US hegemony. The globalisation of the Australian economy under a neoliberal state means the loss of economic independence and sovereignty. Under the new world order, Australians are commodities interacting with each other within a global market. They are

agents and are themselves changed in their social economic and political relations to global capitalism, particularly as it plays out in the major economies of the world. In a sense, every Australian is interchangeably a victim or victimiser, or both, in a global market over which they have little or no control. This is clearly the case in the financialisation of the Australian economy where the expansion of value, credit, and debt, by financial products such as futures options, derivatives, hedge funds and other financial instruments and power is beyond their comprehension and control. Moreover, in an age of global capitalism, every Australian is judged according to his or her value in monetary terms, which changes every day and recorded in national and international statistics.

Global capitalism has prospered on pushing the acceptance of free trade agreements (FTAs), which are major instruments of neoliberal governance to deregulate and privatise public assets and power. These became a dominant feature following the end of the Cold War when Australia's foreign policy shifted to adopting a US-led global economic order, and moved away from a multilateral trade and investment liberalisation towards a dominant unilateral trade and investment policy. FTAs have had a detrimental impact on the common good, degrading human rights, increasing inequality, and exposing the public to health hazards and a highly toxic and unstable global financial system driven by hubris and greed. A major target is the privatisation of public services in health, education, housing, and transport. They extract high rent from intellectual property rights, and nullify the sovereignty of the state by shifting trade dispute to 'investor law courts' in locations outside Australia. All these measures only benefit the interests of corporations and other wealthy private interests.

Free trade agreements are also free investment agreements, which create what Noam Chomsky calls 'virtual Senate' with 'veto power' over government decisions, and 'sharply restricting policy options' (Chomsky, 2002: 7). Chomsky has written extensively on free trade agreement as mechanisms to increase the power of multinational companies, the free movement of capital, and primarily as investor rights agreement which disempower citizens of control over the rising concentration of corporate power in their countries and a primary factor in the power and viability of the neoliberal corporate state (Chomsky, 2016). These are responsible for Australia's chronic trading imbalance, running a current account deficit of between 4.5 per cent and 5 per cent of GNP for the past decades. This situation is symptomatic of unequal power relations, which have been exposed in recent years in major tax avoidance scandals by foreign and

domestic concerns. Foreigners finance the Australian trading deficit by the purchase of Australian assets such as land, businesses, stocks, and bonds, accentuating the transfer of public power and assets to the private sector. Australian neoliberal capitalism has generally favoured Anglo-American capital and, increasingly, investment from China, including Hong Kong.

Trade agreements are political products of a neoliberal state intent on pushing the globalisation agenda of a US-led world order. As such they are not submitted to public scrutiny and plebiscite or rigorous analysis by independent agencies, including the Federal Productivity Commission. The commission has had major doubts about the value for Australia of free trade agreements and argues that they 'add to the complicity and cost of international trade through substantially different sets of rules of origin, varying coverage of services and potentially costly intellectual property protections and investor-state dispute settlement provision' (Frazer, 2015). They have generally failed to provide the employment benefits to Australia by allowing foreign workers to enter the labour market in large numbers and for foreign companies in Australia to subcontract most major prefabricated steel work overseas (Aston, 2015).

Trade agreements have undermined Australian democracy by disempowering citizens of their right to engage in negotiations and approve deals made in secret by a small group of politicians and technocrats influenced by the interests of corporations and other special protected interests such as the military. FTAs have become mechanisms to transfer Australian public assets and power to corporations and wealthy individuals, both domestic and foreign. The disempowerment of Australian citizens has largely favoured Anglo-American capital and served the interests of the US imperial project by transferring large areas of jurisdiction to the US judiciary and agencies. Trade deals have deprived Australia of substantial revenues by allowing corporations substantial tax benefits and to shift assets and revenues to tax havens. For Australians, the loss of economic independence has also meant the loss of political independence because of the decision of the political elite to seek protection from the US and partner in the US globalisation project to impose a single economic civilisation on all human kind.

Globalisation is a US hegemonic project which deepens inequality and conflict within and between nation-states because it embeds mechanisms of domination, exploitation, and warfare. It forms a pillar of Australian foreign policy with the capture of the state by corporate and other wealthy private interests and is symptomatic of the absence of an alternative and

progressive hegemonic project to the existing neoliberal governance of the country by a bipartisan political oligarchy. A more independent, peaceful, and democratic Australia would reject a predatory trading and investment global regime and support a new international economic order constructed to achieve equity and social justice in the world, both prerequisites for a more peaceful world.

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CHAPTER 3

War

Nation State

On Anzac Day in 2017, Prime Minister Malcolm Turnbull declared that the day commemorated 'the triumph of the human spirit and the patriotism, sacrifice, endurance, courage and mateship of Australian servicemen and women' (Australian Associated Press (AAP), 2017a). On that day he met with Australian troops at war in Iraq, Afghanistan, and Syria to pay 'tribute to their sacrifice and praised those who continued to risk their lives defending the Australian values of freedom, democracy and the rule of law' (Chan, 2017a). In Afghanistan, he told the troops that 'Australian men and women are defending our values, defending our liberties, keeping us safe' and warned the military of a long-term deployment in the region in Australia's war on terror (Kenna, 2017; Wroe, 2017). On the same day in the Gallipoli peninsula, Foreign Affairs Minister Julie Bishop said, 'As we gather here this morning we each pay tribute to the men and women of our armed forces who have carried on the Anzac tradition for the past century and more—that spirit of courage, mateship, endurance and sacrifice that has forged our national character and identity' (ABC, 2017a).

Anzac Day is in remembrance of the landing at Gaba Tepe by the Australian and New Zealand Army Corps (Anzac) on 25 April 1915 in an attempt to invade Turkey, and the human sacrifice of both countries in major battles in France against the Germans in 1917. Victory in World War I, according to historians Marilyn Lake and Henry Reynolds, 'was

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intimately associated with the preservation and perpetuation of White Australia' (Lake & Reynolds, 2010: 182). On his return from the 1919 Paris peace conference at Versailles, Prime Minister WM Hughes declared to parliament, 'White Australia is yours. You may do with it what you please; but at any rate, the soldiers have achieved the victory, and my colleagues and I have brought that principle back to you from the Conference' (ibid: 162). Former Prime Minister John Howard declared in mid-March 2003 that Australia would join the United States (US) in the illegal invasion and occupation of Iraq, and on 25 April in his Canberra address he said that Anzac Day 'is about the celebration of some wonderful values, of courage of valour, of mateship, of decency, of a willingness as a nation to do the right thing, whatever the cost' (ibid: 11).

The battles of World War I have been enmeshed in the construction of an Australian identity and national character rejuvenated over time to enlist support in the war against communism and the 'war on terror'. Australian culture of war is built on legends and myths about World War I, that the Australian nation was born in the deaths and sacrifices of many during World War I and that this human sacrifice must be renewed with each generation by wars to maintain and define an Australian nation. Psychologist Ernest Becker suggested that a nation was built and driven by an unconscious cultural system, covertly religious to transcend death into a holy war as an immortality project (Becker, 1973/1997). As such, people find self-esteem and meaning in life knowing that their life and inescapable death is part of a heroic project and not an irreconcilable absurdity.

An Australian nation-state was founded in the warfare of British imperialism and the invasion and occupation of the Australian continent. Australia's original sin was the theft of the land and resources from the Aboriginal people, the mass killing that went with it, and the destruction of their culture. A death cult appears to be a necessary existential ingredient in the renewal and perpetuation of the Australian nation-state to maintain social cohesion and obedience required to sustain its advanced capitalist economy and the power and welfare of a ruling class. The nation-state today continues to rely on warfare to maintain a system of domination and exploitation at home and offshore. Australia is an archetype of the nation-state and what makes the nation-state system with its tribal identities the greatest threat to human survival in the twenty-first century.

Australia is an expansionist state because it needs open access to world markets and resources, including capital and a large intake of migrants. Economic expansion is the foundation of a neoliberal state based on unequal economic and political relations. Concentration of power in a ruling elite requires substantial growth to maintain social cohesion and legitimise power. Constraints on economic growth would bring a dramatic challenge to the existing political order and increase the level of domestic discontent and antagonism, raising secessionist sentiments. This explains why Australia's foreign policy is firmly embedded in the political and military grand strategy of the US and the militarisation of the continent, embarking on global warfare in support of US global hegemony. The election of Donald Trump in 2016 has been warmly received by the Australian establishment because it assures a major increase in military expenditures in Australia and raises the importance of Australia as a critical satellite in the US imperial project.

A major outcome is the expansion of Australian military operations and warfare in many parts of the world. Warfare is likely to increase in coming years as Australia moves even closer in the US imperial embrace. US strategic thinking and military and economic posture have become more ambitious and assertive since the end of the Cold War along with Australia's own bloated hubris. Since 9/11, the US has succeeded in further entangling Australia in more dangerous domestic and overseas commitments and undermined its democracy with far-reaching implications for future relations with the region. It is in this climate that Australia's Chief of Army, Lieutenant-General Angus Campbell, warned that Australia 'needs to be ready to fight large-scale conventional land wars across a world that surprises us and sees us in environments which we might not have expected' (Wroe, 2015). Australians, he said, must be prepared to think of the country being involved in larger conflicts in the future.

Europe

As part of the British Commonwealth, Australia's military involvement in European affairs has a long history. Before federation the states sent volunteers to the Maori Wars, a contingent to Sudan in 1880, troops to South Africa in 1900–1902 and to China in 1900–1901 to fight the Boxer Rebellion. After federation, Australia played a role in the destruction of the Ottoman Empire and the attempted invasion of Turkey at Gallipoli, the first time troops fought as Australian troops. Australian men under

British command fought battles against German troops in France during World War I. Grounds at Villeneuve le Breton and the Gallipoli peninsula have been appropriated by Australia and widely commemorated as sacred soil in the minds of the young, representing the country's sacrifice to freedom and democracy. Australia fought the Union of Soviet Socialist Republics (USSR) and China in the aftermath of World War II in a global proxy war against communism, particularly in East Asia. In recent years, Australian role in European affairs has expanded in scope and assertiveness with renewed intervention in a major campaign against Russia and its leader Vladimir Putin.

At the end of the Cold War, the US had an opportunity to facilitate Russia's participation in the European peace project, the European Union. Instead, it chose shock therapy on the country's economy and society and to divest the population of their shared national assets and resources. Public services went bankrupt, and pensioners lost most of their income and savings in the name of market freedom and democracy. In the West, Russia continued to be treated as an enemy, with a US-led push to supply arms to former Warsaw Pact members and enlist them in the North Atlantic Treaty Organization (NATO). Enmity towards Russia gained traction with the destruction of Yugoslavia. While the federation faced major challenges, it could have been rescued from its financial and humanitarian crisis. Had the West intervened early with the resources it had available and a clear strategy for employment and economic growth, it could have averted the human tragedy that was to follow. Instead, the European Union prodded and legalised the secession of Slovenia and Croatia and allowed war and mass killing to progress, ending with the 1999 NATO bombing of Serbia to 'liberate' Kosovo. A strong case has been made that breaking up the federation was part of a US political agenda to liquidate remnants of socialism and vestiges of communism in Europe, and pursue a policy to further undermine and contain Russia's power (Bogdanich, 1999; Spectrezine, 2011; Zimmerman, 1999).

The role of Australia in this sordid phase of European history began with the promise by former Prime Minister Hawke that 'Australia would be among the first to recognize Croatia and Slovenia', which it did on 16 January 1992 with the recognition of the former Yugoslav republics of Slovenia and Croatia (Australia, 1992: 412–413). Later, Australian military and NGOs became involved in military operation and mediation between Croatia, Bosnia, and Macedonia and 'the enforcement of ceasefires in Bosnia following the dissolution of Yugoslavia' (Australia, 2002).

Australia's role in NATO began in the early 1990s, participating in the dissolution of the former Yugoslav federation. It continued to expand afterwards when, in 2003, NATO took command of the war in Afghanistan as a member the International Security Assistance Force (ISAF) in Afghanistan.

In 2009, Australia was granted the status of Global Partner for Cooperation. The policy of weighing in Australia was to reinforce the US-UK control of NATO and leverage on attempts of the European Union, particularly of its founding members, to seek a more independent foreign policy for Europe (Mayer, 2003). This is particularly relevant given the influence of the US and NATO on former Warsaw Pact countries. A significant initiative was a direct involvement in the politics of Ukraine in the overthrow of an elected government headed by Viktor Yanukovych in February 2014. This was at the height of a political crisis in Ukraine in a confrontation between the US–NATO coalition and Russia over Ukraine's entry in the European Union as a prelude to its NATO membership. Ukraine plays an important role in US geostrategic thinking as a geopolitical 'pivot' critical in the future of Russia. Zbigniew Brzezinski, a prominent US national security adviser who organised the entrapment of Soviet forces in Afghanistan, describes Ukraine's independence as a necessity for the US strategy to control the affairs of Eurasia and the decentralisation of Russia: 'composed of a European Russia, a Siberian Republic, and a Far Eastern Republic', and both may require for the US to organise a confrontation over Ukraine (Brzezinski, 1997: 202; Shevardnadze, 2016).

The conflict in Ukraine soon turned into a civil war with the rise of a secessionist movement in the eastern part of the country. Both Russia and the US became involved by proxy in the fighting, which by the end of 2016 had claimed more than 10,000 lives. Australia's former Prime Minister Tony Abbott was an early and strong defender of Ukraine's new pro-European government headed by billionaire Petro Poroshenko and viewed Putin's Russia as a threat to world peace. He firmly believed in the neoconservative discourse of the 'end of history', and of the myth that 'It had fallen to the English-speaking world to fight evil wherever it is found' (Hartcher, 2015). The clash with Russia came with the downing of a Malaysian Airline flight in July 2014 over Ukraine's war zone which had killed 298 people, including 38 Australian citizens.

Abbott condemned Moscow's 'invasion' of Ukraine and told Parliament that 38 Australians 'were murdered by Russian-backed rebels' and that

Australia would provide military assistance to the Ukraine government (Coorey & Kerin, 2014). Abbott condemned the case of a 'larger country bullying a smaller country, and this should have no place in the world … you cannot have and international order if might is right. You cannot have a safe and secure world if powerful countries are able to take what they want' (Wroe, 2014a). At the time, Abbott was preparing to send as many as 10,000 soldiers to occupy the crash site in eastern Ukraine (Wroe, 2016a). Australia's Foreign Affairs Minister Julie Bishop supported sanctions against Russia and lobbied to ban Vladimir Putin from attending the Brisbane G20 meeting in 2014 (Corcoran, 2014). Abbott went on to tell Australians that he would confront Vladimir Putin at the Brisbane G20 meeting in November 2014, declaring, 'I'm going to shirt-front Mr Putin, you bet I am'—a shirt-front is a front-on charge designed to knock an opponent to the ground' (Massola, 2014).

The campaign against Russia and Putin reached a crescendo with the entry of Russia in Syria's civil war and the election of Donald Trump as US president. Former MI-6 agent, Alastair Crooke, argues that the US is pushing to escalate a confrontation with Russia in a policy to entrap Putin and destabilize Russia (Crooke, 2016a). His analysis is a reflection of the control of the US national interests by a policy elite's world view of the necessity to control the politics of Eurasia and prevent the rise of any challenge to US economic and military dominance (Brzezinski, 1997; Kissinger, 1995). Brzezinski's three grand imperatives of imperial geostrategy for the US are 'to prevent collusion and maintain security dependence among the vassals, to keep tributaries pliant and protected, and to keep the barbarians from coming together' (Brzezinski, 1997: 40). In the US, the politicisation of the military-industrial-intelligence complex is a serious issue, exposed in the 2016 presidential election with the potential to destabilise US domestic politics. US scholar Stephen Cohen has made the point about the Central Intelligence Agency (CIA) claims 'that the Kremlin ordered hacking into Democratic Party computers during the 2016 election confirms that American leaders and Russia are engaged in a new Cold War' (Goodman, 2016). It suggests that Donald Trump is viewed as an apologist for Putin and a client of the Kremlin and therefore a potential enemy of the powerful neo-McCarthyites headed by Senator McCain (Goodman, 2016; Truthdig, 2016).

A confrontation by a US-led Western alliance against Russia is intensifying and threatening world peace. It could have been different. US academic Stephen Cohen has made a strong case that the Soviet Union was

reformable and its break-up avoidable (Cohen, 2011). There was an opportunity also to integrate Russia in the European Union and expand the European peace project to avoid another world war. But this was not to be. Mikhail Gorbachev has accused American leaders of lying to him when they promised not to expand NATO to Russia's borders. Australia could be on the wrong side of history if US academic John Mearsheimer is right in his analysis of US foreign policy. He has argued that the US is making a big error in judgement in wanting to incorporate Ukraine into NATO and blames the West for the Ukrainian crisis. He wrote, 'The US and its European allies share most of the responsibility for the crisis. The taproot of the trouble is NATO enlargement, the central element of a large strategy to move Ukraine out of Russia's orbit and integrate it into the West' (Mearsheimer, 2014).

Threatening Russia's core interests was bound to cause a reaction and the hostility of the powerful nationalist Russian elite. It claimed that the West was preparing for war against Russia and pressured Putin to respond to Western provocation in Ukraine and take over Crimea in 2014 (Crooke, 2016a). Historian Richard Sakwa argues that the West pushing NATO to Russia's borderlands created the conditions for the civil war in Ukraine. He warns that 'for 20 years we've been living in a fool's paradise. After the end of the Cold War we ultimately fundamentally failed to establish an inclusive and satisfactory peace on the European continent' (Miller, 2015; Sakwa, 2015). Mearsheimer concludes that 'it would be the height of folly to create a new NATO member that the other members have no intention of defending' (Mearsheimer, 2014).

Europe is an important region in Australian foreign affairs and wars. When the United Kingdom (UK) voted to secede from the European Union, Prime Minister Malcolm Turnbull rushed to visit the newly elected Prime Minister, Theresa May, to reaffirm Australia's allegiance to the House of Windsor and discuss a free trade agreement with the UK. At the Hamburg G20 meeting in 2017, Turnbull made clear Australia's contribution to European affairs alongside the British to support a US-led NATO. He went on to France to celebrate a '$50bn agreement under which the French naval contractor DCNS (now known as Naval Group) will build a new fleet of diesel-electric submarines based on its nuclear Barracuda. The French firm beat bidders from Japan and Germany' (AAP, 2017b). In Paris, Turnbull described the submarine deal as 'the largest and most ambitious military project in Australia's history' (ABC, 2017b).

Middle East

Former President George HW Bush announced his New World Order for a post-Soviet era in 1991. His message was that US unipolar power would continue its grand strategy to intervene militarily against any threat to the security of the US and implement a 'free' global economy—in other words, an imperial policy to pacify the entire world (US, 1991). Bush's final national security message was delivered months following the termination of the 1991 Gulf War, which killed hundreds of thousands of Iraqis and produced an ecological disaster which an official report to the UN Secretary General described as 'an almost apocalyptic devastation which has returned Iraq to preindustrial conditions' (Falk, 1991: 192). Australia was a willing and enthusiastic partner in the 1991 Gulf War and Prime Minister Bob Hawke, a close friend of President Bush, readily issued orders for the military engagement of Australia. Australia, which had previously supported Indonesia's dictatorial invasion of East Timor, had no issue when it came to feudal Kuwait.

The war boosted his popularity as prime minister but he later confided that 'taking Australia into battle was very much against traditional Labor opposition to the Vietnam War [and that] the second Gulf War was arguably the most massive strategic and diplomatic blunder made by any American administration' (Murphy, 2016). At the time of the Gulf War, US neoconservatives were working on plans to Balkanise the Middle East region and redraw the geopolitical map, reminiscent of the 1916 Sykes–Picot Agreement to divide the region into zones of colonial influence, described as 'the first instalments in a long line of modern European—and subsequent American—meddling in the region' (Hughes, 2016). For the twenty-first-century neoconservatives in the West, it was a matter of radical remediation and the need for countries to 'change behavior' and refashion relations with the US (Lemann, 2002). This was part of US policy for a 'new Middle East', a term introduced in Cairo in 2005 by Secretary of State Condoleezza Rice. She claimed that in the past, US policy had systematically repressed democracy in the region. But now, with the invasion of Iraq in 2003, the US was initiating an American-led revolution to bring freedom and democracy to the region (Rice, 2005).

In the years following the first Gulf War, Australia became more embedded in US political-military hegemony to give substance to the geopolitics of the greater Middle East, also known as the Eurasian Balkans, an arc-like region for war planners which ranges from Libya to the Chinese border.

In the aftermath of 9/11, Prime Minister John Howard made the decision for Australia to join the US in the invasion and occupation of Afghanistan in 2001 and Iraq in 2003. According to former diplomat Tony Kevin, Prime Minister Howard 'was pounding on the door for Australian forces to be included in the invasion of Afghanistan', and sent commandos on killing expeditions to Afghanistan (Kevin, 2004a, 2004b). In Iraq, Australia began the land war with Special Air Services (SAS) forces, prior to the expiry of President Bush's 'proclaimed ultimatum to Saddam Hussein to surrender power and leave Iraq', which were involved in a 'turkey shoot' against Iraqi troops (Kevin, 2004b).

The US-led invasion of Afghanistan and Iraq was responsible for the deaths of an estimated 1 million Iraqis, or 5 per cent of the population, as well as 220,000 people in Afghanistan and 80,000 in Pakistan; the actual level of casualty could be as high as 2 million dead (Jamal, 2015). It was also responsible for the persecution of Christians in the region. According to journalist Jane Corbin, 'the waves of Christian persecution began not with the Islamic State, but a decade ago in the chaos sparked by the US-and British-led invasion of Iraq. Under Saddam Hussein's rule, Christians enjoyed what they now recall as a golden age' (Corbin, 2015). The 1991 Gulf War and subsequent invasion and occupation of Afghanistan and Iraq led to the uprooting of millions of people and created vast flows of refugees to regional camps and to millions seeking asylum in Europe.

The war on Iraq triggered a civil war and the *de facto* partition of the country along ethnic and religious lines, segregating the population into Shia-, Sunni-, and Kurd-dominated areas, fuelling antagonism and fighting among them. Use of depleted uranium in the destruction of Fallujah and the further alienation of the Sunni population in Iraq in 2004 led to an insurgency and the rise of the Islamic State (IS). The US attack on Fallujah led by Marine General James 'Mad Dog' Mattis killed between 4000 and 6000 civilians (Cohn, 2017). The build-up of a powerful fundamentalist regional movement called itself the Islamic State, the Islamic State in Iraq and the Levant (ISIL or ISIS), later simplified to IS, which is known as Daesh in Arabic. It is largely funded by Saudi Arabia, Qatar, the United Arab Emirates (UAE), Bahrain, and Oman (Lofgren, 2016: 258). Former US President Obama traces the origin of ISIS to the Bush-era Iraq invasion, intensifying the Shia–Sunni divide and conflict in the region and the world at large (Obama, 2015). Britain's Chilcot inquiry findings put the rise of IS squarely in the US' 'disastrous decision to dismantle the Iraqi army and embark on a program of de-Baathification' (RT, 2016).

Western intervention in the Middle East intensified with the Arab Spring at the end of the first decade of the twenty-first century. NATO's renewed purpose in the 'war on terror' instigated a regime change in Libya and directed the overthrow of the Gaddafi regime and the assassination of its leader by US-led NATO forces in 2011 (McKinney, 2012). It was a human disaster for a population which once had the highest standard of living in Africa. Another outcome was a major movement of weaponry to Syria to support anti-Assad forces (Hersh, 2014). According to journalist Seymour Hersh, the US consulate in Benghazi, Libya was moving captured weapons into Syria through Turkey. A sarin attack blamed on Bashar al-Assad was a set-up between the Obama administration and the leaders of Turkey, Saudi Arabia, and Qatar in 2012 to trigger a US invasion in the Syrian civil war to overthrow the Syrian government (Hersh, 2013, 2014; Zuesse, 2016).

In Syria, following the 2011 NATO bombing of Libya, the Arab spring was captured by an armed Islamist group's provocation in Daraa (Fisk, 2016). It was funded by Qatar and Saudi Arabia to overthrow the government of Bashar al-Assad. University of Sydney academic Tim Anderson's account of the war shows how 'proxy armies of Islamist, armed by US regional allies, mainly Saudi Arabia, Qatar and Turkey, infiltrate a political reform movement and snipe at police and civilians. They blame this on the government and spark an insurrection, seeking the overthrow of the Syrian government and its secular-pluralist state' (Anderson, 2016). Events in Syria turned into a war by proxy between a US-led Western alliance and an Iran–Russia coalition. According to former M16 agent Alastair Crooke, 'Turkey has been supporting, supplying and facilitating Isis throughout this war. It's part of its ambition to take parts of Syria which Turkey has always claimed were Turkish' (Crooke, 2016b). Former UK ambassador to Syria Peter Ford claims that in 2016, the US was ready to ally itself with the Al-Qaeda branch in Syria in its bid to overthrow the Syrian government (RT, 2016). By the end of 2016, more than 250,000 people had been killed, and out of a population of 12 million, more than half had become refugees (Gordon, 2015).

US involvement in Syrian affairs has a long history, beginning with the CIA engineering the overthrow of the democratically elected President Shukri-al-Kuwaiti in 1949. It was the continuation of a policy to meddle in the affairs of the Middle East that led to the rise of a jihadist movement and the Syrian civil war (Kennedy, 2016). Former President Obama affirmed that 'Isis is a direct outgrowth of al-Qaeda in Iraq that grew out

of our invasion, which is an example of unintended consequences' (Saul, 2015). Australian lawyer James O'Neill reminds the reader that the more recent campaign to destabilise Syria began in 2000, 'when Qatar, which hosts two major US military bases as well as the headquarters for US Central Command, proposed a major new pipeline' to ship Qatar gas to the European market, undermining Russia's access to the European market (O'Neill, 2016). Syria's refusal of access to its territory for the transit of Qatar's gas initiated a plan to destabilise the government by proxy forces, involving Saudi Arabia, Turkey, and the US to foment unrest and violence and train and arm mercenaries. According to historians Alfred McCoy and Brett Reilly, the US State Department played an important role in destabilising Syria. It also invested significant sums of money to secretly finance 'political groups and related projects, including a satellite TV channel, beaming anti-government programs to the country. In other words, it was preparing a new elite for a regime change in future' (McCoy & Reilly, 2011).

By 2014, territorial gains by Islamic State (IS), including the capture of Fallujah and other major Sunni Arab population cores in Iraq, began threatening the Shia-dominated government in Baghdad. It forced the US and its allies, including Saudi Arabia, the Gulf states, and Jordan, to intervene on the ground and ratchet bombing missions and drone assassinations against the insurgents. The US announced in September 2014 that the war on IS would be part of a NATO core group with Britain, Australia, Canada, Denmark, France, Germany, Italy, Poland, and Turkey (BBC, 2014). It led to renewed operations by Australia during the leadership of Prime Minister Tony Abbott, sending elite SAS soldiers with the support of Australian air power based at Al Minhad Air Base in the UAE, one of several Australian airbases in the region (Nautilus, 2014). Abbott was keen to involve Australian forces and demonize Islam in the press, telling Australians that Islam must change and of their duty to impose Australian values on another country.

Australia's role in the destabilisation of the Syrian government and civil war involved commandos in the war against IS in Iraq and Syria, Australian bombing missions, and the Pine Gap in drone assassination (Tanter, 2014). Seymour Hersh implicates Australia in funnelling weapons and ammunition from Libya via Turkey to Syrian terrorists (O'Neill, 2016). He writes, 'A number of front companies were set up in Libya, some under the cover of Australian entities. Retired American soldiers, who didn't always know who was really employing them, were hired to manage

procurement and shipping. The operation was run by David Petraeus, the CIA director who would soon resign when it became known he was having an affair with his biographer' (Hersh, 2014: 23). Australia was also supplying arms to the Kurds Peshmerga forces in control of Iraqi Kurdistan, Australian transport planes delivering weapons and ammunition to the Kurdish city of Erbil (Wroe, 2014b).

Former Prime Minister Tony Abbott was enthusiastic about Australia's continuing role in the war against IS. Australian forces were back in Iraq in 2014, supporting Baghdad's drive against IS. Australian commandos and bombs helped Iraq's government reclaim territory occupied by IS, invading the Iraqi city of Fallujah, holy ground for IS and where the Sunni rebellion started, reclaiming Ramadi, and in 2016–2017 fighting in a major battle for Mosul. The city was taken in July 2017 after it was destroyed by intense artillery fire and air bombardment, causing thousands of civilian casualties. Australian air operations in 2015–2016 claimed to have killed hundreds of 'Islamic fighters' and Syrian soldiers (Gordon, 2015; Henderson, 2016; Wroe, 2015; Wroe, Aston, & Kenny, 2016). While Australian bombing missions were condemned by many influential Australians, Murdoch's warring press was proudly frontpaging the bombing in *The Australian* as '*Raining Down a Fiery Justice*' (17.8. 2016).

Abbott preached that 'Western culture is superior to others' and that 'some cultures are evil'. Australia, he claimed, was involved in a battle for civilization, describing IS as a 'death cult which exults evil', and Muslims as potential terrorists. He called for the reformation of Islam and warned that 'Australia's commitment could last for years' (Coorey, 2014; Crowe & Owens, 2015; Olding, 2015). In late November 2014, Abbott was working on a unilateral invasion of northern Iraq by 3500 Australian soldiers (Lyons, 2015). In 2015, he approved more air strikes against targets in Syria and Iraq despite retired General Peter Gration's opposition in a letter to the prime minister signed by a number of academics and doctors, arguing that the bombings would be illegal and disastrous, generating more casualties inside Syria and increasing the flow of refugees from the region to Europe (Mark, 2015). Sadly, widespread public support for the war reinforced the view that the capacity of Australian politics to question the war and criticise the US had collapsed (Tanter, 2014).

In recent years, Australian military and civilian contractors have expanded their activities with the establishment of bases and military companies in the Gulf region along with other foreign contractors. All these activities constitute a major and dangerous investment to protect reigning

families and their feudal power over the Gulf region and their role in destabilising Yemen, Syria, and Iran. In the case of the UAE, according to the *New York Times*, it involved secret operations, sending hundreds of Colombian, Panamanian, Salvadoran, and Chilean mercenaries to join the Saudi war in Yemen; they join hundreds of Sudanese and Eritrean mercenaries recruited by the UAE and Saudi Arabia (Hager & Mazzetti, 2015). Colombians are the preferred warriors because of their training and experience in guerrilla warfare. Elite Australian soldiers conduct covert operations in the region on behalf of US interests. Journalist Antony Loewenstein records the role of one network, the Alliance Base in France, involving outsourced Australian soldiers operating in Iraq and Afghanistan, not unlike the US-run Phoenix Program during the Vietnam War to interrogate and eliminate 'enemies' (Loewenstein, 2010). Brian Toohey has reported on similar clandestine operations since the Howard years by CIA-trained Australian teams, including agents from the Australian Secret Intelligence Service (ASIS), based in a Gulf state (Toohey, 2004).

The UK and US are behind Saudi Arabia's growing military power and the deepening conflict within Islam between Sunnis and Shias. Saudi Arabia is the main funder of IS and other insurgent groups fighting in Syria, Yemen, and Iraq against Iran and Russia. Peter Scott's study concludes that 'in short, the wealth generated by the Saudi-American relationship is funding both the al-Qaeda-type jihadists of the world today and America's self-generating war against them' (Scott, 2012: 7). For some years, Saudi Arabia has been funding the spread of Wahhabism, a fundamentalist Islamic doctrine, to the Muslim world. In Yemen, Saudi Arabia has been accused by *Médecins Sans Frontières* of targeting the country's schools and hospitals, killing large numbers of children (Hubbard, 2016; Timm, 2016). The Saudi-led coalition, including Egypt, Morocco, Jordan, Sudan, the UAE, Kuwait, Qatar, and Bahrain, has been accused of more than 8600 air strikes. At least a third of them 'struck civilian targets, including school buildings, hospitals, markets, mosques and economic infrastructure' (Gordon, 2016). Australia is directly involved in the conflict, supporting Saudi Arabian arms procurement and the power of the role of Australian air force and mercenaries based in the family-run, feudal Gulf states (Begley, 2017).

Australian commandos of the SAS have been operating in many countries in the Greater Middle East. These special units are part of the US Joint Special Operations Command , working with ASIS in collaboration with the CIA. Reports show that SAS have operated in Pakistan and

Afghanistan as well as in Somalia, Nigeria, Kenya, and Zimbabwe, as well as in East Asia (Macklin, 2015; Welch & Epstein, 2012). The expansion and concentration of power in the Australian military-intelligence complex and the secrecy of their operations should be a source of concern to the public. Cases of covert entry into the Middle East and elsewhere in the world are frequent and likely to involve abduction and killing. In the past such clandestine operations in Korea and Vietnam carried out assassinations and acts of provocation to escalate conflict and violence.

Some 30,000 Australian soldiers have served in Afghanistan since 2001, when Australia contributed an SAS contingent to the US-led invasion of the country. Australia's role expanded in 2003 when NATO took command of the war and Australia became a member of the ISAF in Afghanistan. Australia's role in Afghanistan remains secretive and shielded from public scrutiny. Journalists have been excluded from military areas controlled by the Australian military despite reports of the killing of women and children in commando raids (Grasswill & Davis, 2016). Afghanistan has little to show for the billions of dollars expended by the Western alliance. Widespread poverty, public corruption, and the rise of opium production raise serious issues about the integrity and objectives of the US-led 'war on terror'. University of New South Wales academics Ian Bickerton and Christopher Kremmer conclude that 'if our desire is to assist the people of Afghanistan to live peaceful, independent and prosperous lives, our political leaders should not blindly accept a military option' (Bickerton & Kremmer, 2015).

A war to redraw the geopolitical map of the Middle East has brought violence in Australia, such as the violence by veterans whose bodies and minds have been damaged by the war. It has created toxic social divisions over the hardening of pro-Israeli domestic politics in support of Israel's occupation of Palestinian territory and the construction of Israeli settlements on their land. In December 2016, Foreign Affairs Minister Julie Bishop condemned the UN security resolution 2334 (2016) 'that Israel's establishment of settlements in Palestinian territory occupied since 1967, including East Jerusalem, had no legal validity, constituting a flagrant violation under international law and a major obstacle to the vision of two States living side-by-side in peace and security, within internationally recognized borders' (UN, 2016). Former Prime Minister Abbott approved Israel's annexation of East Jerusalem and demanded that Australia's embassy be shifted from Tel Aviv to Jerusalem.

Australia's war of aggression against Iraq in 2003 has now expanded into a broader regional and global conflict within an escalating Shia–Sunni confrontation between Iran and Saudi Arabia. In April 2017, a 39-country Saudi-led military alliance of Muslim countries appointed Pakistan's former army chief General Rasheed Sharif to head the alliance (Rashid, 2017). A month later in his May 2017 address to the Arab-Islamic-American summit in Riyadh, US President Donald Trump urged the delegates to go to war in a battle 'between good and evil' (Lee, 2017). He singled out Iran's government for supporting 'unspeakable crimes' and urged the delegates to 'drive terrorists out of this earth' and 'with God's help, this summit will mark the beginning of the end for those who practice terror and spread its vile creed' (ibid). Within days, the Egyptian military dictator sent bombers to attack Libya killing many people and causing devastation (Stephen, 2017); and a month later 'Arab nations including Saudi Arabia, the United Arab Emirates, Egypt and Bahrain cut ties with Qatar, accusing it of destabilising the region with its support for Islamist groups' (Wintour, 2017). Global powers are increasingly involved in deciding the future of the region. The US and Russia are fighting a war by proxy over Syria's future, with China supporting the Syrian government with weapons and humanitarian assistance. China is also providing a number of countries in the region such as Egypt, Iraq, Saudi Arabia, and the UAE with advanced hunter-killer aerial drones (Chan, 2017b; Page & Sonne, 2017).

China

Australia's toxic animus towards China became official policy in the early days of colonisation. As early as 1855, the British colony of Victoria, and soon thereafter New South Wales, passed legislation restricting the numbers of Chinese who could enter the colonies. Fear of invasion by Asia's 'yellow hordes' was legislated for in the 1896 New South Wales Coloured Races Restriction Bill, one of the many colonial laws, which barred entry to 'all persons belonging to any coloured race inhabiting the Continent of Asia, or the Continent of Africa, of any island adjacent thereto, or any island in the Pacific or Indian oceans' (Yarwood, 1964: 11). Alfred Deakin, who played a leading role in the creation of the continent's federation, tabled the Commonwealth's first piece of legislation, the Immigration Restriction Bill of 1901, which he said was to uphold the purity of the 'British race'.

Supporting the bill, Australia's first Prime Minister Edmund Barton argued, 'I do not think either that the doctrine of the equality of man was really ever intended to include racial equality. There is no racial equality. There is basic inequality. These races are, in comparison with white races—I think no one wants convincing of this fact—unequal and inferior. The doctrine of the equality of man was never intended to apply to the equality of the Englishman and the Chinaman' (Soutphommasane, 2015).

Fear of Asia continued during World War I, when Prime Minister Billy Hughes warned Australians that should Germany win the war 'this lonely outpost of the white man's civilisation will be deprived of its scanty garrison and left open to cheap Asiatics, reduced to the social and economic level of Paraguay or some other barbarian country' (Paul, 2006: 3). Australia was saved by the US from its fear of invasion by the Japanese during World War II; in its aftermath, Immigration Minister Arthur Calwell warned in 1947, 'We have 25 years at most to populate this country before the yellow races are down on us' (Wikipedia, 2016). During the Cold War the evils of communism became a major security issue, particularly with the establishment of the People's Republic of China in 1949, headed by the Communist Party of China (CPC). Australia's elite viewed China as a major threat to the country and further entrenched Australia's forward defence policy as part of a US–UK alliance to stop communism spreading in Southeast Asia and elsewhere in the region. Since the end of the Cold War, Australia is more firmly established as a regional and global partner in the US imperial project. The country's neoliberal economy and military establishment are closely embedded in US global capitalism with no likely change in the foreseeable future.

China is again a major problem for Australia. The rise of China's economic and military power poses a renewed threat to Australia as a US protectorate. Former Prime Minister Kevin Rudd's 2009 Defence White Paper is about China and the fear of China. It provides guidelines for major forward public expenditures in excess of $200 billion to expand military power with the deployment of new and powerful naval units, including expensive submarines from France and large transport for overseas expeditions, advanced missiles such as long-range Tomahawk cruise missiles for the navy, and enhanced air power (Toohey, 2009). The paper is a policy for the continued build-up of military assets and power in northern Australia in preparation for war in Asia. Rudd, who defined himself as a 'brutal realist on China', designated China as the enemy of Australia and advised the US that 'it might need to use force to contain

China if it failed to conform to global standards of behaviour', saying that Australia would use force if necessary (Callick, 2010; TMI, 2010). Former Prime Minister Paul Keating writes that the WikiLeaks cables revealed that former Prime Minister Rudd 'had been advising the US to reserve the military option against them' (Baker, 2012).

During the Copenhagen 2009 United Nations conference on climate change, Rudd's told journalists, 'Those Chinese f…kers are trying to rat f…k us' (Maiden, 2010). When US Secretary of State Hillary Clinton came to Australia in 2010, she made clear that China was a problem and it would need to be dealt with until it showed signs of behaving 'responsibly'. Clinton remonstrated that China 'has a long way to go in demonstrating its interest in being—and its ability to become—a responsible stakeholder' in the community of nations (Hartcher, 2010). Paul Dibb, a former high-ranking defence official, academic, and Cold War spy, responded by issuing a warning that 'it's not going to be long before China needs to be taught a lesson militarily' (Hartcher, 2010; Stewart, 2016). Ross Babbage, former defence bureaucrat, professor, and founder of the Kokoda Foundation, a right-wing think tank, calls for a massive increase in Australia's military expenditure, including a fleet of 12 nuclear-powered attack submarines. He warns of the likelihood of another Pearl Harbor, given that 'China's massive military expansion is focussed on striking [the] United States and allied forces in the Western Pacific' (Nicholson, 2011; Sheridan, 2011).

Former president Obama visited Canberra in November 2011 to announce a US military build-up in Australia and told Australians that every element of American power would be used 'to establish security, prosperity and human dignity' in the Asia-Pacific region (Paul, 2012: 10). This was part of the 'Pivot to Asia' policy, a Pentagon-devised plan to build up military forces on the periphery of China. According to a former Washington insider, the driving force behind the 'Pivot to Asia' policy was the US military-industrial complex, more specifically the Pentagon's Office of Net Assessment 'attempt to reverse any perceived contraction of empire [and] that requires buying more expensive combat ships and long-range aircraft, which are of minimal use in the war on terrorism but maximize the money flow to defense contractors' (Lofgren, 2016: 84).

Over the years, China has made clear what its core interests are in relations with the US, the region and the world at large. The first is to respond to US hegemony and containment policy, involving US and other forces positioned on the periphery of its territory. Another is to respond to a

number of existing territorial and sovereign disputes with Taiwan, India, Japan, and a number of Association of South East Asian Nations (ASEAN) countries, regarding the delimitation and demarcation of claims over the East and South China Seas. China does not accept boundary and sovereign treaties signed under duress during the period of Western and Japanese colonial invasion and control. These are considered illegitimate. China also does not recognise the occupation of Taiwan by Chiang Kai-shek's Kuomintang forces at the end of China's civil war. Finally, China's policy is to reclaim 'lost territory' during the period of 'humiliation' by colonial powers. This last issue is well documented in the work of British journalist Neville Maxwell on the 1962 China-India war (Maxwell, 2003).

China's approach to international relations incorporates a policy of decolonisation, meaning that the crimes of the colonial past committed against the Chinese people by former colonial masters must be acknowledged and redeemed to the satisfaction of the People's Republic of China. China's approach to conflict resolution over a territorial dispute requires that both China and the other side first accept that there exists a dispute over a boundary, then agree to negotiate a new boundary, and finally sign a new treaty. The 1962 China-India crisis is broadly indicative of China's approach to the issue (Maxwell, 2003). According to Shi Yingh-ong, professor of international relations at Beijing's Renmin University, China wants to be recognised as a great power equal to that of the US, be recognised as a preponderant power in East Asia, and be given co-management of world affairs with the US as part of a formal Group of Two (G2) (Hartcher, 2016).

A major zone of confrontation between Australia and China is over the disputed sovereign claims in the South China Sea. China has laid claims to a large area of the South China Sea, included in its ten-dash line map, encompassing large number of islands, islets, and reefs, as well as the waters around them (Paul, 2006: 211; Paul, 2012: 141–142). It involves the Paracel Islands (Xisha Islands) in the north, the site of a battle between the South Vietnamese and Chinese navy in 1974. Another zone is the Scarborough Shoal and the Spratly Islands, an archipelago consisting of island, islets, cays, and reefs over an area of more than 425,000 sq. km to the south, where there are military installations in areas occupied by China, Taiwan, the Philippines, Malaysia, and Vietnam. China's response to a long- standing US policy of containment is to build up its military power and forward defence by constructing military assets on its seaward periphery, establishing an air defence identification zone (ADIZ) in the South

and East China Sea, and sending nuclear-armed submarines in the South China Sea for the first time in late 2016 (Borger, 2016a).

China's sovereign claims in the South China Sea are disputed by Taiwan, Brunei, Malaysia, the Philippines, and Vietnam. Indonesia, while not a claimant, is concerned about overlapping claims over exclusive economic zones and the encroachment of China's fishing boats in their exclusive economic zone around the Natuna Islands. China does not recognise the intervention of third parties in territorial disputes or accept the legality of arbitration by tribunals, including the UN-backed Permanent Court of Arbitration 2016 ruling on the UN Convention on the Law of the Sea, which the US never ratified, in favour of the Philippines. China's position is that the dispute is about territorial issues and not about the law of the sea. Disputes in the South China Sea can only be resolved through bilateral negotiations, and China will not abide by the Court's ruling. At the 2016 ASEAN meeting in Laos, China's Foreign Minister Wang Yi said that 'China's greatly approves Cambodia and other ASEAN countries taking charge of impartiality and safeguarding fairness' (ABC, 2016). Wang warned, 'We will not permit any outside force to seek to exploit and hype up the so-called South China Sea arbitration case and bring chaos to this region' (ibid).

The US-Australia military alliance does not recognise China's claims in the South China Sea and opposes China's militarisation of the area, insisting on rights to free access to these waters. Both countries want China to abide by the court ruling on the UN convention on the law of the sea, which the US has not ratified. Both claim that China's militarisation of the South China Sea is a threat to their 'freedom of navigation' rights and a threat to the security of the 'free world'. Admiral Harry Harris, head of the US Pacific Command, said that 'China is seeking hegemony in East Asia' (Murdoch, 2016c). Admiral Scott Swift, commander of the US Pacific fleet warned Australia to prepare for action because his job is to 'act in compliance with the law of the sea' (Flitton, 2016). Pressure on the government to act decisively and with force comes from within Australia's defence establishment, such as Ross Babbage. As a senior fellow at the Washington -based right-wing think tank, the Centre for Strategic and Budgetary Assessments, Babbage's paper *Countering China's Adventurism in the South China Sea: Strategy Options for the Trump Administration*, calls for a joint Australia-US challenge to China's claim in the South China Sea, conducting naval and air operations within the 12 nautical miles of contested islands (Babbage, 2016; Greene, 2016a).

Confrontation between China and the Australian-US military alliance over the South China Sea is playing out further afield in the region. China's economic and political pressure on ASEAN not to comply with the UN-backed tribunal ruling over the Philippines' territorial claim has split the organization. Beijing reached an agreement in 2016 with Brunei, Cambodia, and Laos to support its position, rejecting the tribunal findings and declaring that it was not a China-ASEAN dispute, and therefore, should not affect China-ASEAN relations (Johnson, 2016). The Philippines announced in April 2016, with the approval of the Philippines Supreme Court, that it would strengthen a standing military alliance with the US with a ten-year military cooperation agreement to increase US military involvement in the Philippines, positioning air and naval forces at its former bases such as Clark Air Base, Subic Bay, and other existing military bases (Goh, 2016). However, in late 2016, President Rodrigo Duterte took an anti-US stand and announced 'that it's time to say goodbye' to the US and to strengthen Manila's alliance with China (Murdoch, 2016a).

Vietnam's confrontation with China in the South China Sea is backed by the US' growing role in the country's economic and military development. There are also many signs of convergence of interest between India and Vietnam, and both have running territorial disputes with China. India is expanding its intelligence facility in the region. India's satellite network has ground communication stations in the Andaman and Nicobar Islands, Brunei, Biak in eastern Indonesia, and Mauritius, and 'Vietnam has approved India setting up a satellite tracking and imaging centre in southern Vietnam' (Murdoch, 2016b). Vietnam has also granted India oil exploration blocks in the disputed zone. There is a US plan for a coalition with India and Japan against China, what Admiral Harris coins as a 'quadrilateral dialogue' (Wroe, 2016b). India's support in the South China Sea is sought by Australia as part of a policy to supply India with uranium, even though the country is not a signatory to the nuclear non-proliferation treaty.

The China-Vietnam conflict over sovereign claims in the South China Sea has escalated in recent years and brought Vietnam and the US closer against China's sovereign interests. Australia is constructing military alliances with ASEAN members to challenge China, including the 1971 Five Power Defence agreements with Malaysia, Singapore, the UK, and New Zealand, all supporters of the Permanent Court of Arbitration at the Hague's 2016 ruling in favour of the Philippines' claim in the South China Sea (Murdoch, 2016e). Singapore is moving closer to Australia with

defence agreements for military training bases in northern Australia, and in 2016 a commitment of some $2.5 billion for the construction of permanent defence infrastructure, including new barracks, at Shoalwater Bay and Townsville in Queensland.

There are many signs pointing to the wilful deterioration of Australia's relations with China. Foreign Affairs Minister Julie Bishop has insisted that the 2016 international court ruling in favour of the Philippines was final and binding and warned that 'China's reputation will take a hit if it does not heed the international court ruling on the South China Sea, insisting that friendly international relations were crucial to its rise' (Hutchens, 2016). Australian neoconservatives have urged the government to send naval and air units to challenge China's claims in the South China Sea as part of 'freedom of navigation exercises' (Babbage, 2016). The Lowly Institute supports a proposed 'united front of democracies' banding together to encircle China. This is the view of the government-funded Australian Strategic Policy Institute (ASPI), while its US counterpart, the Centre for a New American Security, supports sailing ships in China's sovereign waters and flying strategic bombers in the area, ignoring the East China Sea Air Defense Identification Zone (ADIZ) (Wroe, 2016c).

China has warned Australia that tension would escalate if it did not recognise the former's claims in the South China Sea. China's foreign ministry argued that Australia is not a party to the South China Sea dispute and should stay out of it, and that Australia air and naval patrol in the disputed area would constitute a direct challenge to China's core interests and would damage bilateral relations (Carney, 2016). China's *Global Times* makes the point that there is a clear danger that 'direct intervention in the region has dramatically uplifted the risk level to new heights in the South China Sea [and] unintended conflicts could trigger full-scale confrontations' (GT, 2016a). China warned Prime Minister Malcolm Turnbull during his April 2016 Beijing visit that 'Australia's economic interests will be harmed unless it softens its South China Sea policy' (Coorey, 2016). Chinese editorials have attacked Australia's policy in the South China Sea calling it a 'paper cat', and that 'Australia's power means nothing compared to the security of China. If Australia steps into the South China Sea water, it will be an ideal target for China to warn and strike' (GT, 2016b).

Conflict with China is exacerbated by Australia's contribution to Japan's rearmament, which is responsible for increased tensions in East Asia between Japan and China. The matter is closely linked to the crisis over North Korea's nuclear and missile programme. Prime Minister Malcolm

Turnbull has become a strident critic of North Korea's leadership, accusing the country of threatening Australia's security and warned Australians of the need for an anti-missile system on the continent (Needham, 2017). The Australian government has blamed China of protecting North Korea, threatening it with economic sanctions. Michael Pembroke, New South Wales Supreme Court Judge, accuses Australia and the US of hypocrisy regarding their position on North Korea in their unwillingness to negotiate a peace treaty with the country and pushing for a confrontation. North Korea, he maintains, 'wants engagement and respect, it wants regime security and state survival, and it wants a peace treaty to end the 70-year war and remove the threat to its existence' (Pembroke, 2017). The remarkable progress made under the Presidency of South Korea's Kim Dae-jung's 'Sunshine' policy to resolve the problem was fatally undermined by the newly elected US President George W. Bush in 2001 (Paul, 2012: 131).

Within Australia there is an ongoing ideological war between pro- and anti-Beijing forces to influence government policy and public opinion. An energetic and well-funded US lobby is busy using the mass media and influential US visitors to tell Australians what they should think and do about China. The University of Sydney US Studies Centre and the Lowly Institute are lobby groups for the US' hegemonic project. Both are well funded and influential in their support of the US military alliance and critical of China's militarisation of the South China Sea. They advocate regional alliances to challenge and contain the rise of China. Their voice is supported by Murdoch's media and other influential billionaires. US officials in Australia regularly conduct secret polls critical of Chinese investment, posing a serious risk to Australia's national security (Aikman & Nicholson, 2016).

China is also busy promoting its interests in Australia. The pro-Chinese diaspora lobby in Australia is influential in their promotion of China's political and economic development. Leaders of the Australian-Chinese Society warned the Australian political elite in April 2016, 'to tread carefully on sensitive matters like the South China Sea and foreshadowing a possible crisis situation' (Murdoch, 2016d). At a 2016 Sydney forum held by the Australian Action Committee for Protecting Peace and Justice, Chinese leaders urged overseas Chinese to support the Chinese people's core interests and sovereign rights in the South China Sea (Greene, 2016b). China is funding university study centres such as the Australia-China Relations Institute (ACRI) at the University of Technology Sydney

and is alleged to have spies at Sydney University (Garnaut, 2014). The broader Chinese lobby, which includes a number of local politicians and business leaders, argues that Australia's current provocative foreign policy towards China could harm Australia's economic growth and undermine social cohesion.

Claims that China is a threat to Australia have been dismissed by many opinion makers, including former Prime Minister Malcolm Fraser, who said that

> There are Australians who are afraid of China, but for China to be a danger, it would have to act out of character, contrary to all the traditions of its past. If China were to be a danger, this would also signal a total failure of Australian diplomacy. China does not represent a threat to the integrity of an independent Australia. We would earn greater respect as a consequence of such a policy. (Fraser, 2014)

Fraser and other influential public opinion makers critical of Australia's policy towards China are not likely to change the course of Australian policy to support US regional and global hegemony. The trend is clearly towards the escalation of the conflict in the foreseeable future. It could be reversed if events in the US were to change the course of history by declaring an entente with China to share global governance and work together to bring security and peace to the world.

Nuclear War

The threat of nuclear war is increasing with the US $1 trillion modernisation of its nuclear forces and strategic option of a 'first strike' attack (Hallinan, 2017). Former Secretary of Defense William Perry argues that the possibility of a nuclear war is greater now than during the Cold War. Both Russia and China are modernising and expanding their nuclear forces and accuse the US of expanding its anti-missile systems in Europe directed at them. Veteran war correspondent Chris Hedges argues that US policy on nuclear warfare, revised under the Bush administration in the *Nuclear Posture Review*, gives the US a more flexible nuclear strike capability, more options to confront contingencies for 'immediate, potential and unexpected for smaller but more effective mega-tonnages to be deployed. This flirtation with weapons of mass destruction is a flirtation with our own obliteration, an embrace again of Thanatos' (Hedges, 2003: 160).

Australia backs US nuclear dominance and policy to use nuclear weapons in a pre-emptive strike. The Pine Gap and other military installations in Australia provide intelligence and communication for the anti-nuclear shield of the US National Missile Defence (NMD) system and for a pre-emptive nuclear strike to be safely launched without fear of retaliation. The primary targets of NMD are Russia and China. But the shield can be easily breached by low-flying cruise and other missiles launched from submarines or by emplacing nuclear weapons on the continent, putting all Australians and their cities at risk of nuclear retaliation and destruction. Regardless, as a protectorate of the US, Australia's policy is that as long as nuclear weapons exist, 'it must rely on the protection of the deterrent effect of the US's nuclear arsenal, the second largest in the world' (Doherty, 2016a). The Department of Defence's stand is that 'Our Alliance with the US means that, for so long as nuclear weapons exist, we are able to rely on the nuclear forces of the US to deter nuclear attack on Australia' (AG, 2013).

In October 2016, the UN voted to start negotiating a treaty to ban nuclear weapons: 123 nations voted in favour of the Austria-led resolution, 38 opposed, and 16 abstained. The aim was to hold a conference early in 2017 to negotiate a 'legally binding agreement to prohibit nuclear weapons, leading towards their total elimination' (Doherty, 2016a). Non-nuclear states, including New Zealand, are increasingly frustrated with the danger of the present situation and the lack of progress towards disarmament. All the known nuclear states voted against it. Australia voted with the major nuclear powers against a nuclear ban treaty. Australia is a leading opponent of a ban on nuclear weapons, and according to the International Campaign to Abolish Nuclear Weapons (ICAN) charge sheet,

> Australia has positioned itself as the de facto leader of a loose grouping of US-allied nations, working to prevent the start of negotiations on a global treaty outlawing nuclear weapons. At this year's session of the UN General Assembly's disarmament and international security committee—known at the First Committee—Australia voted against, or abstained from voting on, all significant new proposals to advance nuclear disarmament. It also coordinated joint statements intended to thwart moves towards a ban on nuclear weapons in light of their catastrophic humanitarian impacts. (ICAN, 2015)

Professor Tilman Ruff, founding chair of the ICAN and co-president of the International Physicians for the Prevention of Nuclear War, lamented

that 'Australia was doing the dirty work for Washington, and is willing for US nuclear weapons to be used on its behalf, and potentially with its assistance' (Doherty, 2016b). Australia attempted to derail the UN plan to ban nuclear weapons because of the Australian political elite's stand that the resolution will go nowhere without the participation of the states that possess nuclear weapons. Foreign Affairs Minister Julie Bishop argued that the resolution will only 'enrage nuclear countries, not engage them' (Doherty, 2016b). The minister is giving support to the US as it prepares for more wars. Nobel prize winner and former US president Obama has 'modernized America's doomsday arsenal, including a new "mini" weapon, whose size and smart technology, says a leading general, ensure its use is no longer unthinkable' (Pilger, 2016). US President Donald Trump declared that 'the US must greatly strengthen and expand its nuclear capability until such time as the world comes to its senses regarding nukes' (Krieger, 2017). Trump is widely believed to have personality pathologies bordering on the psychopath, and there is great concern in Australia and the world at large about a nuclear arms race triggered by macho threats from the new president and the 'US spending $1 trillion over the next three decades to modernize the US nuclear arsenal' (ibid)

William Perry, US defence secretary from 1994 to 1997, claims that the risk of nuclear catastrophe is rising, and that the progress made with Russia at the end of the Cold War was fast unravelling, increasing 'the possibility there might be a nuclear exchange between the United States and Russia … brought about by a substantial miscalculation, a false alarm' (Borger, 2016b; Perry, 2016). Perry and a number of Nobel peace laureates signed a declaration urging 'all states to commence negotiations on a treaty to ban nuclear weapons at the earliest possible time'. The last treaty of the Conference on Disarmament, the international institution responsible to negotiate multilateral disarmament, was the Comprehensive Nuclear Test Ban Treaty in 1996. A roadway to nuclear disarmament is contained in Chapter VI of the non-proliferation treaty, 'which obliges the five declared nuclear states to pursue negotiations in good faith towards cessation of the nuclear arms race … and nuclear disarmament' (Doherty, 2015).

But the process has failed as countries develop new weapons and upgrade their existing arsenal. Australia's political elite has been energetic against progress in nuclear disarmament. It frustrated a New Zealand-led push for nuclear disarmament and refused to endorse an international statement 'highlighting the humanitarian consequences of any use of nuclear weapons' (Dorling, 2014). Peter Varghese, former head of the

Department of Foreign Affairs and Trade bluntly remarked that the New Zealand humanitarian initiative 'runs against our security interests' (ibid). Former Foreign Minister Bob Carr adopted severe economic sanctions against Iran in 2013, knowing that such sanctions cause death and destruction while former Prime Minister Julia Gillard arranged uranium sale to India. Australian support for a US-led first nuclear strike is of great concern to the Australian public, particularly in regard to North Korea where US military senior staff support possible pre-emptive strikes against North Korea 'if a nuclear attack is deemed imminent … preemptive strikes are necessary if information that the North is making the final touches on a nuclear attack is detected' (PN, 2016). Such a decision on the part of the US command leaves open the possibility, as in the past, of errors or acts of provocation with disastrous results for the people of the region and the world.

US plans for the ultimate security of the homeland is to militarise and weaponise space from the lower layers of the atmosphere to the exosphere. Among the many military vehicles in operation and being developed is the Boeing-built Air Force X-37B plane, one of which landed at the NASA Kennedy Space Center in Florida in May 2017 after spending 700 unmanned days in orbit. The X-37B orbits between 200 km and 800 km and could eventually carry weapons to destroy targets anywhere in space or on the ground. According to historian Alfred McCoy, by early 2010, the Pentagon hopes 'to patrol the entire globe ceaselessly, relentlessly via a triple canopy space shield reaching stratosphere to exosphere, driven by drones armed with agile missiles, linked by a resilient modular satellite system, monitored through a telescopic panopticon and operated by robotic controls' (McCoy, 2012). Eventually, the Pentagon wants to integrate biometrics in the system, enabling the US to geolocate and target individuals to produce a platform of 'unprecedented power for the exercise of global dominion—or for future disaster' (ibid).

Australia is a participant in the US militarisation of space and conducts a number of joint research projects on the continent and elsewhere in the world. The Pine Gap US military facility in Northern Australia already plays an important role in the functioning and development of a global surveillance and weaponry control centre to coordinate military operations across all combat domains (Reynolds, 2016; Welch, 2014). Chalmers Johnson has argued that the control of space is the ultimate imperialist project and could ultimately lead to the downfall of the US. Space weapons, he writes, 'are the cause and the result of several pathological

developments in our political and economic systems. The iron triangle of the air force, Congress, and the military-industrial complex, sanctified by the high-tech jobs it offers to American workers, is driving our country toward bankruptcy' (Johnson, 2007: 241–242). Australia, which has a close military intelligence alliance with the US and is the home of a network of secretive military bases, could find itself targeted by nuclear weapons in a war to come.

Australia's policy that requires protection by the US nuclear arsenal has gone unchallenged since the end of World War II, putting at risk the entire population as a likely target in a nuclear war. A People's International Tribunal held at the University of Sydney's Centre for Peace and Conflict Studies (CPACS) in 2016 found the leaders of the nine nuclear powers guilty of planning, aiding, and abetting the planning of genocide, ecocide, and omnicide, and also found Australia guilty of facilitating the use of American weapons (McDonald, 2016). The late Professor Peter King, who headed the Human Survival Project at CPACS and organised the tribunal, argued that 'nuclear weapons are not even a true source of State security. Rather, the inherent paradoxes in nuclear deterrence make nuclear weapons a prime cause of insecurity, and a nuclear catastrophe inevitable if nuclear weapons continue to exist' (IDN, 2016).

Militarism

There are two prevailing political cultures in Australia, schematic of major political differences in present-day Australian politics. The first is predominantly democratic and egalitarian and supports participatory and accountable political power, equality in social relations and a firm commitment to citizen control of the economy and natural resources. This tradition is firmly embedded in the traditional culture of the Aboriginal people and in the politics and advocacy of many Australians and social movements for peace with justice. In contrast, there is the political culture of the invader and occupier and the neoconservative power of an imperial rule which concentrates economic and political power in a ruling class. The culture of war that prevails in Australia is firmly embedded in the latter.

Australian military culture is based on public support for the military as an integral part of social and political life. It plays an important role as a national Christian cult of remembrance about past wars and battles, with parades, meetings, and associations, complemented by a vast literature and mass media daily fare about violence and war. War and other forms of

violence are part of popular culture in a widespread gaming and entertainment industry. Political life is highlighted by the role of former senior military leaders in leading positions in governance, business, and special commissions in times of environmental disasters. In parliament, the politics of war are waged by the leadership of both major ruling political parties. There is strong public and state support for military operations to close Australian borders to boat asylum seekers, wage offshore wars, and fund a growing military establishment in preparation for more wars.

Militarism is also about the role of the Australian military as an enforcer of US hegemony in the post-9/11 new world order, beginning with the role of the Howard government as US 'sheriff' for President George W. Bush, adopting the strategy of pre-emptive strike against terrorist bases in Southeast Asia. When Tony Abbott was federal minister for health in the Howard government, he boasted that 'what has really changed is that we no longer habitually wait for someone else to take a lead. In East Timor, in Solomon Islands and in Papua New Guinea, Australia has been front and centre trying to restore and maintain the universal decencies of mankind' (Paul, 2006: 99). Former Prime Minister John Howard committed Australian troops to the US invasion of Iraq eight months before he made the announcement to the Australian public.

Former Australian diplomat Bruce Haigh suggests that Howard initiated a policy of 'making the military into a secret organisation … hiding the identity of those involved in undertakings which the Australian public might not agree with' (Haigh, 2006: 86). A policy pursued under the Labour government was support for the Sri Lankan government's genocide policy against the Tamil people and denying Tamil asylum seekers entry into Australia (Haigh, 2011). The process of shielding the military from critical examination during his term in office has continued with the Turnbull government's declaration of Australia's 'right to retaliate' in the Middle East and elsewhere in the world, and refusal to carry out an Australian inquiry into the decision that led to Australian troops invading Iraq. Former Australian diplomat Alison Broinowski says that the 2003 invasion of Iraq 'was a humanitarian, legal, political and strategic disaster. It has left a trail of death and destruction and millions of refugees. It has undermined the role of international law and strengthened terrorism' (Broinowski, 2012: 5).

Australia's 'war on terror' in Europe and elsewhere in the world on behalf of US global hegemony undermines democracy at home and is directly linked to the rise of the garrison state. Security concerns and fear

of Islam's 'fundamentalism' and 'terrorism' dominate Australian political life and generate the growth of the security state. Radicalisation of individuals and groups has become a new public fear and threat to domestic peace and social cohesion. These have been instrumental in closing access to boat people seeking asylum in this country. Restrictions on human rights have increased, including revoking citizenship of naturalised persons accused of 'terrorism' (Broinowski, 2014). Human Rights Commissioner Gillian Triggs argued that 'national security is being used to marginalise and overpower the judiciary, to concentrate power in the executive, to allow the armed forces to be deployed as and where the prime minister wishes and to imprison people without charge or trial' (ibid).

The war in the Middle East has boosted the rise of the national security state and the interoperability of an Australian military-intelligence complex with the growing US military presence in Australia. A US marine expeditionary corps is stationed in Darwin, airbases are used for US strategic bombers and Pine Gap has greatly expanded its communications and spying facility in northern Australia, providing vital geolocation links with military operations in the Greater Middle East, including precision bombing and people-hunting-and-killing drone operations. Pine Gap operations in the Northern Territory are part of the war. 'in directing US drone strikes which have killed thousands of militants and civilians (particularly innocent children) over the last five years' (Ball, 2014; Hawke et al., 2014).

War plays an important role in Australia's growth economy. The Australian government has been pushing the growth of the armament-security industry in the country, most of which is controlled by US-UK and French interests. The Middle East has become an important market, particularly Saudi Arabia (Begley, 2017). Australian companies have developed markets for the sale of military hardware and software. Military and national security activities add substantially to public and private expenditure and contribute a significant boost to the gross domestic product. There are other benefits more widely spread in the role of Australian superannuation funds investing in companies supplying war material and services. Macquarie Bank, among other funds, in 2013–2014 invested almost $1 billion in major US defence companies whose shares have greatly benefited from the humanitarian disasters in the Greater Middle East (Wilkins, 2014). UK's BAE Systems, which operates in Australia, is a major arms and training provider to the family-ruled tyrannies in the Gulf

region and North Africa. It sold to countries like Bahrain and Morocco mass surveillance systems used to arrest and torture dissidents. In Saudi Arabia, BAE surveillance systems are linked to the close monitoring of the population and disappearance of a large number of activists (ABC, 2017c). The Stockholm International Peace Research Institute (SIPRI) research shows a 30 per cent share price rise in 2013–2014 in the 12 biggest arms producers in US and others—Thales, Finmeccanica, and BAE Systems—based in France, Italy, and the UK (Wilkins, 2014).

Australian democracy is threatened by the rise of military power and the secrecy that surrounds their activities. Both are symptomatic of a shift in the civil authority of citizens towards a form of authoritarianism which is likely to accentuate in view of the implications of the destruction of the biosphere. Climate science predictions on climate change will affect everyone and are likely to increase inequality, diminish economic growth expectation, and put an end to the age of laissez-faire neoliberal capitalism (Klare, 2013, 2017). Poorer people in the world are likely to be more affected than the richer advanced capitalist countries by a likely rise in violent political and social unrest, and an unprecedented global refugee crisis. Climate change is now a major strategic concern of the military, particularly in the US, where the military are preparing for domestic intervention and the closure of borders (Gilbert, 2011; MR, 2004). The militarisation of climate change is also taking place in Australia with plans for domestic intervention, building a fortress Australia by closing down the borders and striving for self-sufficiency (Burdon, 2016; USDD, 2003). Philosopher Amitav Ghosh suggests that the Australian military establishment is working on a climate security strategy 'with the United States and United Kingdom' and that 'their political elites and security structures have tacitly adopted a common approach to climate change' (Ghosh, 2016: 140–141).

War Crimes

With the fall of the Berlin wall in 1989 and the end of the USSR in 1991, the US claimed victory for capitalism and liberalism, and put in place a new world order that promised a better and more peaceful world for all, firmly based on US global economic and military dominance. The US-led system put in place by the G7 has turned out to be a major failure in world governance and a threat to human survival. US hegemony confronts a major domestic and international crisis which it is unable to resolve

without accumulating more power and waging more wars. There are real fears, with the election of Donald Trump as President of the US, that reliance on Pentagon economics may soon gain control over the republic. There is now a global war going on, a new cold war, a 'war on terror' being fought on many fronts.

Former Prime Minister John Howard lied to the electorate about why Australians were sent to kill and be killed in the invasion and occupation of Iraq. According to former Australian diplomat Tony Kevin, Howard launched the war inside Iraq 'before the expiry of the 48 hours coalition ultimatum to Saddam to step down from power, and 22 hours before US and UK forces began to fight … it puts Australia in the dubious company of the Japanese attack on Pearl Harbor without declaring war first' (Kevin, 2004a). The absence of an opposition in Australian politics to call the government into account is a serious flaw in Australian democracy and symptomatic of a shift towards some form of capitalist authoritarianism. In contrast, the UK had an inquiry and the Chilcot Report on the investigation over the case for invasion in 2003 has mauled former Prime Minister Tony Blair's reputation, concluding that 'there was no imminent threat from Saddam Hussein'. In contrast, Australia has failed to get an answer for the decision of former Prime Minister John Howard to order a war of aggression on another country (Broinowski, 2012; Harding, 2016).

Andrew Wilkie, Member of Parliament and former intelligence officer, said that Howard and his foreign minister Alexander Downer 'stand accused of war crime' and have the blood of Australians killed in the 2005 Bali bombing on their hands (Wilkie, 2016a, 2016b). Australians were the target of a number of attacks in Indonesia, including two in Bali, one on 12 October 2002 which killed 202 people (88 Australians), and on 1 October 2005 when 23 people were killed (4 Australians). Wilkie acknowledges that 'the war created the circumstances for the eventual emergence of the Islamic state' (ibid). Some Australian officers should also be charged with war crimes, including General Jim Molan who was involved in 'counter-terrorism operations' during the war on Iraq and 'planned and also directed the assault on Fallujah in late 2004' (Doran & Anderson, 2011). Wilkie said that the terrorism threat faced by Australia is 'a direct result' of the Howard government's decision to go to war in 2003' (Karp, 2016). Former Prime Minister Paul Keating suggests that Howard 'visited on Australia the whole spectre of terrorism through his craven and ill-judged support of the US and its invasion', and he should 'atone for the actions of his government and hang his head in shame' (ibid).

There are many reports of war crimes committed by Australian troops in Afghanistan, particularly in regard to soldiers of the Special Air Services Regiments (SASR). These involved unlawful killings of unarmed civilians and children, unwarranted executions of prisoners of war, and the desecration of bodies, such as cutting off the hands of dead insurgents (Oakes & Clark, 2017). Ben Wadham, former Australian soldier and military investigator, blames 'the notorious but highly secretive "kill-capture" strategy of the Afghanistan war … characterized by the identification of strategic targets and the formation of raid teams that descend on villages and houses, raiding, capturing and killing its occupants' (Wadham, 2017). It is all reminiscent of the infamous Phoenix Program run by the CIA during the Vietnam War. Led by counter-terrorism experts and Special Operations Forces, it set out to destroy the political infrastructure of the Viet Cong by waging a terror campaign, including detention, torture, and assassination, against the population (Otterman, 2007: 61; Wikipedia, 2017).

A minority of 'influential special operations task group personnel' have been accused of 'a culture of recklessness, indiscriminate killing and an indifference to Afghan life' (Wadham, 2017). Criminal activity within the Australian forces in Afghanistan has been largely hidden by a code of secrecy and practices of cover-up and deceit, which contributed to a culture of impunity. Recent revelations about the brutalities of the occupation demonstrate that Australian war in Afghanistan was a failure (Elliott, 2017). Public concern about Australia's role in Iraq and Afghanistan is increasing, particularly in view of the 'increasing number of SASR and commando veterans suffering Post-Traumatic Stress Disorder (PTSD) debrief by compensation lawyers and psychologists about the source of their trauma' (McKenzie & Baker, 2017).The failure of the country's military and civilian authority to come to terms with war crimes in the past has led to another investigation commissioned by the Chief of Army Angus Campbell in 2016, headed by the New South Wales Supreme Court judge Paul Brereton and the secretive office of the Inspector-General of the Australian Defence Force.

During the Vietnam War, Daniel Ellsberg, assistant to US Secretary of Defense and the war's architect Robert Strange McNamara, leaked top-secret Pentagon papers to expose the government's public lies about the war. Recently, he argued that if we are to avoid the next war, insiders need to come out with the truth about what they know lest they become accomplices in the slaughter that follows. Secret debates going on in the preparation for the next war should be made available before the 72-year

moratorium on nuclear war is ended violently (Ellsberg, 2006). There would have been no Australian invasion of Iraq in 2003 if insiders in both the US and Australia had come out with the truth before the war started, rather than after when the killing and maiming was already well under way.

Australia is involved in a global war as principal 'sheriff' to US economic and military interests, conducting military operations on behalf of the US in Europe, the Middle East, and Asia, as well as in Africa. Domestically, budgets for the military-intelligence complex and military operations are on a steep rise, imposing severe cuts in welfare and other needed social expenditures. The country is turning into a garrison state with northern Australia becoming a military platform for US operation and preparation for more wars. Australian militarism and foreign wars must be open to critical analysis by the electorate. Security issues, military expenditures, and offshore military operations have been hidden, shielded from public exposure and debate by secrecy, propaganda, and punitive legislation.

Australians should demand an inquiry in the Iraq war. Former Prime Minister John Howard's decision to invade and occupy Iraq in 2003 has left a trail of death and destruction which has further undermined Australian democracy. The Iraq War Inquiry Group argues that 'Australia's role in the war raised very serious questions of government honesty and accountability. If we do not learn lessons from this episode, we are at grave risk of engaging in equally ill-founded wars in the future' (Broinowski, 2012; CIWI/AWPR, 2015). Power to declare war and engage in overseas military operations should not be left to the decision of a Prime Minister but be subject to a parliamentary debate and vote as well as a national referendum.

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CHAPTER 4

Garrison

Power

Power in Australia is the merging of economic and political power in the control of the state by concentrations of power which determine the nature and dynamics of domestic politics, and therefore, foreign policy. Australia is an expansionist state whose viability is based on economic and population growth and protection by the United States (US) to sustain the existing system of power. Power in Australia is unevenly distributed and greatly concentrated within a small group representing leaders in politics and corporate and wealthy partners; with the military and intelligence system, they form the core of Australia's corporate state. The viability of the nation-state, in the sense of public order and the continuous accumulation of wealth, requires not only the growth of the population but also its extensive management, including a high level of obedience and discipline, to function politically and economically together. The whole apparatus, however, can only be maintained under a US protectorate system which provides access to markets and resources within a global single 'free' market organised and protected by the US military-industrial-surveillance global megamachine.

Most key features of the garrison state are derived from the above circumstances. First and foremost is the need for population growth. Populate or perish has been a dominant theme in nation building and in the geopolitics of the country since the invasion and occupation of the continent by the British Empire. In the early period of nationhood, population management

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was assured by the white Australia policy, which largely deflected internal class antagonisms externally against the Aboriginal population and the politics of fear of the yellow peril and international communism. In recent years however, the situation has changed dramatically as a result of a long and ongoing struggle for civil rights, and the conversion to multiculturalism as a defining national trait, opening up the country to large intakes of migrants from Asia and other parts of the non-Western world.

Growing immigration from Asia and many other countries is mainly responsible for a substantial growth in population from the 7.4 million at the close of World War II to more than 22 million in 2017. Population growth has been a critical feature of Australian geopolitics of populate or perish, and the vested interests that control the country support a Big Australia policy (Paul, 2006: 154). Population growth is a key feature on the agenda of the Australian business community and both mainstream political parties. Former Labour Prime Minister Kevin Rudd 'believes a Big Australia of 36 million people would be good for the country' while former Liberal Prime Minister Malcom Fraser supported a population of 60 million by the middle of this century (Bearup, 2010; Paul, 2006: 155). Australian geopolitics continue to be dominated by Arthur Calwell, Immigration Department first minister's belief that 'if Australians have learned one lesson from the Pacific War it is surely that we cannot continue to hold our island continent for ourselves and our dependants, unless we greatly increase our numbers—reflecting the "populate or perish" approach of the early years of Australia's immigration policy' (AG, 2011).

Population growth combined with the sovereign claim to a whole continent and huge maritime domain presents considerable management challenges for the elite. A growing population is a clear economic advantage, particularly with ready access to a vast pool of young and well-educated people seeking a better life, but it needs to be disciplined to economic advantage to benefit the vested interests that control the country. Needs for obedience and conformity are now more easily accommodated by new and more sophisticated means of control at both micro and macro levels to maintain domestic order and economic productivity. In these times, population management is an integral part of the globalisation of the Australian economy, which has brought major changes in the labour market, the nature of work, and increased inequality in the distribution of income and wealth. Globalisation has, in effect, embedded Australian society in a market relation global network largely operated by powerful corporate and wealthy private interests.

In the age of globalisation and US hegemony, the function of the Australian nation-state is the expansion of power for economic growth as part of an endless process of the expansion of power for the protection of a seemingly endless accumulation of wealth. Concentration of power in Australia is a process towards some form of authoritarianism. It involves the concentration of state power and that of private power, and their coming together in a growing and symbiotic relationship which constitutes a serious threat to democracy and the biosphere. This process gained momentum during the Hawke Labour government 1983–1991. It highlighted a period of transition in global politics and US hegemony, and with the end of the end of the war against communism and the Soviet Union, a shift to 'globalisation' and the 'War on Terror'.

The Australian state and its sovereign power has been captured by concentrations of power emanating from changes in the terms of governance to a neoliberal regime as part of the politics of globalisation adopted by the ruling elite following the dissolution of the Soviet Union and the decision to strengthen the economic, political, and military alliance with the US. Globalisation is a political project for global dominance by the US, and consists of the construction of a global neoliberal economy using geopolitical instruments, including free trade and investment agreements (FTAS). In addition, it involves treaties to deregulate and free the movement of capital, and accord corporations generous rights to accumulate and protect their wealth and power. The implementation of a global economy is managed by a number of world organizations supervised by Washington DC. Overshadowing the economic world order is the US military-industrial-intelligence complex whose task is open-ended warfare in a never-ending war against the enemies of US global hegemony.

Domestic politics reflect the nature of power in Australia. Power is concentrated in networks and conglomerates of major economic, strategic, and ideological interests that come together to control political representation of politicians and major parties. These, in turn, form government to control the legislative and judiciary and other major state institutions to sustain and expand those interests. The situation in Australia is best explained by Thomas Ferguson's investment theory of politics, which says that 'elections are occasions on which segments of private sector power coalesce to invest to control the state' (Chomsky, 2010: 32; Ferguson, 1995). Ferguson argues that the state is controlled by 'coalitions of investors who join together around some common interest. To participate in the political arena, you must have enough resources and private power

to become part of such a coalition' (Chomsky, 2011: 137). Australia's situation has vastly favoured foreign investment, dominated by Anglo-American capital, to control most sectors of the economy.

Political parties and politicians are increasingly lobby groups for corporate and wealthy interests, both domestic and foreign. Politicians treat citizens as consumers with promises of more growth and wealth. An outcome is a sharp decline in political participation in Australia. More eligible citizens do not vote or spoil their ballot papers, and fewer people join political parties. There is a growing sense of apathy towards elections and politicians. The real game is played out in privacy and secrecy with private, powerful, and wealthy interests, mostly representing corporations, both domestic and foreign. It involves matters of funding and issues regarding policies and legislation to advance special interests which are seldom exposed in the mass media. The political class is increasingly shaped by professionals lobbying for special interests. Both the Labour Party and the Coalition share political power as alternative government with a shared neoliberal political agenda.

Concentrations of economic and political interests in Australia control the country's production of goods and services, investment and banks and instruments of propaganda, and entertainment. They own the country and are grouped in networks of ownership and lobby groups, interlinked with state institutions. This is particularly the case for the national security machine, which includes the military and intelligence agencies. These depend on a domestic and offshore military-industrial complex, involving a large and expanding corporate sector to provide armament, security and intelligence, and mercenaries. These interests control Australia's state institutions, government, and state and federal executive power by means of the private funding of political parties, politicians, and elections. Business donations and wealthy donors sustain Australia's political party machines and politics as a lucrative investment in the accumulation of personal and corporate wealth. In effect, the system has legalised corporate bribery of Australian elected members of parliament (Greens, 2016).

Concentrations of economic power are the large firms in Australia which represent only '0.3 per cent of all Australian firms but they account for some 40 per cent of employment' (AG, 2015). The 4000 largest firms accounted for '66 percent of investment in R&D, 44 percent of industry value added and around 95 percent of exports' (Hillier, 2016a). Australia's largest company is Westfarmers. It employs 205,000 and owns a number of large subsidiaries, including Coles, Bunnings, and Kmart. Westfarmers'

largest shareholders are 'HSBC Custody Nominees (Australia), Limited, JP Morgan Nominees Australia Ltd, National Bank Nominees Limited and Citigroup Nominees Pty Limited' (Hillier, 2016b). The combined revenue of the '10 largest Australian firms—ANZ, CBA, NAB, Westpac, Westfarmers, Woolworth, AMP, Australian Super, Rio Tinto and BHP—is the equivalent of one-fifth of the total Australian economy' (ibid). The combined revenue of the 'ten largest Australian firms—ANZ, CBA, NAB, Westpac, Wesfarmers, Woolworths, AMP, Australian Super, Rio Tinto and BHP—is the equivalent of one-fifth of the total Australian economy' (Leigh, 2016). Concentration of economic power exists in other areas as well, including charities such as the Catholic and Anglican churches which run multibillion dollar profit-making enterprises.

Market concentration and power is further indicated by the domination of most industries by a few big players. Market power in various sectors is concentrated among a small number of firms. In the 400-plus industries covered in IBIS World Industry reports, 'the unweighted average market share of the largest four firms is 41 percent. In the largest 20 industries, the market concentration is similar, at 43 percent' (Leigh, 2016). Compared with the US, 'where the top four firms control, on average 38 percent of that country's markets, market power of top firms in Australia is more concentrated at 41 percent'(ibid). Markets have become more concentrated in recent decades. Andrew Leigh, economist and Labour Member of Parliament, recently admitted to coming late 'to the argument that a lack of competition might be a significant driver of inequality' and that in recent years 'Australia has seen greater inequality in wages, household income, top income shares and top wealth shares. Inequality in Australia today is as high as it has been in three-quarters of a century' (Leigh, 2016).

US power and politics are enmeshed in Australia's domestic and foreign policy with the elite's control of the neoliberal state to shape citizens into customers and producers, embedding them in global market relations. The adoption of Anglo-American capitalism deeply influences policymaking in government with the massive transfer of public power and assets to the private sector. It has led to their control of the labour market, unions, and work conditions. Market theology is turning people into commodities for sale, privatising citizens' relations within the economy in regard to employment, schooling, and services for their health, transport, housing, and security. Market relations themselves have become globalised as part of the US-led project to construct a 'free'

global economy, largely operated by domestic and foreign corporate, financial, and other wealthy interests, under the protection of a US military global megamachine.

Economic control by foreign economic entities is largely held by Anglo-American capital with more than 50 per cent of the stock of foreign investment in Australia in 2016. It owns and operates many large companies in Australia and exercises considerable economic leverage because of its sizeable shareholdings in major Australian companies held by big US financial institutions such as JP Morgan Nominees and Combined Citicorps (Coghlan & MacKenzie, 2011; Hunter, 2013). These hold major shareholdings of Australia's big four banks—Commonwealth, National Australia, Westpac, and ANZ—as well as major companies such BHP Billiton, CSL, Origin Energy, Rio Tinto, Westfield, and Woodside Petroleum. JP Morgan, Citicorp Nominees, and HSBC Nominees hold major shareholdings in the Australian Stock Exchange as well. US capital is concentrated in Australia's production and exports of resources and energy, including oil, gas, coal, and uranium resources. The coal industry is dominated by Anglo-American metallurgical Coal Ltd, BHP Billiton, Rio Tinto, Peabody Pacific, and the Anglo-Swiss conglomerate Xstrata. Australia has the world's largest reserve of uranium and exported more than 7000 tonnes in 2012 by companies controlled by Rio Tinto, BHP Billiton, Heathgate Resources and the Honeymoon ISR mine, a Canada company. Heathgate is owned by Neal Blue, a US citizen and Chairman of General Atomics, a company better known for the manufacture of killer drones used in Afghanistan and Pakistan. US investments were also major players in Australia's fast-growing gas extraction and export economy. In Australia, Chevron was the largest holder of natural gas. Other major companies were ExxonMobil, ConocoPhillips, Apache, and Arrow Energy. Significantly, the US had large shareholdings in BHP Billiton, Origin Energy, Shell, and Woodside Petroleum.

US power is also dominant in the militarisation of the Australian continent and geopolitical and strategic dependency on US military power. The US alliance has a long history, but 9/11 was a defining moment, lifting Australia's collusion with the US imperium to new heights when Prime Minister John Howard declared himself a 'US sheriff'. He decided on behalf of all Australians to go to war and join the US invasion and occupation of Iraq in 2003. Australia's integration in US global military operations further escalated when former Prime Minister Julia Gillard met with

US President Obama in Darwin in November 2011 to announce the expansion of US military presence in Australia, including the stationing of US marines in Darwin as part of the US pivot to Asia against China. As Deputy Prime Minister in 2010, Gillard reminded American leaders that since World War I that 'Australia had been the only country to fight alongside the US in every major conflict' (Paul, 2012: 87–88).

Government power has become increasingly concentrated in the Prime Minister's office. This followed the Hawke government abolishing the staunchly independent Public Service Board. Following his election in 1996, Howard was able to sack departmental heads and make political appointments on short-term contract. The erosion of the independence of the public service initiated by a Labour government and Howard's decision to bar the courts from reviewing administrative decisions, led to the dominance of the executive over parliament. Howard's decision to go to war without the benefit of due process afforded by an independent public service caused him to make a major blunder by declaring war on Iraq, saying, 'The Australian government knows that Iraq still has chemical and biological weapons and that Iraq wants to develop nuclear weapons', when the government knew that was not the case (Toohey, 2007). This was despite a letter to him 'from 41 retired military officers, diplomats and Defence and intelligence officials strongly rejecting the use of force', and the largest ever public marches against the war in Australia in the months preceding the invasion (ibid).

Constitutionally, the power of the PM is embedded in two overseas sovereignties. One is simply based on divine power of the British monarch, *Dieu et mon Droit*, of the House of Windsor, presently headed by Queen Elizabeth II of England. She appoints Governor-Generals and is the chief of the Australian military. Her federal representative in Australia has the authority to dismiss an elected Australian government as was the case of the Whitlam government in November 1975. The Queen is an integral part of the constitutional machinery that operates the electoral process and the convening of new governments. These links are made more powerful with the embedding of Australia and the UK in the wider Anglo-American intelligence and military organization and operation, forming the backbone of US hegemonic power. Since the Menzies years in government, the Australian elite has chosen to be a protectorate of the US and with World War II adopted a foreign policy tailored to US economic, ideological and strategic interests and dictates.

Deep State

The continuity in Australian foreign policy, despite the election of different governments, suggests the existence of what has been called a 'deep state': unchecked and secret power in the affairs of the nation-state found in networks which represent narrow interests, deriving their power from domestic and foreign sources. The term originated to explain the politics of Turkey and refers 'to US backed elements, primarily in the intelligence services and military, who had repeatedly used violence to interfere with and realign Turkey's democratic political process' (Scott, 2014). A deep state implies the existence of a parallel but secret government consisting of networks or grouping of anti-democratic forces which may change through time but represent unchecked and violent power emanating from the political economy of the country. It is often funded by illegal activities such as drug trafficking as part of covert activities always carried out in the 'national interest'. It brought together elements of the Turkish military, security, mafia, and judiciary, and high-ranking personnel in the domestic and foreign intelligence systems of the country.

A Washington insider, Mike Lofgren, has written about another US government, more shadowy deep state, which 'operates according to its own compass heading regardless of who is formally in power' (Lofgren, 2014). Lofgren's invisible US state is a hybrid of 'national security and law enforcement agencies, plus key parts of the other branches whose roles give them membership' (Lofgren, 2016: 34). Private enterprise also plays a key role in the deep state, including key executives of contracted private sector companies. Many personalities are on a career path revolving between government, academia, and business. Corporate America's participation is an integral part of the US deep state, exemplified in the US military-corporate alliance with the Saudi regime. Lofgren argues that 'a different kind of governing structure has evolved that made possible both the rapacity of Wall Street and the culture of permanent war and constant surveillance' (Lofgren, 2016: 39). He warms that the deep state 'that promotes and benefits from militarism, a plutocratic boom-and-bust economy, and a comprehensive surveillance states is hiding in plain sight' (ibid).

An Australian deep state has existed since the invasion and occupation of Aboriginal nations to secure British sovereignty over an entire continent for the benefit of a small population of white settlers. In recent times the deep state became more visible in the events leading to the overthrow

of Prime Minister Whitlam in 1975.The election of the Whitlam Labour government in December 1972 caused fear and animosity towards his government on the part of US security establishment and Australian conservative power brokers, which included Australian intelligence organizations working closely with their US counterparts. Australian security organizations then as now were embedded with their counterparts in Britain and the US. Unfortunately, Gough Whitlam was 'a maverick social democrat of principle, pride and propriety. He believed that a foreign power should not control his country's resources and dictate its economic and foreign policies' (Pilger, 2015). Whitlam's government also had enemies within the Australian Labour Party right-wing faction who were on friendly terms with the US security state. At stake was the Australian deep state military alliance with the US and US national interest in Australia, in particular the sole control of Pine Gap, a critical global intelligence communication base in the Northern Territory, and at Nurrungar in South Australia.

Monash University academic Jenny Hocking's research shows that Australian Governor-General John Kerr used his special powers, with the support of his close friends, Sir Garfield Barwick, chief justice of the High Court and High Court judge Sir Antony Mason, to sack a democratically elected government (Hocking, 2015). John Kerr acted with the consent of the Queen of England and in concert with the leader of the opposition, Malcolm Fraser. US-UK intelligence had access to all of Whitlam's government communications which were relayed to his enemies to prepare his downfall on 11 November 1975. One of Whitlam's ministers, Clyde Cameron, said to John Pilger, 'we knew that MI6 was bugging Cabinet meetings for the Americans' (Pilger, 2015). Jenny Hocking's book argues that the basis for the 'dismissal' of Whitlam's government, the need to secure supply, 'was a constitutional and political charade' (Murphy, 2015).

According to Pilger, a deputy director of the Central Intelligence Agency (CIA) said, 'Kerr did what he was told to do' (Pilger, 2015). In 1977, Whitlam had a meeting with Warren Christopher, the US Secretary of State under President Carter, who assured him that 'the US administration would never again interfere in the domestic political processes of Australia' (Suich, 2014). Three years later, Whitlam 'denounced US intelligence operations in Australia and specifically raised allegations that the CIA was involved in covert operations in Australia and demanded a royal commission on US intelligence operations in Australia' (ibid). It seemed obvious to Richard Butler, principal secretary to Whitlam from 1975 to

1977 who attended the 1977 meeting, that 'the US had a role in the dismissal …eavesdropping, colluding with the actors and people like Kerr … encouraging them' (ibid).

Another phase in the evolution of the Australian deep state was the election of the Hawke Labour government in 1982 and Bob Hawke's national Accord with unions and business. It marked the emergence of the 'Canberra consensus' between the two ruling parties about the economics and politics of the neoliberal corporate state, pushing on with the deregulation of the economy and the privatisation of public power and assets. The accord was another but critical step in the deunionisation of the Australian labour force and loss of power of the left, and the further embedding of Australian foreign policy in the US imperial project. The evisceration of the left continued with the dismissal of Mark Latham as leader of the Australian Labour Party in January 2005. Latham, who became leader of the Labour Party in December 2003, described US President George W. Bush in Parliament as 'the most incompetent and dangerous president in living memory' (AAP, 2003). He committed a Labour government to withdraw Australian troops from Iraq and was openly critical of the US military alliance and the Australian defence establishment.

In a speech Latham maintained that Australia's defence policy endorsing the US National Missile Defence system was

> not to protect Australian cities and territories; rather, it recognises that under this government, wherever the US Army goes across the globe, the ADF will automatically follow. The Howard government has turned Australia's national security upside down. It has handed over sovereignty and our foreign policy-making to the US and left our country to the adventurism of the Bush administration. (Davidson, 2003)

Latham further antagonised the establishment when he proposed to abolish the generous superannuation schemes available to members of parliament, and introduce policies to protect children from the advertising industry. At the time of Latham's dismissal, political journalist Mungo MacCallum wrote,

> Latham became leader too early in his career, he lacked the skills needed to deal with the webs of intrigue within his own party, he refused to massage the media and the advisers he did listen to were out of their depth against

> Howard's praetorian guard. But he had many qualities that were not only desirable and attractive but are in short supply in today's ALP. In other circumstances he could have developed into a formidable leader, even prime minister. As it is, he remains one of the great what-ifs. (MacCallum, 2005)

At the core of the deep state is the neoconservative power pledge of allegiance to US global capitalism, exemplified by the British-born former Australian ambassador to the US Michael Thawley. He was a power broker in bringing about the free trade agreement with the US and influential adviser to former Prime Minister John Howard's policy of stronger relation with the US national security state. In 2005 he delivered the Sir Robert Menzies lecture in Melbourne in support of Australia's role in the invasion and occupation of Iraq in 2003. He spoke of Australia's contribution to US leadership in shaping the world, and the need for Australia 'to grow better, bigger, richer and more powerful … if we want our values to endure and spread' (Banham, 2005; Thawley, 2014). This pledge was renewed by Prime Minister Malcolm Turnbull during his travel to the US in May 2017 to attend the commemoration ceremony of the Battle of the Coral Sea in May 1942, which he claimed had saved Australia from Japanese invasion. He was keen to gain reassurance from President Donald Trump that the US would rescue hundreds of refugees detained illegally by Australia on Manus Island in Papua New Guinea (PNG) and Nauru.

An Australian deep state has been strengthened by further restrictions on human rights in the 'war on terror' since 9/11. Laws for a secret state enabled the deep state to maintain needed secrecy and power. Malcom Fraser feared that legislation passed since 9/11 was overturning long-held concepts of basic justice. He wrote that 'we are the only democratic country to legislate for the detention of people whom the authorities do not suspect of any wrongdoing or even of any wrong thought'. The ASIO legislation of 2002, he warns, was 'a law for secret behaviour by the authorities—for making people disappear' (Fraser, 2005). Journalist Richard Ackland made a similar point when he argued that there is a shadow government operating 'without the consent of the governed. In the Australian states and territories you would have to include the police services as part of the deep state' (Ackland, 2016). He was referring specifically to New South Wales legislation giving the police wide powers 'to restrict the liberties of citizens without due process, in a regime that operates as a rival to the criminal justice system' (ibid).

Secret power requires an extensive surveillance system of the population. Private and security state spying on Australians is known to be widespread in collaboration with the Anglosphere 'five-eyes' alliance, a sophisticated global spying megamachine, linking together the Australian Defence Signals Directorate (ASD) with the US, UK, Canadian, and New Zealand spying agencies (Paul, 2014: 38). A deep state suggests that Australia's democratic process has limited jurisdiction. The power of the US, corporations, and a 'theocracy' within largely dictates who is in power and how power shall be exercised and for whose benefit. Former Prime Minister Malcom Fraser verifies the existence of the deep state control of foreign policy when he writes that 'Any political leader who offends, or who is believed to have offended, the US is unelectable. Keeping the US alliance in good health is taken to be the first and most important aim of foreign policy' (Dorling, 2015). As with the US, Australia faces the challenge of a governance 'hard-wired into a corporate and private influence network with almost unlimited cash to enforce its will' (Lofgren, 2016: 4). It is a structure that explains the rise of an Australian oligarchic rule, the militarisation of foreign policy, and growing inequality in the distribution of income and wealth, and a governor's mentality prone to more catastrophic involvement in foreign wars.

Disempowerment

Noam Chomsky argues that 'the term "interests" does not refer to the interests of the population, but to the 'national interests'—the interests of the concentrations of power that dominate society (Chomsky, 2007: 216). They will use their power and wealth to protect and expand their power and wealth at the cost of greater inequality, violence, and the destruction of the biosphere. From the Iraq war to terrorism laws and free trade agreements, politicians and experts defer to the sanctity of the irrefutable existence of the 'national interest' to avoid community debate and parliamentary scrutiny. But polling shows and qualitative surveys demonstrate that Australians support trade tariffs, subsidies, heavy regulation, and barriers to investments. The majority support voluntary euthanasia, abortion on demand, same-sex marriage, gambling reform, and more spending of social services: 50 per cent of Australians do not support the high level of immigration, and before the 2003 Iraq invasion, only 6 per cent supported military involvement without UN backing (ibid).

In 2010, to a poll on population size, 72 per cent responded that Australia did not need more people (SMH, 2010). By 2017, some 82 per cent of respondents agreed that 'the price of housing was creating a class system in Australia' (Wade, 2017). Concern about climate change has been rising from a low of 57 per cent in 2011–2012 to a high of 77 per cent in 2016, with 63 per cent of Australians supporting a price on carbon emissions (ABS, 2012; Sturmer & Blumer, 2016; Whitmore, 2016). Australians are dissatisfied with the political regime: less than 10 per cent of respondents to an Australian National University poll disagreed with the statement, 'I am disillusioned with politics in this country' (Koziol & Hanna, 2017).

Richard Cooke argues that the public interest is not being served by the political class. According to more qualitative polling, most Australians want

> a much more protectionist, statist but socially liberal nation than the one in which we live. The record level of disaffection [is] a sign that the views of the political class are diverging from those of mainstream Australia … Australians are suspicious of immigration. The public is extremely hostile to privatisation and foreign investment. We want the government to take measures, up to and including nationalisation, [which will] that will protect local jobs and manufacturing. We want more spending on health care and are willing to pay higher taxes to fund it. We support regulation, and we think bit business has far too much power. (Cooke, 2014)

One of the strongest supports by the public is for less reliance on imports and to manufacture more in Australia. The findings from the Fairfax Media Political Person Project showed that 'nearly 83 percent of respondents said that they agreed with the proposition' (Wade, Ting, & Hanna, 2017).

Many scholarly traditions tie the nature of foreign policy and relations to the socio-economic system and domestic politics of the country, and establish a direct link between foreign policy and the domestic interests of the ruling elites (Chomsky, 1992; Fischer, 1997; Lasswell, 1971; Mayer, 1997). In Australia, foreign policy is always in name of the 'national interest', but who defines the national interest? According to Noam Chomsky, foreign policy 'is driven by the twin goal of reinforcing the private interests that largely control the state, and maintaining an international environment in which they can prosper'(Chomsky, 1992: 24). Australian citizens

have little say in the conduct of foreign policy because it is controlled by domestic and foreign pressure groups with direct access to the Prime Minister's office and the National Security Committee (NSC), which brings together government leaders, heads of the military—intelligence complex and other key members. They all share a common world view of Australia's as part of the US neoliberal global economy, and support hegemonic wars in Europe, Asia and the Middle East.

Foreign policy is wedded to national core interest in Australia's role as a major regional and global partner in the US grand strategy (Bisley, 2016). As such the country is willing to use force in the region and globally in support of US-declared national core strategic and economic interests. Australia's core interests are traditionally determined by a group of major players in government as well as powerful economic and military domestic and foreign strategic lobby groups. The influence of diasporas is especially noticeable, particularly when they are empowered by representing powerful economic and strategic interests; this applies particularly to the US, UK, Chinese, Israeli, Indonesian, and Vietnamese lobbies in Australian politics. Bob Carr, former premier of New South Wales and foreign minister, writes in his memoirs about the powerful influence of the Israeli lobby over government and Canberra foreign policy against the interests of the Palestinian people and the interests of the Australian Labour Party (ABC, 2014; Keane, 2014). Carr accuses the Israeli lobby in Melbourne of 'extraordinary influence' on Australia's foreign and domestic policy during the Gillard prime ministership (ABC, 2014). In the final analysis, former head of the Defence Department, Bill Pritchett argued that 'Australia's dependence on US and British intelligence means that our understanding, and to that extent our policy, can be, or is, already largely shaped' (Barker, 2003).

The cornerstone of Australian foreign policy is the US military alliance, which is considered holy, enshrined in a cult, largely unquestioned, and entrenched, according to Alan Renouf, the former secretary of the department of foreign affairs, as 'the equivalent of the Bible in foreign relations' (Renouf, 1974: 115). Academic Dennis Phillips warns that 'critics are usually dismissed as either naïve or malevolent' (Philipps, 2008). Professor Nick Bisley of La Trobe University notes that 'there is a notable disconnect between the defence forces, strategic policy, and public debate. Political leaders have not sought to engage in a public conversation about strategic policy and why Australia has the defense policy it does in any meaningful sense' (Bisley, 2016: 16). The US alliance remains hidden

behind a veil of secrecy, which restricts and heavily censors public debate on the matter.

Opinion makers have made a concerted and expensive effort to manufacture support for the alliance, particularly polling and media releases by neoconservative think tanks, such as the Lowly Institute, the University of Sydney US Studies Centre, and the Australian Strategic Policy Institute (ASPI) funded by both domestic and US military contractors, including Lockheed Martin, Northrop Grumman, and Raytheon. A largely pro-American Australian media is also responsible for the absence of public debate on the US military alliance. Referring to the power of the Murdoch press, Melbourne academic Robert Manne laments that because 'of the uncritically pro-American bias of the US corporation that owns almost 70 percent of the metropolitan press in Australia, we have lost the capacity to debate some of the most serious issues concerning our future'(Manne, 2014). These are the same institutions behind a propaganda war to support Australia's military confrontation of China in the South China Sea.

James Brown, a former soldier and son-in-law of Prime Minister Turnbull and advocate for the US role in Australia, writes that 'public support for the alliance remains high in Australia' (Brown, 2016: 36). This is far from the truth. It certainly was not the case when former President Lyndon Johnson was booed by the crowd of Sydney or when more than one million citizens marched in March 2003 against Howard's decision to invade Iraq. A serious public debate about the role of the US military alliance, Australian military intervention since the Vietnam War, and Australia's unquestioned support for Israeli occupation of Palestine has never been allowed. Many attempts to get a commission to inquire about the government's decision to invade and occupy Iraq in 2003 have been ignored by the elites, silencing dissent by playing on the politics of fear and the 'war on terror'. Claims of support for the alliance are largely generated by right-wing think tanks, such as the Lowly Institute, funded by a billionaire with vested interests in influencing Australian foreign policy. Australian foreign policy is the preserve of a small group of powerful individuals who operate largely in secret and unaccountable to the public for their decision. Until that changes, the public interest about the US military alliance and why Australia goes to war will not be addressed.

Disempowerment of citizens affects other areas of Australian democracy. People no longer control the economy because economic sovereignty has been largely transferred to offshore jurisdictions and free trade and investment agreements. The power of global capitalism has become an

unaccountable private tyranny which exercises considerable control over the economy, the politics, and the cultural and social life of Australians. It represents a virtual parliament which manipulates the political process and gains favourable treatment in the federal and state legislatures. Chomsky suggests that the 'free capital movement creates a "virtual senate"' with veto power over government decisions, sharply restricting policy options' (Chomsky, 2002: 7). As a result, the corporate sector exerts pressure on government policies to gain considerable and generous public concessions regarding self-regulation, taxation, and remuneration, and a corporate governance legal regime which shields the business community from criminal law.

The state too often delivers public policy that vested interests want, not what the people want. The interest of Australians is not being served when the country faces a housing, employment, infrastructure, and health crisis. When pollution is a major threat to health and social well-being, economic and political inequality is on the increase. Both major parties respond to lobby and other pressure groups representing corporate and wealthy individuals. John Menadue, a former senior public servant and company director, argued that the public relation machine, which includes some 900 full-time independent lobbyists working in Canberra, has 'successfully challenged government policy and the public interests' (Menadue, 2015). Growing influence of powerful private interests represents 'a growing and serious corruption of good governance and the development of sound public policy' (Peake, 2015). He is critical of the media which is increasingly a source of propaganda and promotion by vested interest and accuses Australia News Ltd to be 'a major obstacle to informed debate on the key public issues like climate change' (ibid).

Violence

Violence is a built-in part of the construction and maintenance of social, economic, and political inequality, and a necessary accoutrement of power and unequal power relations. It is part of the mechanism in the endless accumulation of wealth under neoliberal capitalism which requires the domination and exploitation of the population. The role of violence must be viewed as part of the control and disciplining of the population that is integral to economic growth and globalisation. Concentrations of political and economic power in Australia are clear symptoms of deep uneven power relations in society. They constitute effective mechanisms of

Australia's neoliberal state as a satellite of US power and imperial project. Under laissez-faire Anglo-American capitalism, Australian political economy is a megamachine for economic growth which abstracts substantial wealth for the benefit of corporations and wealthy private interests, and the expansion of the military-industrial-intelligence complex. It is a system of domination which exploits society, its resources and legacy, creating inequality in the distribution of income and wealth, life chances, and in the physical and mental well-being of Australians, and the destruction of the biosphere.

Violence in Australia, as in any society, is the product of the ways the country organizes and manages its social, economic and political affairs. A major aspect of the culture of violence is incorporated in the politics and political economy of crime which produces growing numbers of victims and victimisers. Victims of crime were estimated at more than 700,000 in 2015. People and households that had experienced an assault and household crime numbered close to 2.5 million in 2014 (AIC, 2015). The Community Council of Australia reported in 2016 that one in two women felt at risk walking alone at night (CCA, 2016: 30). Domestic violence is highlighted in the assault category; in Victoria and Queensland, for example, there were 131,719 domestic violence incidents in 2013–2014 (Hill, 2015). The nature and extent of the problem are indicated by statistics on violence against children. In 2006 for example, it was estimated that 'Australians who had been sexually abused before the age of 15 years at 12% for females (956,000) and 5% for males (337,400)' (AIFS, 2015). The proceedings of the *Royal Commission into Institutional Responses to Child Sexual Abuse* in the 2014–2016 period exposed the widespread abuse of children in religious schools and other institutions (GA, 2017). There were also shocking revelations by the media investigations of the abuse and betrayal of wards of state by private operators of residential care homes (ABC, 2016b).

Levels of incarceration are high and increasing. Australian jail population and community-based corrections has grown by some 20 per cent in the last decade to more than 103,000 in June 2016, 'Indigenous people make up 2.5 percent of the population and yet account for 25 percent of the prison population. The link between deprivation of social conditions is all too obvious' (Marmot, 2016). Aboriginal people in the Northern Territory and elsewhere in Australia 'carry a dramatically disproportionate burden of poor health across virtually all health measures' (Devitt, Hall, & Tsey, 2001). The 2016 Royal Commission into

the Protection and Detention of Children in the Northern Territory highlighted the reality of the great dangers faced by Indigenous children and the irresponsible government policy at the state and federal level in failing to protect young people despite the many reports written over the years. Pat Anderson, who chairs the Melbourne-based Lowitja Institute and is co-author of the *Little Children are Sacred*, said that 'we spend a lot of time talking about Aboriginal problems but very little has been done' (Murphy, 2016a).

Many Aboriginal people feel oppressed and live in a climate of fear. There is a form of social war going on which affects many communities. This is the situation in the Northern Territory, in towns like Alice. Pat Anderson told the 2016 Royal Commission into Child Protection and Detention that 'the very survival of Aboriginal people in the Northern Territory depends on this commission making a real impact here' (Murphy, 2016b). Anderson told the commission that Australians 'regarded Indigenous people as uneducated and dirty, and the vilification of footballer Adam Goodes was another manifestation of such attitudes' (ibid). A more recent scandal exposed the widespread abuse of teenagers in Darwin's detention centre. Aboriginal leader Patrick Dodson laments that Australia's legal system 'has become a feared and despised processing plant for most Aboriginal people, propelling the most vulnerable and disadvantaged towards a broken, bleak future' (Gordon, 2016a).

Underlying the violence between black and white Australians is the deterioration of living conditions for Aboriginal people. In the town of Wilcannia in New South Wales, Indigenous people 'have one of the lowest recorded life expectancies. They are usually dead by the age of 35' (Pilger, 2013). The danger is the rise of white supremacists in Australia (Waters, 2016). Journalist John Pilger suggests that Australia is continuing a domestic war of apartheid and extinction against Aboriginal people.

Human rights activities themselves suffer from a climate of fear and lack of protection. The government has created 'an atmosphere of fear, censorship and retaliation among activists', according to Michel Forst, a United Nations special rapporteur (Koziol, 2016a, 2016b). Punishment of public servants, ordinary citizens, and whistle blowers, and increased secrecy provisions make it difficult if not impossible to bring out the truth about corruption in corporate and public services. Activists are discredited and intimidated by government officials and corporate lawyers. Anti-protest legislation has been introduced in a number of states, including Tasmania, New South Wales (NSW), and Western Australia targeting environmental activists.

A symbiotic relation between the state and the corporate sector, a defining feature of the corporate state, could be construed as a crime against civil society because the legal order promotes the expansion and growth of the corporate sector, its power to dominate civil society and, in the process, to privatise the role of the state and democracy. Sociologist Richard Quinney refers to the issue as 'crimes of domination', whereby corporations control and use the country's resources, dictate the nature of production and consumption, and, thus, shape lifestyle and the culture of consumerism (Quinney, 1985; Elias, 1991). Crimes of domination include harmful practices—such as price fixing, bribing, and polluting—that go largely unpunished because of the reluctance of courts to impose criminal liability on corporations (Braithwaite, 1992; Buchanan, 2008; Butler, 2012; Cameron, 2007; Glasbeek, 2003). The soft approach to white-collar crime allows for forms of plunder and looting of public and private assets. Many harmful actions by corporations are not treated as crime but as normal and lawful business practice.

Financial and business scandals have been a common fare of Australian life, particularly since the 1980s with the liberalisation of the economy. Events of the last ten years simply repeat and accelerate the continuation of a white-collar crime cycle of preceding decades. Journalist Michael West comments that 'entire sectors—agribusiness and mortgage funds, structures financiers and financial engineers—have come and gone, and with them dozens of billions in savings vanished' (West, 2016). Corporate scandals have not abated, especially in the banking sector which has faced charges of 'front running, insider trading, collusion, not acting in customers' best interests and conflicted sale incentives' (Ferguson, 2016). Recently, money laundering has been added to the list. Bad behaviour and a 'rotten' culture are part of widespread charges of misconduct among an entrenched oligopoly consisting of the four big banks, ANZ, NAB, CBA, and Westpac (Rose, Eyers, & Moullakis, 2015). Most Australians do not trust big banks and support a Royal Commission in their practices, culture, and the extravagant remuneration of their chief executives (SMH, 2016). There are many unanswered questions about the integrity of the Australian financial system. An area of great concern is the role of shadow banking in Australia and the secrecy behind hedge funds operations linked to speculation of Australian pension funds, the stock and currencies markets. Questions are also raised about the integrity of big banks here and offshore given that their worth is based on some future gain or loss which remains largely undefined and fictitious.

Privatisation and deregulation of the economy and a neoliberal culture of greed has given traction to multimillion dollar national frauds in the provision of services as in the day care and education sector. Liberal Education Minister Simon Birmingham described the day care sector 'as a hotbed for shonks and rorters' (Gartrell, 2017). Hundreds of millions in government subsidies have been paid to providers of private training colleges involved in fraudulent activities (Bagshaw & Knott, 2017). Professional criminals and fraudsters are all part of the rise in financial crime in Australia involving global financial crime syndicates. Corporate regulator Greg Medcraft, chairman of ASIC, in support of the thousands of victims of financial crimes, suggested that Australia 'was a bit of paradise for white-collar criminals because of its soft penalties for corporate offences' (SMH, 2014). Cybercrime and the use of complex financial structures are used to steal, avoid taxes, and launder money through sophisticated offshore structures as exposed by the release of documents from the secretive Panamanian law firm Mossack Fonseca. Australia's Trio Capital scam that ripped off $170 million from Australian investors is an example of the widespread operations of network of dodgy offshore funds (Miller, 2016). These global links have embroiled many Australian corporations in many scandals, including the bribery of domestic and foreign officials highlighted by cases involving Tabcorps, Leighton Holdings, BHP Billiton, and Crown casino (Houston, 2017; McKenzie, Baker, & Bachelard, 2015; Knight, 2016).

Concentrations of power in the business world are a reflection of the corruption of the political regime that is elected to protect the public interest and advance the common good. Corruption of the political process and public service is a major problem which results from the capture of the state by private power represented by corporations and wealthy individuals. This has been strengthened by the massive transfer of public power and wealth to the private sector in the last 30 years and the funding of politicians and elections by business and wealthy individuals interests. Corruption of public institutions have led to a number of royal and other commissions and large number of reports in the past decades about the causes of corruption and needs for reform to protect the public interests. But the problem continues to undermine democracy and public trust.

Donations to politicians by business and wealthy individuals are forms of unwritten contracts with the expectation of favourable legislation, government contracts, and access to public assets such as utilities and land. The extent of the problem was highlighted by the corruption of the NSW

government in the last 20 years. It involved ministers and public servants operating profitable private businesses selling public assets and favours and taking contracting public utilities. Scandals involved the operations of Australian Water Holding, granting coals licences to mates, and granting kindred leases on government property (O'Brien, 2014). Among recent scandals is the case of former Labour Minister Edward Obeid who corrupted the system from 1991 until he retired in 2011. After a long legal process, Obeid was jailed for five years in 2016 (Whitbourn, McClymont, & Nicolls, 2016). His colleague, the former Labour Minister Ian Mcdonald, was jailed for up to ten years in June 2017 for criminal misconduct (Whitbourn, 2017).

Corruption is also a major issue at the federal level with money flowing into the coffers of the two mainstream parties to destroy majority views on the common good. Political donations from gambling interests, for example, were instrumental in removing from the political agenda MP Andrew Wilkie's bill to implement restrictions on poker gambling machines, despite public opinion greatly supporting gambling reforms (Smith, 2014). The grooming of federal ministers is a widespread practice such as the case of former Health Minister Susan Ley's relations with a company which was awarded contract worth $1.8 billion since 2006 to provide employment under the government Jobactive programme. Another scandal was the award of a $2 million training contract by the Turnbull government in 2016 to First Family Senator Bob Day's linked training school and whose vote was critical to the government (Aston, 2017a, 2017b; Knott, 2017). Political donations have involved widening connections with the Calabrian Mafia, which is said 'to have infiltrated Australian politics at both state and federal levels by ingratiating itself with individual party donors and members of Parliament, according to confidential police reports' (McKenzie et al., 2015).

The NSW government succeeded in 2015 to restrict the powers of the Independent Commission Against Corruption (ICAC), further eroding public trust. Former ICA commissioner David Ipp has argued the need to strengthen ICAC with powers to uncover serious and systemic fraud in state elections and in applications for mining and other licences (Ipp, 2015). He writes that 'if corruption involving public office is to be fought effectively, anti-corruption agencies need to be given special powers. Without these, serious and debilitating corruption will go undetected. That is why ICAC was created' (ibid). A federal ombudsman is also needed to investigate serious and systemic fraud in such cases as the Reserve

Bank's note-printing subsidiaries and their involvement in a widespread international bribing operation, and the Australian Wheat Board payment of more than $300 billion to Iraq's Saddam Hussain to keep buying Australian wheat. Freedom and democracy require protection from those who are intent on subverting public office for their personal gain. Corruption within the security establishment is weak and not open to public scrutiny. The Australian Commission for Law Enforcement Integrity (ACLEI) which oversees the Australian Federal Police, The Criminal Intelligence Commission, Border Force and the Immigration Department has not held public hearings in the past four years and lacks resources to carry out its responsibility (McKenzie & Baker, 2017).

Control

A growing population presents new management challenges for the elite. A growing population is a clear economic advantage but it needs to be disciplined to benefit the vested interests that control the country. Needs for discipline and conformity are now more easily accommodated by new and more sophisticated means of control at both micro and macro levels to maintain domestic order and economic productivity. In these times, population management is an integral part of the globalisation of the Australian economy, which has brought major changes in the labour market, the nature of work, and increased inequality in the distribution of income and wealth. Globalisation has, in effect, embedded Australian society in global market relations largely operated by powerful corporate and wealthy private interests and made the militarisation of society an essential function of the garrison state.

People's behaviour, civil society, needs to be normalized and comply with demands by the power elite necessary to maintain the viability of global capitalism and the existence and survival of the Australian neoliberal corporate state. Mass surveillance has become a necessary tool to detect internal security issues and threats. Australians no longer have the right to privacy because intelligence agencies have access to all their electronic exchanges. Edward Snowden revealed in some details the spying operations of the five eyes intelligence network operated jointly by the US-UK-Australia-NZ-and Canada (Bowcott, 2014; King, 2013). In essence, the surveillance state militarises the entire population in order to verify everyone's identity and track individuals and organizations constituting a threat to the 'national' interest and the security of the state.

Surveillance is an expanding activity of the garrison state. It involves a wide array of state and contracted authorities paid to surveil the population and identify and report on individuals and groups which are suspected of various activities endangering the security of the state. Another layer is the spying conducted by businesses not only for commercial purposes related to increasing their sales but to counteract negative publicity and activities by consumer protection groups, including environmentalist and others who are concerned about the toxic activities of the corporate world. Government has encouraged Australians to spy on one another and to report suspicious behaviour. During the Howard government, pamphlets were distributed and messages widely advertised on the mass media blitz to 'Be Alert, Not Alarmed' campaign and report suspects. During the 2016 federal election, the Turnbull government's fear campaign encouraged all Australians to report suspicious activity to the hotline on 1800 123 400; 'The public plays a major role in providing information to law enforcement and intelligence agencies charged with protecting the community and it is important that we keep that information flowing', said the campaign material (Gartrell, 2016). The goal of total surveillance of the population says journalist Chris Hedges, quoting Hannah Arendt, 'is not in the end, to discover crimes but to be on hand when the government decides to arrest a certain category of the population' (Hedges, 2017: 54; Arendt, 1976: 426).

Population surveillance, targeting environmental and other activist groups, is increasingly subcontracted to private companies. The outsourcing of intelligence is a growing area of operations for the private sector operating jointly with the government and corporations (Crampton, Roberts, & Poorthuis, 2014; Lohman, 2013). Private security has been expanded beyond the justice system, creating a whole new industry. In recent years, a private security industry has emerged as a major contributor to the country's service industry sector. Demand is rising for protection from 'others' to safeguard the self, property, and to preserve peace. Since the end of the century, security personnel outnumber the police; in 2009, there were 52,768 full-time members in private security compared with 44,898 police; security licences issued to businesses and individuals numbered more than 115,000 in the same year (AIC, 2009). The trend reflects a shift away from reliance on the police for protection and the increasing role of the securitisation sector in Australian society, including a range of functions such as security device installers, debt collectors, crowd controllers, consultants, armed escorts, and private investigators. The social costs of the security industry were estimated at some $2.9 billion in 2005 (Rollings, 2008).

Mass surveillance plays an important role in the repression of dissent. For Australia, 9/11 was a defining moment, and it was followed by high expectation of violence from internal and external enemies. People of 'Middle-Eastern' appearance and women wearing headdress were abused in the streets and on public transport. In a climate of fear, reams of legislation were passed to curtail civil rights and give spying agencies more power to search, detain, and interrogate. Under the Howard government, it became even more difficult to express unpopular opinion or criticise the government, demonstrating how limited freedom of speech was in Australia. The law allows ASIO 'to detain Australian citizens for questioning for up to a week even when they are not suspected of any crime' (Williams, 2006: 26). This was a time when Prime Minister Howard, labelled by US President Bush as 'US sheriff' in the perpetual 'war on terror', announced Australia's own pre-emptive strike doctrine, whereby the government could 'carry out pre-emptive strikes in Southeast Asia without notice if it had information that terrorist organisations were endangering Australia's national interests'(Paul, 2006: 19).

Former Prime Minister Tony Abbott told parliament in 2014 'regrettably, for some time to come, Australians will have to endure more security than we're used to, and more inconvenience that we'd like' (Wroe & Aston, 2014). Rejecting the charge that Australia's role in the invasion and occupation of Iraq had made the country a target for 'terrorists', he warned people that threats from 'terrorists' were increasing and that the Islamic state was Australia's enemy. Australians civil rights would need to be curtailed to preserve Australians freedom 'to walk the streets unharmed and to sleep safe in our beds at night' (ibid). George Williams, the Anthony Mason Professor of Law at the University of New South Wales, conducted a survey of Australian law, 'to find out how often our politicians have passed laws that infringe upon democratic rights'. The results, he said, were 'surprising and disturbing'. More than 350 laws 'now infringe basic democratic standards' in a wide range of areas. Moreover, 'of the 350, around 60 per cent have been made since the September 11, 2001, terrorist attacks, with a high number also enacted since 2013'. In fact, since September 2001, 'enacting laws that infringe democratic freedoms has become routine … measures that were unthinkable have become commonplace'. Also, 'not only has the number of laws increased, but so has their severity'. He concludes that 'Australia has entered an era in which politicians cannot be counted upon to uphold our most important rights. Rather than acting as check upon laws that infringe democratic values,

politicians are now campaigning for such infringements. Often, they are doing so with impunity' (Williams, 2015).

In NSW, Tasmania, and Western Australia, legislation gives police new powers 'to search and detain protesters and to impose hefty fines'. NSW 'has much in common with the Federal Government's 40 anti-terror laws and with their Border Force Protection Act of 2015, which makes it a crime to report on human rights abuses' (Rees, 2016). National security laws are having a 'chilling effect' on the responsibility and ability of the media to report on national security issues. Journalist Melissa Clarke report that 'the new laws set out jail terms of up to 10 years for disclosing information about 'secret intelligence operations' known as SIOs' (Clarke, 2015). New federal legislation will introduce control orders for offenders as young as 14 and keeping offenders in prison beyond their completed sentence.

According to the neoconservative Senator Brandis, legislation was necessary to keep people in jail because there were persons 'convicted and imprisoned for a terrorism crime' but 'unreformed and just as determined to pursue their terrorist intentions as they were the day they entered the prison walls' (ABC, 2016a). The situation makes it impossible for the public to know what government agencies do, particularly when it involves breaking the law and committing crimes with impunity. In 2016, Professor Gillian Triggs, President of the Australian Human Rights Commission, warned Australians that 2001 was the turning point in Australia's retreat on human rights. Since then, 'human rights concerns in Australia had reached 'unprecedented' levels and that Australians 'should be alert and alarmed about the erosion of their rights' (Kim, 2016).

Expectations of violence appear to be on the increase in the mass media. In recent decades, news reporting has played a role with warnings to the public about increasing levels of threat to their safety. These are played on a range of themes from organised crime and the 'war on terror'. More recently, threats to public safety because of climate change have received widespread coverage. Scaring people about what can happen to them is often targeted at specific cities, or emphasises the increasing divide between rural and urban population, or focuses on nation-wide issues such as the war on drugs. Sydney's five million residents have been told that the city faces major threats that would 'paralyse the city'. These include extreme weather events, financial and infrastructures failures, water crisis, cyberattacks, digital network failures, disease pandemic, and terror attacks (Wade, 2016). Threats are part of a risk

assessment study by the authorities and strongly suggest national security concerns about responses to diminishing social cohesion and growing inequality.

Scaring people to prepare them for the worst is a sophisticated and highly influential management tool to depoliticise society by promoting an atmosphere of fear and individual powerlessness. Fear of terrorists, criminals, disease, loss of work and financial disaster, and soaring health and education costs. Insecurity is further entrenched yet compensated by access to cheap credit and to an extravagant range of inexpensive imported consumer products. Loading households with debt, including students pursuing vocational and university training, is a major mechanism which enlist them in the control of market forces run by corporate and wealthy private interests. Keeping consumers entertained is a key social control function of the market, with plenty of addictive outlets, including pornography, gambling, sports, and a whole range of other addictive and destructive products. This is all part of a form of regimentation and militarisation of the population. Fear and powerlessness in an affluent society, where individuals compete intensely for employment and the acquisition of wealth, promote a yearning for security and a strong military, and blind support for the neoliberal state. Australians 'are increasingly willing to accept laws that restrict personal freedoms and enable access to their internet and phone data, due to a rising fear of terrorist attack' (Coorey, 2016).

Demonisation of others to inflame public resentment and justify attacking and harming them is an old practice being continued and renewed from its genesis in the genocidal practice of the settler-coloniser society. The projection of hatred dehumanises others and turns them into monsters which can escalate into public atrocities (Smith, 2011). So is racism, which should be understood as a broad movement with its roots in civil society. It is largely generated by anti-democratic Christian and other religious constituencies and patriotic groups. These and others provide a platform to project hatred on others with the help of politicians, pundits, and other opinion makers in the mass media, such as the Murdoch Press. Former Prime Minister Howard played the race card in his derogatory speeches on Asian and boat people in the late 1990s as did Pauline Hanson in her maiden speech to parliament in 1996.

Islam and the Muslim 'race' card became a critical feature of political life after 9/11 with John Howard's unilateral decision to order the Australian military to join the US-led attack and occupation of Iraq.

Anti-Muslim sentiments rose in the wake of the Bali bombing which killed 202 people, including 88 Australians. Former Prime Minister Paul Keating blamed Howard's decision to invade Iraq for the attack at the Bali night club. He said that 'Howard put the torch to Australia, perhaps the most successful multicultural society in the world. Now we live perpetually with the spectre of terrorism and racial strife, visited upon us by his prejudices and lack of judgement' (Karp, 2016). Anti-Muslim sentiments were further fuelled by the mass media campaign to limit Muslim migration and the leader of the opposition, Kim Beazley, advocating extra-judicial killing, describing the London bombers as 'sub-human filth who must be captured and eliminated (Zwartz, 2007; Walters, 2006). In 2016, Senator for Tasmania Jaqui Lambie told the Senate and Australia that the Taliban and IS fighters were a 'subhuman' race, a 'vile and disgusting culture', who should be killed with impunity, and called on the government to give a pre-emptive pardon for Australian defence personnel accused of war crimes in Afghanistan (Greene, 2016).

Since 9/11 the tempo of scapegoating Islam and the Muslim population has dramatically surged ahead. Recent surveys show that Islamophobia is widespread in Australia. Deakin University research collected as part of the Australian Survey of Social Attitudes demonstrated that the mood of antipathy and enmity towards Muslims is alive and well (Aston, 2016a). Former Labour leader Mark Latham supported a 2016 poll report that 49 per cent of Australians support a ban on Muslim immigration and accused Muslims in Sydney of lacking a work ethic and prone to 'accessing welfare payments and government grants and social security rorting'. One Nation leader, Pauline Hanson's political comeback as a Senator from Queensland is symptomatic of the strengthening of the anti-migration movement. In her maiden speech to Parliament in September 2016, Hanson warned that Australia is at risk of being 'swamped by Muslims', and told Australians that migrants must 'adapt to the Australian way of life or go back to where you come from'. Muslims, she declared 'bear a culture and ideology which is incompatible with our own', and added that she could not tell the difference between a 'good Muslim' and a 'bad Muslim' (Norman, 2016; Remeikis, 2016). Her party, she said, will work to ban the burqa in public places, and introduce welfare cutbacks, including for mothers who decide to have more than one child, and to put an end to immigration.

Islamophobia reached new heights under former Prime Minister Tony Abbott who called for the 'reformation' of Islam. He proclaimed that 'all

cultures are not equal and frankly a culture that believes in decency and tolerance is much to be preferred to one which thinks that you can kill in the name of God, and we've got to be prepared for that', and that Western cultures needed 'to assert their dominance'(Crowe & Owens, 2015; Medhora, 2015; Sweid, 2015). During his term in office, Abbott claimed credit for legislating the revocation of citizenship if 'convicted of terrorism offences, or go abroad to fight for terrorist organisation', and claimed God's protection when he ordered more troops and bombers to kill 'terrorists' in Iraq and Syria during his term of office.

Terrorism

Islamophobia is gaining traction with efforts by government and conservative groups to identify 'terrorists' and supporters of 'terrorism'. Radicalisation prevention and conversion programs to normalise individual behaviour are part of a larger and modern state programme to securitise the population. Colonial policy in Australia's nation building was a continuation of an earlier English parliamentary tradition 'to experiment with legislation to reform or suppress those classes of people considered at the time to be detestable, disreputable and dangerous' (McLeod, 2013: 105). Race was then a main frame to justify the brutalisation and permanent traumatisation of the Indigenous population, the exclusion of non-white from immigration and the 'race patriotism' which, former head of Australia's defence department, Bill Pritchett, said 'shaped unquestioning support for Great Britain and belief in the rightness of her cause and the certainty of her support' (Pritchett, 2003).

Australia faces an endless 'war on terror' in the search for terrorists and sympathisers within the Muslim community. It has led to many police operations and detention of many individuals. Securitisation is an integral component of Australia's participation in the US war for the Greater Middle East which has labelled many groups as 'terrorist' organisations with links in Australia (Bacevich 2016). Many Australians have gone to the Middle East to fight against and for the US coalition and lost their lives and Australian citizenship. The Islamic State (IS) is part of an Islamic movement waging a war to establish a caliphate in Iraq and Syria. The original name was the Islamic State of Iraq and Syria (ISIS). The US has used the acronym ISIL for the Islamic State of Iraq and the Levant. Recently, the French government decided to refer to IS as 'Daesh', an Arabic derived term, to avoid legitimising 'terrorists' and a

new nation-state. Supporters of Al-Qaeda and IS are declared enemies of Australia and constitute what in earlier days would have been a dangerous and detestable class of individuals.

Citizens face the problem of defining 'terrorism'. Terror, 'terrorism', and 'terrorist' are words and concepts that have been appropriated by the government. Only the state has the right to identify who is a 'terrorist' and if a crime against humanity is a 'terrorist act'. When a Christian radical exploded a car filled with gas bottles to destroy a religious office in Canberra in 2016, the government claimed that it was not a 'terrorist act', but the action of a criminally minded person. In Brisbane in 2016, Manmeet Alisher, a 29-year-old Indian bus driver, was burned alive by a white man. The Queensland police and media were quick to tell the public that 'one, the attack was not terrorism and two, not racially motivated' (Waters, 2016). This defies the reality that it was an act of terror perpetuated by a white man on another man because he was Indian. The sexual abuse of children in Australia is not 'terror' but simply the sexual abuse of children and a criminal act (AG, 2017). In January 2017, a man went on a deliberate rampage in Melbourne's central business district (CBD), running down people with a stolen car, killing five and injuring another 32 pedestrians. The government was quick to tell the public that the killing and maiming was not an act of 'terrorism' but an 'evil criminal act' (ABC, 2017).

Conor Gearty, professor of human rights law at the London School of Economics and Political Science, wrote that there was 'no proper objective definition of terrorism because it is framed by political objectives generated by power which dictates the terminology of engagement' (Gearty, 2006: 109). He maintains that 'the evolution of the term terrorism from a description of a kind of violence to a morally loaded condemnation of the actions of subversive groups regardless of the context of their actions … is a movement in language that operates wholly in favour of state authorities'(ibid: 113). University of Sydney political scientist Peter Chen shares the view that the nature of power in any conflict shapes the language used to legitimise the use of violence in a conflict situation (Kearney, 2016). Hence, the label 'radical Islamic terrorism makes sense only if we describe the West's attempt to fight against terrorism in the Middle East as radical Christian terrorism'(Chen, 2016).

'Terrorism' is a form of political violence in the sense that it highlights unequal power relations and the existence of a binary of victimised and victimiser, and as such it applies equally to government and politicians

involved in crimes against humanity, such as torture, the killing of civilians, or the wilful invasion of a country. According to Professor Yan Xuetong, Dean of the Institute of Modern International Relations at Tsinghua University, there is no common definition of terrorism. He suggests that there are three elements to terrorism: 'First, terrorism is an attack on civilian people and civilian infrastructure. Second, it creates social fear. And third, it is for a political purpose' (Moriyasu, 2015).

Chomsky refers to a definition of terror in official US documents to be 'the calculated use of violence or threat of violence to attain goals that are political, religious, or ideological in nature' (Chomsky, 2002). The problem is that it also defines official policy in regard to 'counter-insurgency' or 'low-intensity conflict'. Chomsky reminds the reader that the war on terror was a Reagan administration policy in Central America and widely applied in Vietnam under the Johnson administration (ibid). Former Prime Minister Malcolm Fraser raises the question of whether Australia is a terrorist state. In his *Dangerous Allies*, he wrote that drones are 'the weapons of terrorists' (Manne, 2014). Australia's Pine Gap communications facilities is an integral aspect of the 'war on terror' and involved in geolocation of individuals targeted for assassinations by drones guided to their targets by information and signals directed from the Pine Gap facilities. He also viewed the US control of Pine Gap for the use of drones as 'amounting to a war crime in which Australia was complicit' (Simons, 2015).

Militarisation

Interdicting access to Australia is now a major military and intelligence operation, run by a serving army general with a newly established border force. By 2015 the government's new border force backed by military power had succeeded in stopping all refugee boats from accessing mainland Australia and created two offshore detention centres on the remote Pacific island of Nauru and PNG Manus Island. More than 2000 incident reports from Nauru revealed 'the full extent of assaults, sexual abuse, self-harm attempts, child abuse and living conditions endured by asylum seekers held by the Australian government, painting a picture of dysfunction and cruelty' (Farrell, Evershed, & Davidson, 2016; Henderson, 2016). Australia's detention centre on Manus Island has been plagued by allegations of assaults, sex abuse and mental torture, 'suicide attempts and self-harm are widespread' (Doherty, 2016). PNG's Supreme Court ruled

in April 2016 that the centre was 'illegal and unconstitutional' and must close. On Christmas Island, an Australia possession 2600 kilometres northwest of Perth, asylum seekers are detained in a high-security prison with 'some of the country's most hardened criminals', according to Immigration Minister Peter Dutton (Gordon, 2016c).

The refugee crisis is a global phenomenon linked to the failure of the world system to provide for the well-being of all people. A succession of economic and security crises has uprooted millions of people, creating waves of refugees, many seeking refuge in Australia. This was the case with the arrival of a large number of people from Indo-China in the wake of the US war from 1962 to 1975. Civil wars in Sri Lanka and elsewhere, and the US-led invasion and occupation of Iraq and Afghanistan in the early years of the twenty-first century have created new waves of refugees coming by boats and seeking asylum in Australia. Since the 1990s, Australia has sought to deny entry to anyone arriving without an Australian entry visa. Boat people became the enemy during the Howard government years when he instituted the 'Pacific Solution', corralling refugees in detention camps outside continental Australia.

Authorities are increasingly fearful of refugees and consider asylum seekers as a threat to social cohesion. Over the years, the government's response against people arriving without a visa has become more drastic and punishing. In 2016, the government succeeded in stopping boats heading for Australia by deploying the military in operations to intercept all boats approaching Australian waters, as well as overt and covert operations to disrupt movement of refugees in the region, particularly in Indonesia. Many refugees who managed to arrive earlier have been incarcerated in detention camps on the islands of Nauru, and on PNG's Manus Island. A trauma specialist, Paul Stevenson, says that Canberra 'is inflicting upon people the worst trauma: I have never seen more atrocity than in Manus Island and Nauru' (Doherty & Marr, 2016). Prime Minister Turnbull in 2016 went to the United Nations and urged world leaders 'to look to Australia's uncompromising border protection policies as a model for holding their own political systems together while regaining control of irregular refugee flows' (Kenny, 2016).

The situation on Manus and Nauru islands exists because of the corruption of their respective governments by generous payment for their services. More importantly, the intentional use of violence as a deterrent sends a clear message to others about what to expect if they manage to land on Australian shores. Australia Prime Minister Malcolm Turnbull

warned people without a visa that 'they will never set foot in this country' (Farrelly, 2016). A group of Australian, British, and US lawyers, including Australian Sydney Peace Prize winner, Julian Burnside, want former Prime Ministers John Howard, Tony Abbott, Kevin Rudd, Julia Gillard, and Malcolm Turnbull investigated by the International Court of Justice in the Netherlands for crimes against humanity. They and their respective immigration ministers are also accused of knowingly breaching the Rome Statutes on refugees (Aston, 2016b).

Amnesty International (AI) report *Island of Despair* accuses the Australian government of being responsible for the 'deliberate and systemic torture of refugees on Nauru' and should be held to account under international law (Koziol, 2016a). AI research mirrors another damning UN report, warning 'that Nauru was structurally incapable of protecting children's human rights' (ibid). *At what Cost?*, a 2016 study by Save the Children and UNICEF, shows the estimated cost of keeping a refugee on Manus Island and Nauru at $400,000 per year. The total cost to the government for stopping the boats from entering Australian waters since 2013 was conservatively estimated at more than $9.6 billion, and will cost more than $5.7 billion over the next four years (Gordon, 2016b). Julian Burnside, winner of the 2014 Sydney Peace Prize, argues that governments have been demonising boat people and that former Prime Minister Tony Abbott's minister for immigration built his ministerial success 'on the suffering of innocent men, women and children who had done nothing worse than try to escape persecution and flee to safety … he presided over a system that was calculated to humiliate, degrade, damage and break people' (Burnside, 2014). Both major parties, he argues, 'tried to attract support by promising cruelty to boat people' (ibid).

The 'war on terror' within Australia is being waged by the newly formed Australian Border Force (ABF), a federal enforcement body with some 5000–6000 officers. It was created in 2015 to detain people who are 'illegally' in Australia and run the onshore detention and regional processing centres of the Department of Immigration and Border Protection. Wearing black uniform and armed, the ABF has the power to stop and challenge any member of the public about their right to be in the country. Critics view the new force as a new military formation to control the population and accuse it of racial profiling. It was created by a belligerent former Prime Minister, Tony Abbott, in his 'war on terror' (Flanagan, 2015). Andrew Wilkie, former Office of National Assessment intelligence analyst and presently a Tasmanian Member of Parliament, has compared the ABF

to East Germany's Stasi and warned that 'Australia is now a police state where citizens could be stopped in the street to have their papers checked. Are we to presume the enemies of the state will start to be disappeared?' (Farrell, 2015).

As US 'sheriff', Australia is committed to US plans to secure the world for Anglo-American capitalism, including regime change in Iran, North Korea, and China. The militarisation of the Australian continent integrates the country in the US global missile defence system and strategy to control space. Australia is a major asset in the US 'war on terror' and the US pivot to the Asia-Pacific announced by President Obama 'to ensure the prosperity and security of the region' (USDD, 2015). Northern Australia plays an important role in the US military alliance with the emplacement of large military capability to protect Australia's resources and borders and as a US launching platform for military action in Asia and beyond. Darwin's military function is being built up as part of the Army Presence in the North (APIN) and the realignment of Australia's military establishment northward. Northern Australia is also the location for several major air bases, training areas for regional war games, weapons testing areas, and radar and intelligence installations. The construction of a rail link to Darwin is largely a military project to move military equipment and logistics from southern bases, such as tanks and armoured personnel carriers, to the northern territory. The line subsidised by the federal government was built and is operated by Halliburton, a major US military contractor.

Some 100 km north of Queensland's city of Rockhampton is the Australian Defence Force Shoalwater Bay training area and forward staging force of 4545 sq. km for the US Marine Corps and Air Force. Biennial war games bring a large number of US military personnel as part of the joint military exercise Talisman Sabre. Its main function is the preparation for expeditionary wars and invasion and to practise landing on beaches. It is widely seen by former Green Senator Scott Ludlam 'as preparing for a war with China' (AAP, 2015). Australia's north is host to military bases for foreign troops. Singapore's military, which has been training in Australia for a number of years, committed up to $2.5 billion in 2016 for the construction of permanent defence infrastructure, including new barracks, at Shoalwater Bay and Townsville in Queensland for the use of some 14,000 military personnel.

Australia has close economic and military relations with Singapore and a partnership with British and American intelligence agencies 'to tap undersea optic telecommunications cables that link Asia, the Middle East

and Europe and carry much of Australia's international phone and internet traffic' (Dorling, 2013c). A major trade and defence treaty signed in 2016 between Australia and Singapore suggests that Singapore is moving closer to join the US alliance against China as the country moves its training relationship from Taiwan to Australia. Singapore's small territorial base and enmity with both its neighbours, Malaysia and Indonesia, greatly limits its military capacity to train and wage war. Singapore's geopolitics suggests that the government is more concerned with potential conflict within Southeast Asia and Singapore's acerbic relations with both Malaysia and Indonesia. US studies Centre at the University of Sydney is pressing the Defence Department to give India access to military facilities in northern Australia 'to counterbalance the rise of China' (Wroe, 2016).

Pine Gap is a US-controlled communication facility which is an integral part of the US war-fighting machine. Pine Gap outside Alice Springs in the Northern Territory occupies some 60 acres of land managed by the US National Reconnaissance Office (NRO), one of the largest intelligence collection facilities in the world. Its principal purpose 'is to serve as the ground control station for geosynchronous signals intelligence (SIGINT) satellites developed by the US Central Intelligence Agency (CIA), and probably remains the CIA's most important technical intelligence collection station in the world' (Ball, Dorling, Robinson, & Tanter, 2015). The station controls SIGINT satellites, processes and analyses intercepted intelligence, and relays data from missiles operations. Pine Gap is part of the US Missile Defence Agency Space Tracking and Surveillance System (STSS) (ibid). It connects the US satellite network to surveil the Eurasian landmass and provides the US military with vital information on missile launch. Phil Scanlan, an Australian businessman and founder of the Australian-American Leadership Dialogue, told Americans in Kansas City in 2016 that Pine Gap was responsible for the security of the US population (Hartcher, 2016).

Pine Gap is a critical asset of the US imperial project and war to reshape the political map of the Middle East because it controls 'a set of geostationary satellites positioned above the Indian Ocean and Indonesia', and these can 'track radio-signals, including hand-held radios and mobile phones, in the eastern hemisphere, from the Middle East across Asia to China, North Korea and the Russian far east' (Dorling, 2013a). The facility can track individuals and provide their geolocation in real time as well as coordinate their killing by drones from locations in the US, UK or elsewhere in the world, including Djibouti in East Africa. Pine Gap was a

crucial in 'the target killing of al-Qaeda and Taliban leaders … and involved in the killing of between 2500 and 3500 al-Qaeda and Taliban militants … and hundreds of civilians' (Dorling, 2013b).

In recent years, the operation of Pine Gap has evolved to include the operations of major US aerospace and defence companies, 'such as Raytheon, Boeing, Northrop Grumman and General Dynamics, as well as major computer companies, such as IBM and Hewlett-Packard' (Ball et al., 2015). Australian participation in Pine Gap's secret activities has been expanded with the exception of the US national Cryptographic Room. But the fundamental realities about Pine Gap is that 'the vast bulk of tasking of satellites comes from the US and reflects its strategic priorities', and it places the Australian people clearly at the core of the responsibility 'for the consequences of those operations' (Ball, Robinson, & Tanter, 2016: 2). Pine Gap is a weaponised facility because it is involved in the control and delivery of weapons of mass destruction, both nuclear and conventional, and is a primary nuclear target in the event of war with Russia or China.

Other US military facilities in Australia include the US Marine Corps and Air Force base in Darwin, the use of the Australian 200,000 hectares Delamere weapons testing range outside Katherine in the Northern Territory for long-range strategic bombers, including B-52s, B1s, and B2 stealth bombers from Guam and elsewhere, and the US North West Cape communications base in Western Australia that opened on 16 September 1967 (Kerin & Murray, 2015). There are plans to expand military facilities with the US on the Cocos Islands for the operation of spy planes and drones. Australia and the US are working together to consider the integration of an air and missile defence system for the region which would presumably involve the deployment of missiles on the Australian continent (Wroe, 2017).

Australian nationalism plays a critical role in the militarisation of society to offset the weakening of human bonds by laissez-faire capitalism. The commodification of human relations and a culture of materialism has transformed a country of citizens into customers and consumers. In a saturated affluent society, consumer differentiation becomes important in the sense of self-worth and identity. George Monbiot argues that the epidemics of mental illness in rich societies are linked to the 'anxieties, stress, depression, social phobia, eating disorders, self-harm and loneliness', the consequences of a neoliberal capitalism which transforms citizens into selfish individuals competing in the market for employment, education,

housing, and the accumulation of wealth (Monbiot, 2016). Affluenza as described by Clive Hamilton and Richard Denniss affects the nature of political relations among the population and weakens the sense of duty towards each other (Hamilton & Denniss, 2006).

What fills the existential void is the energy of the garrison state and its culture of war which pervades everyday life in society's ceremonials and the mass media. Nationalism is a form of group narcissism which is deeply embedded in Australian culture. It mobilises the self's great fear of death and the denial of death by a culture that dramatizes earthly heroics found in religion, including the Christian apocalypse, millenarian movements, and nationalism with its war myths and the worship of the dead in marches, memorials, and parades. Psychologist Ernest Becker viewed nationalism as a cultural system primarily dictated by a biological need to deny the terror of death (Becker, 1973/1997). He believed that the fear of death is the essence of life itself and a major source of anxiety. Humans, he maintained, have a need to deny death by gaining self-esteem and achieve 'a heroic self-image' (Becker, 1973/1997: xiii).

Australian colonial genesis was a heroic project to gain immortality, and the renewed nationalism of today an immortality project to give the living a purpose for existence, an escape from the fear of death, and again a sense of being part of a struggle for good against evil, seeking immortality. For many Australians, especially men, nationalism is a source and a pathway for an existential drive to find meaning and self-esteem in life. What is presented to the young is the warrior-hero, like a Victoria Cross recipient for actions in an attack against enemies in Afghanistan in 2010, who kills or dies in order to live forever. Nationalism is dangerous because it worships hubris and power, and Canberra's war memorial is the great temple for the sacred cause and manifest destiny of Australia as an exceptional state on a mission to save the world from terrorism. Nationalism also works on the surrender of self to the power of the few. The militarisation of the mind, while it inflates and gives importance to the lives of many, does so by devaluating the lives of others and enable those in power to order the maiming and killing of others. And so it is in Australia, where the pursuit of a sense of superiority and righteousness requires the projection of hatred of others. A militarist culture is indoctrinated in the youth by an older generation intent on Australia's war tribute to the US imperial project. Marilyn Lake, Professor in History at La Trobe University, castigates the 'increasing myth-making and glorification of Australian military 'history' and the vast funding of Australian war culture in schools' (Lake, 2012; Lake & Reynolds, 2010).

Post-democracy

The garrison state is a deeply anti-democratic formation. A primary threat to democracy is the secrecy that surrounds its politics and economics, always in the name of the national interest. Secrecy hides the corruption of power and provides the ruling class immunity for crimes against humanity. Consider the case of Prime Minister Robert Menzies personal decision to allow Britain's nuclear testing in the 1950s and early 1960s in Australia. He gave the British military the right and freedom to carry out 12 major nuclear weapons tests as well as 'hundreds of so-called "minor trials", including the highly damaging vixen B radiological experiments, which scattered long-lived plutonium over a large area at Maralinga' (Tynan, 2016). These caused great suffering and damage to the Indigenous people and the Australians assigned to the toxic testing grounds. Secrecy continues to protect the British and Australian government policy papers and documentation about the tests. Liz Tynan reminds the reader that the Maralinga nuclear tests 'stand as testament to the dangers of government decision made without close scrutiny, and as a reminder—at a time when leader are once again preoccupied with international security—not to let it happen again'(ibid).

Since the Vietnam War, journalists no longer have open access to Australian military operations. The Gulf War was the first alliance war 'coalition of the willing' to be unreported by free journalists and many war crimes went unreported. More recently in Afghanistan, independent journalists have been refused entry to the country by Australian authority, including Fairfax reporters Paul McGeough and Kate Gerathy (McGeough, 2013). Restrictions imposed by the government and the Defence Force on independent journalists provide a screen to deny the Australian public the right to know what the military is doing in their name. As a result, the public has been misled about the nature and outcome of military operations. Unfortunately, this situation has implications for freedom of speech in Australia, where the press is increasingly muzzled by punitive defamation legislation and limitation on human rights imposed by the government's 'war on terror'.

Secrecy and the worship of power gave former Prime Minister Howard the right and freedom to order the military to invade and occupy Iraq in 2003, lying to the Australian public about the existence of weapons of mass destruction in Iraq and Saddam Hussein's links with Al-Qaeda, and dismissing the mobilisation of some one million people in mass street protest against an Australian involvement. Since the invasion, Australian

military operations in Afghanistan, Iraq, and Syria have been shrouded in secrecy, with no public inquiry about why Australia went to war in 2003. The problem continues with Australia's war against the Islamic State of Iraq and Syria (ISIS). Journalist Antony Loewenstein writes that the Australian role in the anti-ISIS coalition is shrouded in secrecy: 'Since Canberra joined the US-led mission against the Islamic State on 8 October 2014, the Australian Defence Force (ADF) has provided barely any information about its operations' (Loewenstein, 2015).

General Peter Leahy warned that 'the relationship between the government, the Defence Force and journalists is broken, and that the relationship is defined by mistrust and antagonisms and needs to be overhauled'. He fears that the public is being misled (Oakes, 2010). While claims have been made of 'killing hundreds of terrorists', unreported are civilian casualties which number in their hundreds, according to Airwars project (ibid). Independent Member of Parliament Andrew Wilkie, who resigned from the Office of National Assessments in protest against the government lies about Iraq, said that John Howard 'should be feeling quite ashamed of himself … and quite lucky he hasn't been charged with conspiracy to commit mass murder' (Bourke, 2014). He claims that ' the Bali bombing of 2015 would not have occurred if we haven't have joined in the invasion of Iraq … the Iraq invasion had "turbo-charged" terrorist groups like Al Qaeda and Islamic State and both Mr Howard and former foreign minister Alexander Downer should be held to account' (AAP, 2016).

A concentration of power in the national security state heightens the rise of a military and intelligence elite increasingly mistrustful and antagonistic to civilian governance and to the role of the party system in electing a government. It points to imbalance in the military-civilian influence and the growing role of the military in civilian affairs and culture. The loyalty of the military to civilian authority is becoming an issue. An ongoing danger is the reality that factions of the military-intelligence elite are prone to become more engaged in their allegiance with the US than Australia. To some extent it reflects on the outcome of a shift away from universal conscription to an all-volunteer military. The new professional military has developed a 'Praetorian' elite mentality, glorifying war. Peter Underwood, former Tasmanian governor, in his message on the Anzac Centenary Day speech warned about 'Australia need to drop the sentimental myths that Anzac Day has attracted' and to find out the truth about the real causes of the war, and 'to provide proper support for the University of Sydney's Centre for Peace and Conflict Studies (CPACS)' (Underwood, 2014).

The rise of the garrison state is reinforced by the militarisation of climate change. Global warming constitutes a major challenge to global capitalism's freedom to accumulate more power and wealth. Climate change has serious implications in the deterioration of global security largely framed in the context of the maintenance of power within the Anglosphere. The matter is highlighted by the US Pentagon and other studies about climate change and the deterioration of living standards, mass migration, and warfare (CCA, 2015; CPD, 2015; US, 2003). The Pentagon report paints a picture of warfare and diminishing resources 'in Southeast Asia, India and China, including border wars, nuclear brinkmanship and civil unrest. Instability in the region may lead Japan to re-arm and the USA to strengthen border protection to hold back waves of unwanted starving immigrants' (Hamilton, 2004).

Australia's response to anthropogenic climate change is mainly in military terms and the construction of a defensive fortress to deny sea access to boat refugees, setting up refugees detention camps in the region, including PNG and Nauru, and preparing for military intervention in the Asia-Pacific in support of the US policy to pivot military forces to contain China (CCA, 2015; CPD, 2015). Contingency plans have been put in place for the centralisation of power in case of emergency and to assure 'the continuity of government'. While such plans are classified, it is likely that they contain emergency procedures for the suspension of civil and political rights and a military-style government in the event of a major military conflict in the region.

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CHAPTER 5

Realism

US Hegemony

Recent history in the economic and political evolution of the human species has witnessed the emergence of a world system of nations, each claiming sovereignty over chunks of the earth's land and waters for some transcendental purpose. It has led to the rise and fall of great powers and highly destructive warfare. Presently, inequality pervades the nation-state system both internally and externally and is the source of major internal and external conflict. The system is hierarchical and dominated by major economic and military powers which in turn are dominated by great powers, all seeking and competing to accumulate more wealth and more power. In recent times, great powers have attempted to project their power over larger and larger parts of the earth until the late twentieth century when, with the fall of the Soviet Union, the United States (US) embarked on the final phase of its grand strategy to dominate the earth, to be the world's hegemon.

The history of the US grand strategy to hegemonic power is one of expansionism. Many US scholars have analysed the dynamics and politics of US growth into the most powerful economic and military power in the world and its strategy to dominate the world (Bacevich, 2002; Chomsky, 1993; Johnson, 2003; Layne, 2007; Mearsheimer, 2014a, 2014b; Smith, 2004; Williams, 1972). Since the end of World War II, US national security policy has challenged any threat to its imperial project, or grand strategy, for a neoliberal global economy. Former Secretary of State Henry

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Kissinger in his *Diplomacy* states clearly what constitutes a vital threat to the US: 'the domination by a single power of either of Eurasia's two principal spheres—Europe or Asia … for such a grouping would have the capacity to outstrip America economically and, in the end, militarily' (Kissinger, 1994: 813).

After the official dissolution of the Soviet Union in December 1991, US foreign policy language became more threatening when Zbigniew Brzezinski, national security adviser to President Carter, wrote that for the US 'three great imperatives of geo-political strategy are to prevent collusion and maintain security dependence amongst the vassals, to keep tributaries pliant, and to keep the barbarians from coming together' (Brzezinski, 1997). Brzezinski's vassal states included Australia and the United Kingdom (UK), and the list of barbarians was headed by China, Russia, North Korea, and Iran. In the wake of the destruction of New York's World Trade Center in 2001, President George W. Bush issued the National Security Policy of the United States and warned that the US would prevent any other country from, 'surpassing, or even equalling, the power of the United States' (US, 2002). US academic John Mearsheimer's analysis of great power politics concludes that the US objective is to be the only great power on earth (Mearsheimer, 2014a).

At the core of the US imperial project is the national security state and the world's largest and growing military machine and budget, operating nine Unified Combatant Commands, to control space and military forces and operations throughout the world, including the militarisation of space (IISS, 2016). US strategy is to maintain control over Western Europe and expand NATO's war machine to Eastern Europe and beyond as part of a US strategy to dismantle the Russian Federation and control Eurasia. Other major geostrategic areas of operations include redrawing the political map of the Middle East and regime change in Iran and Syria, with the help of Israel and Saudi Arabia. More important is the US control of the Asia-Pacific region. Former President Barack Obama's 2013 policy to pivot US military forces to East Asia is to contain and deconstruct China, bringing an end to the rule of the communist party.

Corporate America is a major partner and beneficiary of the US grand strategy. Entwined in the military global dominance project is economic warfare to construct and lead a neoliberal global economy in a process under the rubric of 'globalisation' (Robinson, 1996; Stiglitz, 2002). The US has employed various devices to advance US corporate interests in the world and accumulate wealth and power for itself. Among the most

effective has been the use of capital to raid offshore national treasuries and economies, not unlike the Viking looting raids of medieval times. One such operation led to the 1997 Asian financial crisis, a highly successful and rewarding US financial attack to maintain global hegemony. It all began at end of the Cold War, when the US launched a campaign in Asia to deregulate economies and advance the benefits of neoliberal capitalism, orchestrated by well-known US neoconservative academics.

Once Asian leaders had 'opened-up' their economies to US capital, like Indonesia's dictator Suharto, Anglo-American hedge funds, mainly based in tax havens, were let loose. Chalmers Johnson writes, 'the funds easily raped Thailand, Indonesia and South Korea and they turned the shivering survivors to the IMF, not to help the victims but to ensure that no Western bank was stuck with 'nonperforming' loans in the devastated countries' (Johnson, 1999). The US military were put on alert in case of political instability in the region. As a result, the Indonesian armed forces, trained by the US, got rid of Suharto, but not before killing large numbers of Indonesians, including Chinese shopkeepers. The US stopped Japan's $30 billion offer of aid to affected countries and sent Vice President Al Gore to Malaysia to denounce 'its head of state for trying to protect his country from international speculators', calling on Malaysians to overthrow Prime Minister Mahathir bin Mohamad (ibid).

US globalisation architecture employs 'free' trade and investment agreements. These are largely designed to 'protect intellectual property and foreign assets of corporations' (Reich, 2016). The deregulation of national economies and free movement of capital has proven to be a source of great wealth for Anglo-American hedge funds and equity capital and power to manipulate and speculate on global markets with impunity (Lorenzi, 2008). US-led globalisation has created a world-wide network of sophisticated tax havens which have diverted major sources of income from national revenues, including from the US, creating major social deficits in their communities. Free movement of capital has been used to destabilise political regimes and force open their markets. Such 'freedom' has made vast fortunes for many individuals and advanced the interests of US corporations by gaining control of foreign assets and financial markets and maintaining the dominant role of the US dollar in world trade. These financial rights have had major influence on the economic policies of most countries, effectively limiting the rights of citizens and undermining democracy everywhere.

The concentration of power in the US in a ruling class corrupts the republic's democratic ideals and threatens world peace. The US has become too big, too well organized and powerful, and that power craves more power. As power grows, so does the fear for security and the need to secure more power to neutralise perceived threats to one's power and hence to one's security. The growth of power in the US and the threat to the security and ideals of the republic are increasingly built in what has been called the US' invisible state. Its embodiment is detailed in Mike Lofgren's analysis of the concentration of power in Washington DC (Lofgren, 2016). The format of the deep state, the American shadow government, is inscribed in the peculiar political ecology of Washington DC, not unlike the growing geopolitical features of Australia's capital Canberra.

Lofgren calls the deep state the de facto oligarchy that rules the country, hiding behind a two-party state competition and the outward theatrical setting of a constitutional government. Lofgren identifies the political elites which control the two parties as the agents for powerful and wealthy vested private interests embedded in Wall Street, Silicon Valley, and the military-industrial-surveillance complex. Christopher Layne makes a similar case for the reality that dominant elites *are* the state and control foreign policy. It has its roots in the Eastern establishment, he writes, and 'the national media, important foundations, the big Wall Street law firms, and organizations such as the Council on Foreign Relations' (Layne, 2007: 201). The dominant elite continues to pursue a hegemonic grand strategy because it has served its interests so well. The US' rise as an oligarchy represents the fusion of economic and political power.

Private power and interests dominate the oligarchic regime and shadow government. Private power cores are the businesses and individual interests which gain power and wealth from the accumulation of wealth by dispossession and other means derived from their control of powerful Washington based-government entities such as the defence, commerce, transport, trade, environment, and treasury departments. The vital symbiotic link between private power and government is the control of the legislative and the judiciary to provide the funds, the right (law), and protection they need to expand their power and wealth. It also requires huge public relations expenditures by various departments, particularly the state department, to propagate the message that the US was the greatest democracy, liberating the world's population from poverty and domination while imposing the dictatorship of the market.

The deep state is a hybrid form of governance that ties government and the apparatus of the state with the private power which is concentrated in a number of key sectors of the economy, including finance, armament and surveillance, communication, media, and many others, as well as the private power of wealthy individuals and their trusts and foundations. These bind together by money to buy elections and legislation favourable and protective of their interests, and major government contracts for goods and services. The process is reinforced by contracting and outsourcing, in effect the privatisation of many government functions, and the movement of key personnel between government and the private sector. Journalist Jeremy Scahill has written widely on 'how corporations have taken over our internal and security and intelligence apparatus' (Hedges, 2010: 41). An example is the growth of the military-industrial-surveillance-congressional complex which ties government and the private sector in a symbiotic relation, growing and self-serving hybrid institution fuelled by fear and heroics. A prime example is the conduct of intelligence and war operations overseas which increasingly involves private contractors, including the detention and torture of prisoners (US, 2014).

The capture of the state by private power is a major threat to the US republic's ideals. The dominant elite powering the deep state represents the ascendancy of anti-democratic forces. It is not unlike the rise to power of the central committee of the communist party in the Soviet Union and where the dictatorship of the proletariat has taken the form of an inverted form of totalitarianism by corporations and other wealthy private interests (Wolin, 2008). Globalisation is a new form of class war led by US elites waged against the rest of the world. According to sociologist Christopher Lasch, the major threat to the promises of the US constitutional republic 'seems to come from those at the top of the social hierarchy, not the masses' (Lasch, 1995: 25). This is a view shared by Mike Lofgren who argues that

> the objectives of the predatory super-rich and their political handmaidens is to discredit and destroy the traditional nation state and auction its resources to themselves. Those super-rich, in turn, aim to create a 'tollbooth' economy, whereby more and more of our highways, bridges, libraries, parks and beaches are possessed by private oligarchs who will extract a toll from the rest of us. (Lofgren, 2012)

Lofgren is critical of the elite's greed and absence of civic responsibility and their secession from the 'gravitational pull of the very society they rule

over. They have seceded from America' (ibid). The super-rich, he says, have been able to do this 'in part because laws were bent or reinterpreted in their favor' (Lofgren, 2016: 139). Journalist Chris Hedges blames the 'Deep State' more broadly on the corruption of the liberal class, including universities, 'which no longer provides an institutional check to mitigate corporate control of politics, education, labor, the arts, religious institutions, and financial systems' (Hedges, 2010: cover).

Corruption of the republic's ideals betrays the trust people have in the system. Pulitzer Prize-winning journalist Glenn Greenwald writes that 'Secrecy is the religion of the political class, and the prime enabler of its corruption' (Greenwald, 2010). Secrecy and impunity from punishment characterise corruption in the US. Secrecy is the oligarchy use of tax havens to evade taxes and hide corruption and other crimes. Impunity is endemic in finance, where the biggest money is made by rapacious individuals and institutions (Desloires, 2015). The oligarchy is headed by billionaires' use of their wealth to buy the political control of the US (Mayer, 2016). Economist Jeffrey Sachs exemplified the problem with the case of John Paulson, who conspired with Goldman Sachs in a notorious scam of the Global Financial Crisis (GFC). He writes that 'both constructed and marketed a portfolio of toxic assets to sell to unwitting investors so that Paulson could bet against the portfolio' (Sachs, 2016). It was a $1billion gain for Paulson who was left untouched by the US Securities and Exchange Commission, and declared 'the epitome of a visionary leader' by Harvard University for giving them $400 million of his ill-gotten gains (ibid). Sachs argues that impunity 'is not accidental or incidental defect of America society. It is a system foisted on us by the rich and powerful, and it continues to work its magic' (ibid).

Activities of the national security deep state raise the question about the extent the deep state is largely driven by a permanent core embedded in the national security establishment, turning the country's foreign policy into a hubristic mechanism of war. US writer Gary Wills argues that the rise of a secret, non-accountable national security state is inseparably linked to the nuclear bombing of Japan (Wills, 2010). The bombing hastened 'the conversion of the United States from a constitutional republic in which sovereignty supposedly inhered in the People into a National Security States in which it inhered in the President' (Bix, 2010). The power and secretive nature and funding of the deep state was eventually exposed by Daniel Ellsberg in the Pentagon Papers, which showed the extent of the hidden government operating in secrecy, and 'pulled the veil from the hidden

government operating on a clandestine level, with presidents lying to the public to justify aggressive war and cover-up their crimes' (ibid).

US writer Tom Engelhardt's *Shadow Government* is an important analysis of the national security state, made up of intelligence agencies, military commands and special operations forces, conglomeration of military agencies, weapons makers, private contractors, lobbyists, and other profiteers (Englelhardt, 2014). It is a growing megamachine, unaccountable to citizens who subsidise it to the tune of more than a trillion dollars a year. Its mission is to spy on the world and conduct military operations to enforce compliance to rules dictated by the dominant US elites. Former US President Dwight Eisenhower had warned the nation in his farewell speech in 1961 of the rising threat to democratic government of the industrial-military complex, a powerful union of defence corporations and the military: 'In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists, and will persist' (NPR, 2011). Engelhardt's thesis is that the unchecked power of the military-industrial-intelligence complex is now a major threat to the US republic. He writes that the US has developed 'the most advanced killing machine on the planet' and turned most of the world into an 'American free-fire zone' (Englelhardt, 2014: 124). The national security state maintains an informal national security elite to keep watch over Washington's political regime and presidential candidates.

Former diplomat and academic Peter Scott argues that the military establishment and its ancillary network have become too powerful and affluent, that no president can go against its advice and requests. Power invested in war profiting has become so powerful that it dominates and dictates the work, culture, and policies of both political parties (Scott, 2014). US military expenditures are the highest in the world by far and growing, by 2016 the Pentagon accounted in excess of 55 per cent of federal expenditures while the country's poverty and other social ills were on the increase. Despite a growing federal budget deficit and public debt, the power of the US war machine is such that they can always secure more funding for their imperial projects. According to Lofgren, the Obama administration's pivot to Asia policy was initiated by Andrew Marshall, the director of the Pentagon's Office of Net Assessment. Behind the decision was the need to find a new military threat, beyond the war on terrorism, and a field of expansion for expensive military assets which would also maximise money flows to defence contractors (Lofgren, 2016: 83–84).

US imperialism projected in hundreds of overseas bases, the control of the seas and the militarisation of space, and the conduct of foreign wars and special operations in most parts of the world, is slowly undermining the US republic and its Constitution. Checks and balances built in the Constitution have been weakened by powerful lobbies and money politics representing the interests of a powerful and growing military-industrial-intelligence complex. Militarism as a political culture constitutes an overwhelming domestic force able to abstract vast resources from the domestic and international economy with the bilateral support of both major parties and their representatives in Congress. A major transformation in the balance of power and the growth of militarism is the transformation of the military from a citizens' army in defence of the Constitution to a permanent professional military power to enforce US grand strategy of global capitalism and hegemony. The outcome is the formation of a state within a state, constituting an overconcentration of power in a national security state capable of further corrupting the US democratic process, pursuing a foreign policy with dangerous consequences to human survival (Johnson, 2003; Layne, 2007).

Events during the Obama administration raise 'serious questions about civilian control of the military and whether an elected president can control his own bureaucracy' (Lofgren, 2016: 83). President Obama sacked General Stanley McChrystal, nicknamed 'the Pope', from his command in Afghanistan in June 2010 for conduct unbecoming of a general (Hastings, 2010). McChrystal was accused of leaking reports to the press and bullying and mocking the President and Vice President. He was also tainted by an earlier scandal for the abuse and torture of prisoners. Obstruction of the Senate Intelligence Committee inquiry, chaired by Senator Dianne Feinstein in 2014, by the Central Intelligence Agency (CIA) in regard to the agency's rendition programme and use of torture shows the limited extent of the White House's control over the CIA (Lofgren, 2016: 238). Active and retired US intelligence staff present an exceptional danger to the republic when they endorse and actively support anti-democratic formations or political parties. Former CIA acting director Michael Morell's mindset for example, is that the US is an exceptional country destined to lead the world and that the Russians are the eternal enemy (Giraldi, 2016). Morell, said to be a Democratic party apparatchik by a former CIA agent, and a key member of the Hillary Clinton team in the 2016 federal elections, was being fed classified information during the electoral campaign and told PBS Charlie Rose that 'Iran and Russia should pay a big price in Syria—and by that he meant killing them' (Tracey, 2016).

A major issue is the control of US foreign policy by neoconservatives who dominate the Republican Party. An outcome is that US intelligence agencies are politicised to interfere in presidential elections and the 'management' of presidents. Former President Obama, for example, did not have the support of the military and intelligence establishment which went out of its way to defy some of his orders, including the closure of Guantanamo prison torture complex in Cuba (Foster, 2016). President Donald Trump's appointment of former general Michael Flynn as his national security adviser was deliberately sabotaged by releasing information that he lied to Trump and his team (Shevardnadze, 2016). It would indicate that the National Security Agency, the FBI, and other secretive agencies, collect information on any person or organization of interest, including politicians and elected members of government, as part of their primary role to guard the national security of the US. What compounds this problem is the privatisation of the national security state, including the intelligence agencies by contracting many of their activities to the private sector. Because both mainstream political parties support militarism, laissez-faire capitalism, and economic growth, the expansion of the military-industrial-intelligence works to their advantage and benefits, both in their accumulation of power and wealth.

Professor of Government at Johns Hopkins University and former CIA analyst, Melvin Goodman, argues that there is 'a deepening cultural divide between the military and civilian worlds' (Goodman, 2016). The drift from the norms of American society, he argues, may have been instigated by the rise of all-volunteer military, as its culture became more right-wing politically, and 'much more fundamentalist than America as a whole' (ibid). It suggests the amplification of US militarism and a crisis in civil-military relations and the loss of civilian control of the military. Gregory Foster, a West Point graduate and professor at the National Defense University in Washington DC, maintains that the situation today can be characterised as 'the civilian subjugation to the military, where civilian officials are largely militarily illiterate, more militaristic than the military itself, advocates for—rather than overseers of—the institution, and running scared politically, lest they be labelled weak on defense and security' (Foster, 2016).

Democracy in the US is clearly and increasingly compromised by the concentrations of private power allied with the military-intelligence establishment. An important link is the role of mercenaries and private contractors in the military-industrial-intelligence complex (Shorrock, 2009).

These public-private partnerships are a major expansion of private power and of corporate interests. It constitutes the essence of the corporate state, emerging in a symbiotic relationship between business and the military, to secure their vested interest at the expense of the public interest. The election of Donald Trump as the president of the US demonstrates the existence of an embryonic form of native fascism which could in time change the nature and destroy the republic. In *Dismantling the Empire: America's Last Hope*, historian Chalmers Johnson warns that the US must begin by dismantling the empire before the Pentagon dismantles the American dream. If we do not learn from the fates of past empires, he suggests, our decline and fall are foreordained (Johnson, 2010).

Corruption of Power

The corruption of power in the US is a process which gained momentum in recent decades, threatening the viability of the most powerful capitalist democracy in the world. One of the most influential US political ideologues during the Cold War, Hans Morgenthau, became clearly aware of the danger facing the US during his lifetime. Morgenthau was a German refugee who immigrated to the US in 1937 and became a well-known intellectual. In the period following World War II, he established the school of realism in international relations and his textbooks and lectures influenced and shaped the mindset of generations of US students and decision-makers. What Morgenthau captured in his formulation of the national purpose was the belief behind of the American imperial project. He argued that the US was an exceptional country because its purpose was different from that of other countries. Its conception, he argued, antedated 'the existence of the nation itself … and owes its existence as a distinct society … to an act of will on the part of a new society seeking to realize new principles of social and political organization' and to seek to achieve equality in freedom (Morgenthau, 1960: i).

Morgenthau explained that the US was a work in progress by successive generations. He claimed that the national purpose did not 'exhaust itself in the achievement of equality in freedom for Americans, but comprises this achievement as a model to be emulated by all mankind' (ibid: 99). For Morgenthau, the territorial expansion of the US beyond its continental boundaries went 'hand in hand with the self-confident and vigorous expansion of the American principles and practices of government' (ibid: 100). America's purpose, he firmly believed, was to extend its act of will

'on the part of successive generations' to achieve equality in freedom in the world. This meant for him that the US national interest for freedom in equality could only be achieved in the US if it is constructed in the world at large. Salvation for the US, it implied, could only be found if the country embarked on the task of saving the rest of the world.

Morgenthau became aware of internal changes to US power which threatened the purpose of the republic. He was concerned that the emergence of concentrations of private power was taking over the function of the state for their own interests and warned that 'the public power is weakened and threatened with disintegration from within and without by a new distribution of power, by new private interests'. These new concentrations of private power 'have either acted without regard to the public interests or have made the public interest serve theirs' (ibid: 312). A new feudalism was emerging, he writes, which, 'like that of the Middle Ages, diminishes the authority of the civil government and threatens it with extinction by parcelling out its several functions among economic organizations to be appropriated and used as private property' (ibid: 284). An example of the new feudalism in the US was the growing power of the military industrial sector where the private suppliers of military goods and services were becoming sufficiently powerful to dictate the needs of the country.

Another threat to the American purpose was the power of racketeering as an institution and rackets as a force against the government (ibid: 288). The cure, he argued, 'is a state strong enough to hold its own against the concentrations of private power' (ibid: 285). Eventually, his view of the US changed dramatically with the events of the Vietnam War, which he said was an obscenity and a crime against humanity. He once told Noam Chomsky that 'those responsible for it should face war crimes trials', and that 'we demean ourselves and lose our humanity when we argue with people who try to deny or diminish crimes like Vietnam' (Burchill, 2005). He also attacked the CIA involvement in domestic politics as the beginning of totalitarianism at home and how the promotion of democracy abroad by subversion and war would destroy democracy at home. He warned of the real danger that CIA covert capacity would eventually do at home what it was doing overseas (Morgenthau, 1967).

Historian Chalmers Johnson used the term blowback to refer 'to reactions to operations carried out by the US government that are kept secret from the American public and from most representatives in Congress' (Johnson, 2010: 14). The idea is that there are likely to be repercussions

when military operations are conducted overseas, particularly if they involve killing and regime change. One such blowback was 9/11 as the result of US secret operations in Afghanistan in the 1970s led to the Russian invasion of Afghanistan in 1979 and the rise of Al-Qaeda and Bin Laden. At the time, the CIA 'began its largest ever clandestine operations: the secret arming of Afghan freedom fighters to wage a proxy war against the Soviet Union, which involved the recruitment and training of militants from all over the Islamic world' (Coll, 2004; Johnson, 2010: 14). Princeton University historian Arno Mayer argues that the US should expect attacks on its territory in retaliation for 'having implanted a subculture of state terror in the world system' (Mayer, 2001). Unfortunately, says Johnson, 'when retaliation comes—as it did so spectacularly on September 11, 2001—the American public is unable to put the events in context. So they tend to support acts intended to lash out against the perpetrators, thereby most commonly preparing the ground for yet another cycle of blowback' (Johnson, 2007: 278).

Presidential corruption of power is one of the consequences of the accumulation of power in the US executive branch (Wills, 2009). The monopoly of power by the US president is an increasing cause of concern in view of the rise of a mega national security state and its overseas empire of bases shielded from public scrutiny and accountability by layers of secrets. It took whistle blower Daniel Ellsberg's publication of the *Pentagon Papers* during the Vietnam War to reveal the extent of presidential lies to the public to justify US aggression against the people of Indo-China and to cover up crimes against humanity. According to presidential biographer Jean Smith, former President George W. Bush led the nation into two disastrous wars of aggression, believing 'he was the agent of God's will, and acting with divine guidance' (Baker, 2016).

What he achieved, Smith argues, 'was to create the conditions for the continuing insurrection that is led today by ISIS fundamentalists' (Leubsdorf, 2016). Research by the US Center for Public Integrity's publication *Iraq: The War Card* provides evidence that former President George W. Bush and seven of his close top officials 'made at least 935 false statements about the national security threat posed by Iraq' (Lewis, 2014). Lying by the administration galvanised the public and led the nation to war. *The New York Times* reported that the deception was orchestrated by the Pentagon, recruiting many retired senior officers as 'independent intelligence' to fabricate the case for war in Iraq in mass media interviews as well as by the mass release of tax payer-paid propaganda by federal

agencies (ibid). Writer David Corn maintains that Bush started lying long before Iraq and that lying has been one of the basic and essential tools of his presidency (Corn, 2003).

Repercussions from unintended consequences of state-sponsored terrorism overseas continue to cause serious problems to the US government and society. The case of the illegal invasion and occupation of Iraq has serious repercussions on US politics and society. US wars in Afghanistan and Iraq have expanded to Syria and Yemen, costing the economy trillions of dollars in expenses, including the health cost for a large percentage of returning and disabled troops who require expensive care. Domestic war on 'terror' has expanded and further imposed restrictions on civil liberties while the diversion of wealth to imperial projects is responsible for the economic stagnation in the US, increasing inequality, and a sharp decline in public services to its people. The US is involved in military operations throughout the world, and many are conducted by special operations forces as part of the Pentagon mission creep (Bacevich, 2012; Turse, 2014, 2015a, 2015b). These are certain to involve casualties and destruction and provoke retaliation and blowbacks against US domestic and international interests.

Capitalist power plays a critical role in the corruption of political power in the US. The endless process of the acquisition and accumulation of wealth leads to vast concentrations of unregulated power searching to maximise profit and fortunes for the few at the expense of the common good. The 2008 GFC exposed the corruption of major US financial firms and the incompetence and collusion of US financial regulators. Alan Greenspan, the head of the US central banking system at the time, failed to understand the subprime mortgage market and the complex derivative market linked to it (CNBC, 2009). Joseph Stiglitz, former Senior Vice President and Chief Economist of the World Bank stated that Greenspan 'didn't really believe in regulation; when the excesses of the financial system were noted, (he and others) called for self-regulation—an oxymoron' (Stiglitz, 2008). US social commentator Chris Hedges argued that the Reserve Bank is largely a mirage and continues that its main role is to prop up Wall Street and allow US corporate oligarchs to hoard fortunes and gamble on the stock market (Hedges, 2013). The US Reserve Bank has been widely criticised for its massive bail out of financial institutions during the GFC and financial stimulus policy. Hedges estimates the amount of looting by banks and investment firms of the US Treasury 'at between $15 trillion and $20 trillion' (Baker, 2013).

Hegemonic Crisis

The election of Donald Trump as US President in 2016 reflects on the country's state of crisis. At home it faces low economic growth, rising economic inequality, and social discontent. The US globalisation project is in trouble. Global economic growth is stagnating, and US global dominance faces growing opposition and confrontation from of a number of rising regional powers. The US is an expansionist power, requiring economic growth to maintain social cohesion and avoid dissolution and disintegration from within. The integrity of the nation-state is based on global economic expansion to acquire and accumulate wealth in order to maintain its wholeness. It means the acquisition of more political power both internally and externally for the acquisition and protection of more wealth. At the time of the election of Trump, the US was facing a hegemonic crisis in the sense that the US as a capitalist democracy was being undermined by forces within and without the continental US.

Robert Kennedy's history of the *Rise and Fall of Great Powers* made the point in the late 1980s that the US ran the risk 'so familiar to historians of the rise and fall of previous Great Powers, of what might roughly be called "imperial overstretch"' (Kennedy, 1989: 515). Today, the US is clearly confronted by the fact that it does not have the resources to support its military establishment and maintain the high cost of projecting power to maintain its global commitment and hegemony. This is in the light of the growing economic and military powers of other major powers, particularly China, Russia, and India. US military expenditures and the rise of the national security state have been at the expense of social investments for the common good and a more egalitarian and just society. A major outcome is growing inequality and political discontent about US democracy and political leadership. By 2017, the US registered the most unequal distribution of income since the crash of 1929.

In the last 15 years, 'the average annual salary of a US family has fallen to about US$5000 to $53,657 in 2014' (Heyer et al., 2016). Former Secretary of Labor Robert Reich writes, 'The data on widening inequality are remarkably and disturbingly clear, that between 1979 and 2007, the gap in income more than tripled between the top 1 percent of the population and everyone else. The after-tax, after-transfer income of the top 1 percent increased by 275 percent, while it increased less than 40 percent for the middle three quintiles of the population and only 18 percent for the bottom quintile' (Reich, 2014). A study on distributional national

accounts shows that since 1980, average pre-tax income per adult 'has stagnated for the bottom 50% of the distribution at about $16,000 a year [while] income has boomed at the top: in 1980, top 1% adults earned on average 27 times more than bottom 50% adults, while they earn 81 times more today' (Piketty, Saez, & Zucman, 2016).

Wealth has become more concentrated than income. A 2013 Pew Research Center report found that from 2009 to 2011, 'the mean net worth of households in the upper 7 percent of wealth distribution rose by an estimated 28 percent, while the mean net worth of households in the lower 93 percent dropped by 4 percent' (Reich, 2014). In 2014 there were more than 46 million people in the US living in poverty, or more than 15 per cent of the population, and many millions were either incarcerated or within the jurisdiction of the justice system (Van Mile, 2016). Crime rates and ethnic tensions were on the rise. In Chicago alone, there were more than 4300 shootings, including more than 700 homicides, in 2016 (*Chicago Tribune (CT)*, 2017). This is at a time when 5 per cent of the population owned 72 per cent of wealth while the bottom 80 percent owned 7 per cent of wealth (Kairos, 2017).

American capitalism is highly competitive and a form of civil war. It is a system that favours the wealthy and powerful. The system is rigged to the extent that benefits flow to the well connected and the well off; together they drive policy that distributes the gains to themselves and the social costs of their gains to the other 99% (Gilens & Page, 2014; Hedges, 2016). At the heart of inequality, widespread poverty, rotting infrastructure, poor health care, and democratic deficit is a political regime which, according to former US Congress analyst Mike Lofgren, is 'a de facto oligarchy camouflaged by two-party competition within the outward form of constitutional government' (Lofgren, 2016: xi). Lofgren's study of *The Deep State* concludes that the election of Donald Trump will not resolve the core dilemmas at the heart of the US republic: 'steep and rising income inequality, the dominance of money both in our elections and our lawmaking, and a seeming addiction to war in perpetuity'(ibid: xviii).

In the aftermath of the Cold War, the US failed to construct and maintain a stable and prosperous global order. The new world order has caused a great deal of violence and human suffering in many parts of the world. There have been violent uprisings as in Indonesia and Egypt and many countries in South America; widespread human suffering in South Sudan, East Timor, and Kosovo; ethnic conflict in countries such as Afghanistan,

Ukraine, Myanmar, Palestine, and the Central African Republic; crime waves in many major cities, including New York, Johannesburg, Buenos Aires, and Mexico City; as well as destructive civil and international wars as in the case of Syria, Yemen, Afghanistan, and Iraq. The US failed to take advantage of the end of the Cold War in 1989 to negotiate Russia's integration in Europe. Instead it created conditions which led to the rise of a Russia increasingly antagonistic to the West. Europe itself has not been left untouched but undergone severe political and economic shocks marked by the rise of many nationalist movements and the decision of the UK to abandon the European peace project.

Yet, the US imperial project has not significantly changed course. The neoliberal project for a 'free' neoliberal global economy remains largely intact. What it implies is that violence, destruction, economic and political crises, and corruption are not only lucrative for business but also a necessity to maintain global capitalism in the control of a US-led coalition (G7). The US empire, which historian Arthur Schlesinger describes as 'not colonial in polity, but still richly equipped with imperial paraphernalia: troops, ships, planes, bases, proconsuls, local collaborators, all spread around the luckless planet' (Schlesinger, 1986: 141), is increasingly being challenged by China and to some extent Russia, a situation which is being exacerbated by the contemporary European Union crisis with the planned exit of the UK. The fate of another great power in the making, India, is uncertain due to questions regarding the survival of India as a nation-state and the outcome of the Pakistan-India-China conflict over Kashmir and the borderlands with China.

Presently, the US is waging a global war, the continuation of the Cold War, against its main enemies, China, Russia, Iran, and North Korea by conducting many of its military operations by proxies. In Europe, it is the use of NATO forces using Western Europe as a shield to protect US mainland and shrink Russia's territory and leadership. In the Middle East the US has engaged Israel, the Gulf states, and Saudi Arabia to regain control of Iran. In doing so, the US continues a balance of power strategy arming some to wage wars against others. This is well documented in the case of Syria and Yemen's civil wars, in a broad strategy to redraw the political map of the Middle East. The US has supported radical Islamic fundamentalism to the extent that it serves the purpose of US imperial policy of blocking secular nationalism, which is its real concern. US supports Saudi Arabia when

> it is the most extreme fundamentalist state in the world, a radical Islamic state. It has missionary zeal, is spreading radical Islam to Pakistan and elsewhere, and funding terror. But it's the bastion of US and British policy. They've consistently supported it against the threat of secular nationalism from Nasser's Egypt and Quasim's Iraq. But they don't like political Islam because it might become independent. (Chomsky, 2013: 61)

In East Asia, the principal core of US geostrategy, the US is playing a dangerous game using a combination of covert provocations, threats, and display of military might to contain China and dismember China's political sovereignty. US grand strategy is to maintain tensions and a sense of impending crisis in East Asia, particularly in regard to North Korea, in order to maintain US military domination and large sales of armament to the region.

The US debt crisis may well be the greatest threat to US hegemony. The US lives beyond its means and can ill afford to pay for a growing national security state and its overseas empire of bases. High US living standards and a culture of mass consumption and declining share of income tax burden on the rich and corporations combined with yearly demands for an expanding military budget to fund expensive research and weapons systems are indebting the country. What it means is a massive democratic deficit with failure to invest in infrastructure, education, providing for a living wage, and employment opportunities for a growing population. Statistics on military expenditures understate the reality of defence expenditures. Chalmers Johnson's research suggests that the total Pentagon budget is greatly underestimated (Johnson, 2008). It is likely to be more than twice what it claims to be once other, and often hidden, military-related expenditures are added, such as money for classified projects. Not included are defence expenditures included in various departments such as the Department of Energy budget on maintaining nuclear weapons and the Department of Veterans Affairs for the care of growing numbers of veterans as well as the National Aeronautics and Space Administration (NASA) budget on military activities. Altogether the Pentagon budget for 2016 would be in excess of $2 trillion, rather than around $598 billion reported by the Stockholm International Institute for Strategic Studies (IISS, 2016).

The US current account deficit has been growing over the years and was in excess of $500 billion in 2016, largely financed by borrowing from overseas and the sale of domestic assets to foreign buyers. In 2007, the

national debt had breached $9 trillion and reached more than $19 trillion in early 2017 (US, 2017a). A permanent US war economy requires unbalanced growth with an increasing share of its capacity devoted to the production of weapons systems. A military welfare economy is crowding out a civilian economy, diverting human and other resources from a healthy standard of living for all and for the common good. Over time, the US has shifted from being the world's largest lending country to being the world's largest debtor and dominant military power. US grand strategy and imperial project means that power is increasingly based on the exploitation of both domestic and foreign resources, perpetual war, and the destruction of the biosphere

What emerges with the election of Donald Trump in 2016 is the strengthening of the US garrison state. The rise of the garrison state, argues US scholar Milton Esman, is where

> military priorities and internal security have first claim on the nation's resources. The more the imperium is threatened overseas, the tighter the garrison state at home … [and] will in all likelihood be accompanied by declining living standards for the majority of Americans … because citizens bear the major costs of financing its overseas operations. Because of a national allergy to taxation, these costs are covered increasingly by borrowing, mostly from foreign central banks. (Esman, 2007: 414)

The success of Donald Trump as the Republican presidential candidate in 2015 is symptomatic of a major domestic crisis, evolving in the aftermath of the end of the Cold War, and reminiscent of the rise of fascist formations in Europe prior to World War II. In the US the movement which chose Donald Trump as its warrior to fight evil forces at work to destroy the US was headed by Steve Bannon, an Islamophobic Christian fundamentalist funded by US billionaires (SBS, 2017).

The danger confronting the US is posed by the ethnic revolution eroding the country's white majority. By 2040, the US will have a post-white majority of mainly Americans of African, Asian, and Latin descent. For some years, the transformation of the US national character has mobilised neo-conservatives to oppose the transfer of power to a post-white political regime. Harvard academic Samuel Huntington's 1997 bestseller *The Clash of Civilizations* warned about the danger of the loss of the American creed from non-Western migration and the rise of 'multiculturalism' (Huntington, 1997). In 2007, he reiterated that 'my argument remains

that cultural identities, antagonisms and affiliations will not only play a role, but play a major role in relations between states' (IHT, 2008).

US Scholars have warned about the dangers to the American republic posed by US foreign policy, and the possibility that political power and culture dominated by military values will eventually prevail in the political transformation of the country (Hedges, 2003; Johnson, 2003). Esman and others warn that the garrison state is a work in progress: 'once a nation has embarked on an imperial course, its leaders will not abandon its imperial ambitions unless compelled to do so by decisive military defeat or economic exhaustion' (Esman, 2007: 413; Johnson, 2006).

China

Since the 1990s, particularly after 9/11, the US has evolved a policy and strategy to become the only great power in the world, to be the hegemon and achieve security for the 'homeland'. It has involved the US in a series of wars and military operations to redraw the map of the Middle East and secure Israel's sovereignty over the West Bank and regime change in Iran. Other military operations are focussing on Eastern Europe to dismantle the Russian Federation, involving regime change in a vastly smaller Russia. Lastly is the military engagement of most of the US military megamachine in confronting China. China's rise to economic and political power poses a major threat to the US' ruling elite. Current policy is not only to confront the country with superior killing power but to redraw China's political map and destroy the monopoly power of the Communist Party of China.

China is a global power and civilisation. With more than 1.3 billion people and an economy as large as that of the US in 2016, it is likely to become much more powerful in the coming decades and a main challenger to US global dominance. According to the IMF, China's GDP will be more than 21% larger than the US' on a Purchasing Power Parity (PPP) basis by 2019 (Morrison, 2015). While US GDP has grown by about 10 per cent since 2008, China's has increased by 66 per cent (Jacques, 2015). Like the US, China growth relies on expanding trading and investment opportunities with the rest of the world to maintain its existing domestic political regime and the dominance of the Communist Party. China's rising economic gravitational pull is changing the geoeconomics of the US-led globalisation project and fundamentally affecting financial and trading relations in the world. The UK recent pivot to China is an example

of the power of Chinese capital and trade on UK's foreign policy (Jacques, 2016). China's economic power is becoming a critical asset in the political economy of its Asian neighbours, including Russia. On mainland Southeast Asia, China is gaining direct access to local economies with major infrastructural projects which form a land extension of China's southern economy.

China's growing military power is a direct outcome of the civil war and history of Western colonial domination and exploitation. Security from Western imperialism is a core interest in China's foreign policy to build up its military power and deterrence. The country's military might and hubris is displayed every year on Beijing's Tiananmen Square. China is emerging as a regional as well as a global military power. It has reason and logic to distrust the US, viewing it as a dangerous country, and, therefore, preparing to wage war with a major enemy. In this early phase of the hegemonic confrontation and crisis, China is responding to US containment policy by moving its defence forward, particularly in the South China Sea in response to the US pivot to Asia policy. A critical issue is the situation with Japan's military alliance with the US and policy of rearmament. China's core interest is the defence of its national territory, including Hong Kong, Tibet, and Taiwan, and the peripheral islands and islets within the boundaries which delimit its claimed maritime sovereignty in the Sea of Okhotsk, the Yellow Sea, and the East and South China Sea. China does not recognise treaties signed while it was colonised by Western powers, including the US. It means that all treaties relating to its borders must be renegotiated, including the existing borders with India and China's South Sea territory, presently occupied by the Philippines, Taiwan, and other countries.

China's foreign policy plans for the eventual recognition by the US that the world is moving towards bipolarity not multipolarity, and must share power with China and avoid armed conflict (Furuya, 2014). According to Professor Shi Yinhong, Chairman of the Academic Committee of the School of International Studies, and Director of the Center on American Studies at Renmin University of China in Beijing, President Xi Jinping 'wants China to be acknowledged as a superpower equal to the US and to become the co-manager of global affairs with the US, a Group of Two for world governance. China must be the preponderant power in the Western Pacific and have some advantage over the US' (Feffer, 2016; Hartcher, 2016). Some influential Chinese business people are more forthcoming about China's foreign policy. The country's richest man, property tycoon

Wang Jianlin, says that 'China should have the final say in global affairs and is now directing his energy to change the world where rules are set by foreigners' (Wen, 2016a). Because of China's greater reliance on an expanding global trading and investment network, the country will work to secure major transport corridors and intervene militarily against any threat of disruption. China's rising star is opposed by many of its neighbours, siding with the US. Moreover, the US and Australia actively pursue a policy to contain China in mainland and maritime Southeast Asia, and collaborate to encourage Japan to rearm. If in the years to come a major war ensues, it will likely be the escalation of an initial clash at sea or in space between the two dominant powers.

Australia

The Australian foreign policy establishment views China as a necessary enemy. It needs China to sustain the country's economic growth and high living standards while preparing for war against it as part of its rightful duty to the US military alliance. US investment, along with the UK, dominates the Australian economy. The country is also tied to US interests by the 2005 US-Australia free trade agreement, which has substantially increased Australia's current account deficit. Economic relations between both countries have greatly favoured US investors, particularly in a considerable increase in an outflow of economic rent on intellectual property (Paul, 2014). What defines Australia's satellite relationship is the US military alliance and Australia's ruling elite's fealty to the US imperial power. In recent years, Australian governments have pursued a teleological discourse of Australian exceptionalism, a country standing for the superiority and universality of Western capitalism and freedom as a model for the rest of the world (McCarthy, 2006). The Australian continent, particularly the northern part, is becoming militarised as a US platform for warfare against China. US military facilities are expanding their operations in Australia along with the critical communication and spying installations at Pine Gap in the Northern Territory. US Marines are now a permanent feature of the city of Darwin along with US naval and air force bombers in preparation for a possible invasion on mainland Asia. Professor John Mearsheimer warned Australia during his visit in 2010 that 'there is big trouble on the horizon if China continues its rise, and Australia is bound to be intimately involved' (Mearsheimer, 2010).

But Australia's economic growth is dependent on economic ties with the Asian region, principally China for the sale of coal, iron ore, and energy resources, as well as food products. China is Australia's biggest trading partner and has 'the highest proportion of exports going to China of any advanced economy', including the export of services (Wade, 2016). Chinese capital is one of the main players in Australia's land and commercial and private property market responsible for the major surge in housing prices in Sydney, Melbourne, and Brisbane. The region is also an important source of capital and immigrants. Australia's economy was rescued by China's important trading relations from the ravages to the global economy that resulted from the US 2008 GFC. This was boosted by China's own $586 billion stimulus programme to maintain domestic demand for imports. China, however, is seen as a threat to the national security of Australia and has been excluded from investing in certain sectors as demonstrated again in 2016 when its offer to purchase the New South Wales government electricity distributor Ausgrid for $10 billion was blocked by the federal government (Massola, Wen, & Robins, 2016).

Australia's policy is to maximise economic benefits from the rise of China and East Asia generally. China is the major influence in Australia's phenomenal increase in housing prices and the push for housing construction, and demand for land and commercial property (Australian Broadcasting Corporation (ABC), 2015). Capital from China has been steadily flowing into Australia's economy with the rising trade in educational services and tourism. Encouraged by a government laissez-faire policy, capital inflows from money laundering from organised crime and corruption is also widespread, greased by the operations of Australia's influential gambling industry and an extensive shadow banking operation between China and Australia (ABC, 2016). Australia is the third largest destination for Chinese fugitives accused of stealing public funds by the Chinese government. Between 2004 and 2013, 'an estimated $US1.4 trillion was reportedly spirited illegally out of China' (Murray, 2016). In 2017, Australia pulled out from signing the Australia-China extradition treaty because neoconservatives argued that China's justice system was not sufficiently 'open and transparent' (Dziedzic, 2017).

Could Australia become China's great southern land? (Charlton, 2014). Clearly there is an increase in China's dependency on natural resources from Australia but also for the settlement of China's considerable and growing emigration—a situation replicating the population

movement of past centuries when many millions of Europeans invaded and colonised North America, Australia, and other continents. Chinese immigration will considerably increase in the years to come and become a powerful entity in Australian politics and foreign policy. This is a highly relevant and delicate policy issue in what is likely to become a major public debate regarding Australia's military alliance with the US and the rising antagonism in Australia towards China. The conundrum is that Australia needs China to survive economically and give substance to its doctrine of neoliberal globalisation while becoming a US-dominated military platform to attack it and change its political regime and geography.

The question is whether Australia's existing (market) neoliberal democracy can survive the clash between the two projects now embedded in the country's economic growth, riding on the 'dragon's tail' and a US garrison state, preparing to kill it. While Australian foreign policy is firmly embedded in a neoconservative deep state, the gravitational pull of both the US and China is becoming politicised in a public debate over Australia's foreign policy but also in a domestic cultural 'war' to influence public opinion. There is a growing anti-China lobby, grouping together Pauline Hanson's One Nation Party, the Murdoch Press neoconservative media, university academics, and right-wing think tanks headed by former defence warriors (Cohen, 2016; Hartcher, 2016; Riordan, 2016; Silva, 2016; Wen, 2016a). Former defence strategist Ross Babbage is an exemplar of the anti-China warrior mindset when he argues that Australia should develop

> a network of personal linkages … with key people in China and other relevant societies who harbour serous economic, social or political grievances against the regime … to develop the capability of serious internal disruptions and even revolts in the event that the Chinese leadership threatened Australia's vital interests. (Barker, 2011)

Chinese authorities have responded that many Chinese students in Australia have complained 'about course materials and Western teaching methods and ideas which they consider to be "incorrect" or "insulting" to their homeland', including a report by a Lowly Institute's director describing 'Chinese international students a threat to Australian openness' (Baya, 2017). The Chinese government has also questioned the value of an Australian education for Chinese students, raising doubts about returnees being 'incompatible to domestic society' (Needham, 2017).

A type of war is being waged about donations to major political parties, increasingly critical of Chinese money while remaining silent about US-linked political donations. Universities have also become a major arena for the rising antagonism between pro-China and pro-US lobbies. At the core of the struggle is the role of externally funded university centres and institutes. A case in point is the Australia China Relations Institute at the University of Technology Sydney, funded with a large donation from the Chinese businessman Huang Xiangmo and headed by former New South Wales premier role of Bob Carr. Stephen FitzGerald, Australia's first ambassador to China, has raised the alarm that it is part of China's 'influence peddling' in higher education, and designed to 'generate among Australians and the Australian government a broad, uncritical approach of China's government and its foreign policies' (Cohen, 2016; Uhlmann, 2016). Huang Xiangmo was forced to resign by the university management who warned that 'there is an atmosphere of McCarthyism in Australia' (Riordan, 2016). In contrast, there is no critical insight about the partisan role of the US Studies Center at the University of Sydney which is funded by a liberal government, the Murdoch Press and the armament industry (Paul, 2012: 38). Created and funded by John Howard when he was prime minister with private donations from domestic and foreign corporations and wealthy pro-US private interests, it was chaired by Prime Minister Malcom Turnbull's wife until 2007 and employs his son-in-law as an adjunct professor, recently accused by a centre's associate of 'carrying a brief for the prime minister' in his academic work (Flitton, 2017)

A widening campaign against growing Chinese interference in Australian politics fails to contextualise China with the role of US political and corporate influence in shaping the political and economic agenda of Australia. One of the more influential cases in recent years was the 'overthrow' of Kevin Rudd as Prime Minister of Australia in June 2010. This was the outcome of a successful public campaign funded by the Minerals Council of Australia. Following Rudd's downfall, mining tycoons Clive Palmer, Andrew Forrest, and other mining leaders claimed credit for Rudd's overthrow and bragged about 'knocking off' a prime minister (Maher, 2010). One of the world's largest mining company, Anglo-American Rio Tinto, issued a warning to 'any resource rich country that might be tempted to follow the Rudd government's approach to imposing new mining taxes that they should learn from the fate of deposed prime minister Kevin Rudd' (Paul, 2012: 45). It has been estimated that

the mining industry spent more than A$25 million in its advertising blitz to depose the country's prime minister and deprive citizens of more than A$100 billion in lost revenue in the coming decade (ibid). Peter Menadue, former government adviser and corporate executive, saw this for what it was—a power takeover by anti-social corporations—and warned that 'major mining multinationals have invaded the political debate in this country. Unless something is done soon, real power may slip from our elected leaders into the hands of those multinationals and like corporations. Maybe it already has' (Menadue, 2010).

The Chinese diaspora of more than one million is itself increasingly subject to politicisation with an anti-Beijing lobby now headed by members of the Falun Gong, a rapidly growing religious sect. The growing schism, afflicting the community, can be broadly defined

> between two camps: those who migrated in the 1980s and 1990s with the spectre of the Tiananmen Square crackdown of 1989 fresh on their memories and more recent emigres who have been enriched by China's economic development and are emboldened by their country's rise as an international power. (Wen, 2016b)

While China is involved in a campaign to influence public opinion, including large donations to universities and political parties, little if anything is said about US corporate and political influence in Australia. There is no sustained public critique of the extraordinarily powerful role the US plays in Australian political affairs, taken for granted as being normal. Australian political culture of dependency on the US, argued former Prime Minister Malcolm Fraser, is 'deep-seated and a self-crippling "craving" for dependency on a great and powerful friend is to be found at the very heart of what he calls Australia's "national psyche"' (Manne, 2014). Fraser claimed that Australians had lost the will and the capacity to debate critical domestic and foreign issues, with the help of an uncritical bias of US corporations that owns almost 70 per cent of the metropolitan press in Australia (Manne, 2014).

Former Liberal Prime Minister Malcolm Fraser, who died in 2015, was a major critique of Australia's US military alliance and stance on China. He argued that China is 'a focal point for stability and for economic progress and would continue to be' (Shevardnadze, 2014). He reminded Australians that China, 'has never been an imperial power, the way many European countries have been imperial powers, and the way the US and

Japan have sought to be imperial powers … I'm not fearful of Chinese military aggression, I do not believe it is going to occur, unless unreasonably provoked' (ibid). In the past, China was consistent in its policy to renegotiate all treaties it was forced to sign by occupying foreign powers and to try for a new settlement on mutually beneficial terms. This was a lesson that journalist Neville Maxwell learnt in accepting India's lies and wrongly taking India's side in 1962 because, as he later admitted, 'I was blinded by ideology…liberal anti-communism. You'll see the same affecting many journalists today, as American policy continues the Cold War' (Maxwell, 2014).

Fraser argued that Australia has lost its independence when it allowed itself to become increasingly enmeshed in the US military and intelligence megamachine, giving full support for whatever it does and wants (Fraser, 2012a, 2012b). Satellite status gave former President Obama the liberty to address the Australian parliament in 2011 and announce the stationing of Marines in Darwin, taking for granted that Australia fully supported the US pivot to Asia and the militarisation of the Western Pacific. He maintained that subservience to the US was based on the misguided assumption that the US guarantees Australia's security, which is not true. US neoconservative power is a danger to Australia, he argued, because 'they have no understanding of the madness of their ambition. They vastly overestimate the political efficacy of military power. They are extraordinarily ignorant of other cultures' (Manne, 2014). Australia is in danger in the event of war, specifically targeting the US Pine Gap communication intelligence facilities in northern Australia. Fraser wanted Australia to be subservient to no one and advocated, 'nothing less than the end of Australia's military alliance with the US' and warned, 'cut US military ties or risk war with China' (ibid).

There are many other voices critical of Australia's US client state status and supportive of a more independent foreign policy in the public interest. Former Australian diplomat Gregory Clark makes the point that there has always been a major 'China-threat' lobby in Australia powerful enough to send Australia to war in Korea, Malaya and Sarawak, and Vietnam (Clark, 2006). The same lobby was busy trying to prevent the election of Lee Kuan Yew as Singapore premier in 1959 because he was viewed as a front man for Beijing and communism. Australia's China 'threat' has now morphed into a partnership with a US-Japan military build-up in East Asia against China. Australian foreign policy, suggests Clark, should accommodate Beijing's proposals to negotiate and resolve its maritime boundary dispute on an

equitable basis (ibid). Paul Keating, former Labour Prime Minister, is dismissive of Australian foreign policy of the last two decades because it assumed that the US would be the major power of the region indefinitely. China rise to power is, 'completely legitimate' he said, and discredited Australia's role in a US-led containment policy (Kenny, 2017). He called for a new policy of positive engagement with China and to learn to love China, as the world moves towards a bipolar system of governance.

Australia is increasingly coming under the gravitational pull of China's rising economic power. In recent years, Australia's economy and society's welfare have become dependent on growing economic ties with China. Without China's trade, Australia's economy would have substantially declined and entered a crisis mode. Australia's viability requires economic growth dependent on population growth and expanding economic ties with East Asia. A significant signpost of Australia's pivot to China was the decision to join the Asian Infrastructure Investment Bank (AIIB) in 2015 against the wishes of the US, following the UK and the more than 30 countries decision to join China's counterpart to the US-led World Bank and the International Monetary Fund (IMF). Australia's Governor for the AIIB is the Treasurer, who said 'Australia will contribute US$738 million paid-in capital to the AIIB over five years and will be the sixth largest shareholder' (DFAT, 2016). More than 50 members have signed up to the lender, 'widely seen as a rival to the Western-led World Bank. The US and Japan have refused to join, however' (BBC, 2015).

During the March 2016 visit of Chinese Premier Li Keqiang, China made certain commitments to Australia to engage with it in further deepening economic relations. It included free access to the Chinese market for Australian meat producers, securing the support of a large and very influential interest of big landowners and major corporations. The Xi presidency's policy linking China's One Belt One Road (OBOR) plan, which extends China power across central Asia and the Middle East and towards Europe and Africa, incorporates Northern Australia. Australia's liberal government Northern Development Strategy has opened the door for China to invest in the project. Northern Australia is widely viewed as the country's frontier ripe for economic development, particularly in regard to food production to meet the needs of East Asia. Former Australian ambassador to China, Geoff Raby, argues that Xi's inclusion of northern Australia in OBOR 'can, in part, be attributed to the work of the Australia-China Senior Business Leader's Forum' (Raby, 2016).

The election of Trump has raised many questions about Australia's dependency on the US and its leadership in the world. Public opinion conducted before the election indicated that almost half of the population believed that Australia should move away from the US if it elected Donald Trump as president. At the time, public opinion that the US was important to Australia's security was at its lowest since 2007 (Huntley, 2017). A growing ambivalence about US leadership was sufficient to spur the Australian neoconservative governing establishment into action to manufacture consent for the government foreign policy of confrontation with China and Russia. Senator John McCain came to Sydney in May to tell Australians that China was 'acting more more like a bully', and that 'Russia and its strongman leader Vladimir Putin is a bigger threat to global security than Islamic State' (Maley, 2017; O'Malley, 2017).

At the June 2017 Asia Security Summit in Singapore, Prime Minister Malcolm Turnbull and Foreign Minister Julie Bishop backed US leadership in the region and its policy of containing China and accused China of bullying its neighbours (Wroe, 2017a, 2017b). Later that month in Sydney, US Defense Secretary James Mattis and Secretary of State Rex Tillerson at the Australia-US ministerial consultations (AUSMIN) bolstered Australia's military allegiance. Media reports were all about China's failure to obey the Anglosphere's 'rules-based' world order. Other US opinion makers came to Sydney in June, including James Clapper, former director of national intelligence in the Obama administration, who addressed to the National Press Club in Canberra, warning that 'Watergate pales compared to what we're confronting now', and that Australia should remain loyal to the US (McGeough, 2017). Late in June it was the turn of former General Petraeus, who fell into disrepute for giving access to top-secret information to his lover and was sacked from the CIA by former President Barack Obama. He came to Sydney to address a Liberal Party gala dinner and tell Australians that they should be firm with China and get involved in fighting Islamic State in the Philippines (Norman, 2016).

End of Neoliberalism?

What emerges from the Trump crisis is a clear challenge of the military-intelligence concentration of power to the constitutional authority of an elected US government and its reverberation in Australia. The UK plan to move out of the European Union has created another political crisis over the future of a US military presence in continental

Europe and the role of NATO. The overconcentration of power in the US is both seductive and corrupting. US academic Kenneth Waltz warned his country that 'the possession of great power has often tempted nations to the unnecessary and foolish employment use of force, vices from which we are not immune' (Waltz, 1979: 201). Since the election of the Howard government in 1996, the balance in Australian politics and foreign policy has been shifting more to the right, reaching a peak with the election of the Abbott government in 2013 and Malcolm Turnbull becoming prime minister in 2015. Australian neoconservative power is growing, and the military-industrial-intelligence complex is gaining ground over the authority of an elected government. There is mounting pressure to ratchet the level of antagonism towards China and Russia and for Australia to make further commitments to the US imperial project of global hegemony. In the event of a crisis over the South China Sea or elsewhere, political and civil rights of Australians could be quickly abrogated by a government declaring a state of emergency.

Developments in the US have serious implications for Australia. Concentrations of power undermine US democracy and corrupt its declared mission to bring freedom and democracy to the world. Power in the US has been captured by corporations and the national security state to pursue their own interests at the expense of the public interest and the common good. A system of uncontained and unbalanced domestic power of the few is perpetuated because of major democratic deficits in the existing political regime dominated by the money politics of corporations and wealthy private interests. Non-mandatory voting depoliticises citizens along with other mechanisms to exclude people from voting, and a political culture which produces adults increasingly 'indifferent to veracity and accountability in government and to political freedom and equality among the citizenry' (Brown, 2006: 690).

Dedemocratisation in the US provides impunity for the few to acquire great wealth at public expense and engage in criminal behaviour in the pursuit of foreign policy motivated by greed and the lust for power. The Vietnam War was a major human disaster and crime against humanity. The architect of the war, Robert Strange McNamara, recognised later in life that the US had made a mistake and said publicly, 'We were wrong, terribly wrong. We owe it to future generations to explain why' (Goodman, 2009). When asked in 1995 whether the same mistakes could be repeated now, he said, 'Absolutely, not only can be but are being repeated' (Apple, 1995). Such exercise in power was accepted by citizens, suggested economist

John Galbraith, because of the culture of contentment which dominated American society. He argued that 'one of the most enduring lessons of history is that individuals and communities that are favored in their economic, social and political condition attribute social virtue and political durability to that which they themselves enjoy' (Galbraith, 1992).

The situation in the US has changed since the 1990s with growing inequality in the distribution of income and wealth and a marked decline in living standards and well-being of the population. Growing domestic discontent is fracturing society, and the 2016 election of Donald Trump as President of the US is a clear indication that the regime of governance is in a crisis mode, highlighting the increasing political power of the military-industrial-intelligence complex. US power is being challenged by other powers, rising great powers such as Russia and China. By 2020, China will be the largest economy in the world with a population in excess of 1.3 billion people. It is the largest trading country in the world and with expanding economic and financial ties globally. These are particularly important in enmeshing East Asia within its sphere of influence. China's is also emerging as a financial powerhouse in global and regional development, financing the growing debt of the US and other countries. China's military influence is becoming significant and a likely major challenger to US global dominance, including at sea and in space.

US historians suggest that US foreign policy since the late nineteenth century is essentially a grand strategy for the offshore expansion of economic and political power of the special interests of a ruling class. US hegemony, however, is no longer assured nor is it likely to last. Writing in 2006, Professor Christopher Layne at Texas A& M University argues that US hegemony 'is fated to end in the next decade or two regardless of US efforts to prolong it' (Layne, 2007: 190). This is because many countries will compete with the US for power and wealth, and some will become great powers and openly contest and challenge US global leadership. Changing power distribution in the world and the ensuing competition will eventually limit capacity for the economic and power expansion of the US, and the cost of maintaining US hegemony will bankrupt the country. Layne argues that there are only two mechanisms 'that can prevent the United States from succumbing to the hegemon's temptation' (Layne, 2007: 204). One is if when confronted by sufficient power the US forgoes hegemony for a more cautious foreign policy. Another is if domestic pressure brings an end to the ruling class' 'dangerous and unnecessary adventures' (ibid: 204).

Like Hans Morgenthau and other US policy makers, Waltz fears for the US because of the temptations of hegemonic power. Too much economic and political power in the hands of the few leads to excessive greed and the lust for power on the part of dominant elites and further corrupts the ideals of the republic. Waltz argued that

> the American aspiration to freeze historical development by working to keep the world unipolar is doomed. In the not very long run, the task will exceed America's economic, military, demographic, and political resources; and the very effort to maintain a hegemonic position is the surest way to undermine it. The effort to maintain dominance stimulates some countries to work to overcome it. As theory shows and history confirms, that is how balances of power are made. Multipolarity is developing before our eyes… To alienate Russia by expanding NATO, and to alienate China by lecturing its leaders on how to rule their country, are policies that only an overwhelmingly powerful country could afford, and only a foolish one be tempted, to follow. The United States cannot prevent a new balance of power from forming. It can hasten its coming as it has been earnestly doing. (Waltz, 2000: 36–38)

Chicago University's political theorist John Mearsheimer maintains that the US will not accept the rise of China, or Russia, as a regional hegemon (Mearsheimer, 2014a). Relations between both countries are likely to become increasingly antagonistic as the US pursues a policy to contain China's power as well as the use of more dangerous and violent means, including regime change. These are likely to fail and have disastrous consequences for the US. Conflict between China and the US is increasingly ideological, involving both religion and nationalism, providing the loyalty and emotional commitment to fight one another. US nationalism and a crusading Christian mentality is easily matched by the rise of hypernationalism in China, both justifying a 'just war'. Mearsheimer concludes that a Sino–American war 'is more likely than war between the superpowers was during the Cold War' (ibid: 362).

US hegemonic ambitions and grand strategy are essentially a utopian design embedded in the myth of a Christian resurrection and the US manifest destiny as an exceptional country chosen by God to lead the world on a crusade to save the human species from satanic forces. It has been argued that all this hides the reality that people and their leaders in the US fear and deny death and thus need to sublimate their fears and anxiety in the heroics found in battles and wars against enemies to conquer their fears and anxieties. A great danger behind the US 'grand strategy' and the 'war

on terror' lurks the Christian theology of redemption and the role of the US as the chosen people to bring peace to the world, both sounding the millenarian call of the second coming of Christ. John Gray warns that the US 'grand strategy' of universal democracy and the 'war on terror' have proved to be dangerous delusions. Like utopian regimes in the past, 'governments will not admit they are attempting the impossible. They demand freedom from the constraints that have developed over many centuries to curb the exercise of power. In the twentieth century the result was totalitarianism' (Gray, 2008: 41).

Chris Hedges recalls his ethics teacher at Harvard Divinity School, Dr James Luther Adams, warning his students that 'we would end our careers fighting an ascendant fundamentalist movement, or, as he liked to say, the Christian fascists'. There is a growing danger Hedges writes, 'of a fusion between those in the state who wage war—both for and against modern states—and those who believe they understand and can act as agents for God' (Hedges, 2003: 147). The danger suggests Hedges, 'is not that fundamentalism will grow so much as that modern, secular society will wither … In the event of massive and repeated terrorists strikes or an environmental catastrophe, and authoritarian state church could rise ascendant within American democracy. The current battle between us and our Islamic radical foes can only increase the reach of these groups' (Hedges, 2003: 147–148).

Capitalism played a critical role in the development of the US as the dominant global economic and military power. It involved the military territorial expansion of the colonial Eastern Seaboard colonies to encompass a large mass of North America. By the late nineteenth century, with the closure of the frontier, the politics of growth had to look further afield. Expansion abroad, argued historian William Appleman Williams, 'provided the sine qua non of domestic prosperity and social peace' (Bacevich, 2002: 25). The US' 'open door' policy, using force to extort markets and resources in other countries became 'a classic strategy of non-colonial imperial expansion … [and] the history of American foreign relations' (Williams, 1972: 52, 53, 1974). With the fall of the Berlin Wall in the late 1980s, US capitalism gained access to new and rewarding markets of what once constituted the Union of Soviet Socialist Republics. In recent years, however, growth in the US has stagnated, and the prosperity of the US population has sharply declined, raising important questions about US global leadership and the future of the world economic and political system.

The history of the US' phenomenal economic success and its rise to power is embedded in the great myth about the US being an exceptional country with a manifest destiny to lead the world. It is constructed around other myths, also of a religious nature, about the natural order imposed on society by US capitalism, known as laissez-faire or Anglo-Saxon capitalism, as the embodiment of freedom. These are the key ingredients in the US grand ideology and strategy that says that the US mission to emancipate the world can only be achieved if US capitalism opens up the economies of the world. Without it, domestic economic growth diminishes, threatening US core values and political stability while its liberal institutions wither away. In other words, without economic access and control of the rest of the world, the domestic political system dominated by a ruling elite, which represents the vested interests of the corporations and other wealthy private interests, cannot survive.

Is globalisation coming to an end? A leading political theorist, Ellen Meiksins Wood, views the political form of globalisation as 'a global system of multiple local states, structured in a complex relation of domination and subordination' (Wood, 2005: 20). It represents the imposition of market imperatives as the basis of the new imperialism. The process has been remarkably successful, considering the rate of economic growth in the 1990s and the transfer of much of the gains to the upper classes. According to the development agency Oxfam's 2016 report on global inequality, of the growing number of billionaires, 80 of them 'controlled as much wealth as one half of the world's population, and the top 1% owns more wealth than the other 99% combined … the richest 20 percent of humanity owns some 95 percent of the world's wealth, while the bottom 80 percent has to make do with just 5 percent' (Robinson, 2016). David Harvey describes the grand strategy essentially as a 'successful project for the restoration of ruling-class power', the continuation of the feudalism and aristocracy of past ages. Even China became part of the system as it has 'moved towards neoliberalisation and the reconstitution of class power, albeit with Chinese characteristics' (Harvey, 2005: 203,151).

Clash of Capitalisms?

Many countries are beginning to look inwards as discontent about global neoliberal capitalism spreads because of growing inequality and the belief that the world economic system is unfair and favours a growing oligarchy. A sense of moral outrage of what is widely perceived as a system that

produces mostly losers is beginning to take hold, quickly diffused and amplified by the wonders and gadgets of global mass communication (Heyer et al., 2016). In the US, a poll published in July 2016 found that '71 per cent of Americans believe the economic system is "rigged" in favour of the rich' (ibid). The Brexit mass movement succeeded because it reached a majority of disillusioned citizens forgotten by the UK oligarchy while in France, the nationalist surge of the 'Front National' is winning support of voters in the struggling suburbs and areas which have lost economically. Ruling elites have failed to respond to the social damage caused by the neoliberal globalisation of a US-led imperial project, triggering the rise of nationalism in many countries, including the US.

Sociologist Wolfgang Streeck concludes that 'capitalism, as a social order held together by a promise of boundless collective progress, is in critical condition' (Streeck, 2014: 63). A persistent decline in the rate of economic growth, and rise of overall indebtedness and economic inequality of both income and wealth are the crisis symptoms of the long-term trends of advanced capitalist and other societies. Contemporary capitalism can no longer keep, Streeck argues, its promise to 'turn private vices into public benefits', and therefore ends its historical role 'as a sustainable, predictable and legitimate social order' (ibid: 48). Since the 2008 Global Financial Crisis, stop gap measures have been applied such as quantitative easing and the imposition of austerity measures, but what we are seeing today, Streeck suggests, are not cyclical movements or random shocks, but 'a continuous process of gradual decay, protracted but apparently all the more inexorable'(38).

The question is whether the imposition of neoliberal capitalism on the world by the US to create a 'free' global economy will cause sufficiently harmful antagonism to reverse the US imperial project? What is the likelihood that the deleterious domestic impact of US policy will significantly change the mindset of the neoconservatives who control US foreign policy, and what is the likelihood of any significant change to the US grand strategy? In the absence of socialism, capitalism's pursuit for profit will continue to accentuate Streeck's five systemic disorders which plague advanced capitalist societies. The first is the long-term stagnation intertwined with low growth and rising private and public indebtedness. Very low and negative real interest rates have failed to revive the economies of the G7. It has increased the boldness of capital owners to speculate on global markets and embark on fraudulent activities. Monetary expansion has grossly subsidised the creation of bubbles in commodity and housing

markets. A second disorder is the long-term trend towards greater economic inequality. Neoliberalism has increased the level of domestic and international inequality, concentrating wealth and income at the top (Dumésnil & Lévy, 2011; Piketty, 2014).

A third disorder is what Streeck calls oligarchic redistribution. It is the plunder of public assets recently highlighted in many reports on widespread tax evasion by corporations, wealthy individuals and public officials, using global networks of tax havens which are essential to the functioning of globalisation. The transfer of public assets and power to the private sector is directly linked to the capture of the state by a ruling class, representing the interests of corporations and other wealthy private interests. The capture of the state by private power has been a necessary mechanism to lower taxation on business and wealth, and the financialisation of the economy. The opportunity that neoliberal capitalism offers to corrupt and defraud society and the state constitutes a fourth disorder. This is well documented in the scandals of recent decades, exemplified by the massive frauds perpetuated by Enron and Worldcom, and Wall Street's financial institutions engaged in the creation of the 2008 GFC. Corruption is entwined in the rise of a plutocracy, a class of billionaires and other very rich individuals and families. The existence of a global plutocracy is indicative of the extent of organised global plunder of social wealth and power; it has seceded from the nation-state and lives in a new world created for their pleasure and wealth safekeeping. The moral bankruptcy of capitalism is now imprinted in the public mind, increasingly cynical about world politics and finance.

Finally, the fifth disorder is the declining role of the US as the core of global capitalism. US neoliberal capitalism as the centre of global capitalism is losing control of its periphery. The world economic system is in crisis, and the US leadership is under threat and challenged by other countries and forms of capitalism. There are many reasons for this state of affairs. The 2008 GFC demonstrated the misuse of power by the US, imposing heavy social and political costs on national economies. The integrity of the monetary regime is at stake, given the rapid expansion of credit and debt, lower interest rates, and continued economic stagnation in all advanced capitalist countries. An outcome is the rise of nationalism throughout Europe and the decision of the UK to exit from the European Union (Elliott, 2016). There are many signs that the 'free trade' regime is under threat, signalled by the demise of the US-proposed Trans-Pacific Partnership and Trans-Atlantic Partnership. Indicative of an emerging

global trade war are the newly imposed national restrictions on trade and the manipulation of currency and commodity markets (Das, 2016). A challenge to the role of US capitalism is headed by Russia and China, but many other countries contest US economic and political power, particularly since the 2016 election of Donald Trump as US president.

Relations between nation-states are increasingly embroiled in wars and violent challenges to US-led hegemony. US wars and financial scandals demonstrate the failure of global capitalism to bring about a more peaceful world order. The situation in the US shows the lack of political will to address its own domestic failings. The US is facing bankruptcy and without the political will to address pressing domestic issues. In 2014, there were more than 46 million people in the US living in poverty, or more than 15 per cent of the population (Van Mile, 2016). The US has the highest incarceration rate in the world with more than 2 million people in prison in 2017 (US, 2017b). Crime rates and ethnic tensions were on the rise. In Chicago alone, there were more than 4300 shootings in 2016, including more than 700 homicides (CT, 2017). President Donald Trump, in his Joint Address to Congress in February 2017, declared that the US had a major law and order problem, suffered from the worst financial recovery in 65 years and that its infrastructure was crumbling, and announced an increase in the military budget to fight its enemies with the help of God (Trump, 2016). At the time, 5 per cent of the population owned 72 per cent of the wealth while the bottom 80 per cent owned 7 per cent of the country's wealth (Kairos, 2017).

Global anarchy is the outcome of the failure of the US to manage global capitalism for the benefits of humanity. Antagonistic politics within countries have intensified as a result of the deterioration of social and economic conditions. Citizens have lost control of economic policy governing their future and oppose the concentration of power in a ruling class answerable to foreign interests. Globalisation highlights the incompatibility of neoliberal capitalism with democracy. Advanced capitalist democracies in Europe and elsewhere are being undermined by economic stagnation and the rise of neo-right political parties reminiscent of the situation of the 1930s. Rising economic inequality within countries and uneven global development are symptomatic of the impotence of neoliberal governance to address the social damage perpetuated by global capitalism and of the unsustainability of the nation-state system.

Naomi Klein argues that globalisation 'is in essence a crisis in representative democracy' (Klein, 2001: 86). Anglo-American capitalism represents

the ultimate privatisation of politics. Citizens of nation-states have increasingly come under the dictates of undemocratic global institutions such as the International Monetary Fund (IMF), the World Bank (WB), and the World Trade Organization (WTO), representing the special interests of the Group of 7 (G7) governing elites and corporations. These organization lack transparency and accountability and fail to protect societies from the social and environmental damage caused by their activities. The IMF is an instrument of American power, writes Chalmers Johnson, 'one that allows the United States to collect money from its allies and to spend the amassed funds on various international economic operations that serve American national interest' (Johnson, 1998: 659). Globalisation is forcing citizens in many countries to sacrifice democratic control achieved by political struggle over generations in favour of powerful concentrations of private power dominated by Anglo-American capital. Democratisation everywhere is being eroded by the operations of financial markets (TNI, 2016). The ongoing struggle against globalisation has morphed into a struggle for democracy.

Ultimately the frontiers of global capitalism and the outcome of the US hegemonic crisis will be shaped and determined by the ongoing and unavoidable degradation of the biosphere and consequent deterioration of the human habitat. What happens to capitalism will be largely dictated by the responses of the great powers to the anthropogenic threats to human survival, particularly in regard to climate change. The neo-Malthusian discourse of the 1970s on overpopulation, popularised by Hollywood in *Soylent Green*, is now based on climate science and the likelihood that global warming will put severe limits on economic growth and threaten the future well-being of many poor countries, including India. A report by the Climate Council of Australia warns that 'Climate change will increase sea-level rise, drive up global temperatures and increase the frequency and intensity of extreme weather events. These impacts will limit the availability of food and water, undermine human health and devastate infrastructure and economies. This, in turn, could exacerbate existing tensions, increase societal instability, drive large scale migration and be a trigger for violent conflict' (Australia, 2015). Under these circumstances capitalism and militarism are likely to put an end to democracy.

The enormity of the challenges Australians face is a call for progressive social movements for peace with justice to join forces and inspire enthusiasm, particularly among the young, to challenge power. There is ample anger in Australia about the parlous state of the political leadership, and

the danger that the election of Donald Trump to the US presidency presents to Australia, the region and the world, not to firmly resist and challenge the existing power structure dominating civil society and the national economy. Social movements have played a major role in the past, ending the 'white only' Australia policy, constructing greater equality between people and 'challenging those who abuse power' (Burgmann, 2003: 43). Verity Burgmann's study on late twentieth-century social movements in Australia identifies the Aboriginal, the women's, the green, peace and the anti-corporate globalisation movements among others, and writes that they 'sharply highlight the connection between corporate capitalism, racism, patriarchy and environmental degradation' (ibid).

Progressive and liberal forces in Australia need to counter US President Trump and Australian Prime Minister Turnbull's narcissistic world view and advance an alternative reality to the existing neoliberal hegemonic and predatory order in Australia. Philosopher Chantal Mouffe argues for the urgent need to establish a chain of equivalences among the existing democratic demands of progressive non-violent actors so they are not in conflict with each other but also define their demands taking account of the demands of others (Mouffe, 2013). What is needed is constructive disobedience and bold initiative to recapture the utopian imagination which has been so effective in the past to neutralise and reverse the power of anti-democratic forces. Democratisation in Australia depends on the advances of these movements and their potential for convergence to succeed in challenging and displacing the existing orthodoxy and political economy of violence (Paul, 2016: 87–99).

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CHAPTER 6

Capitalism

Clash of Nationalisms

Globalisation is a US project to impose a single economic civilisation on all human kind. Global capitalism's imperative to create a single market for capital, goods, and services is mobilised in the absence of a democratic world state to pursue common fiscal, social, and environmental policies, as well as the free movement of people. Instead the US grand strategy creates greater inequality within and between nation-states, and greater competition to extract surplus value from the world economy, leading to greater internal social and political crises among nation-states. Anglo-American global capitalism is unstable, not self-regulating, and prone to major crises. It is the cause for more conflict among countries, initiating economic warfare, and trade and currency wars. These weaken the social cohesion and the well-being of populations and undermine the viability of the nation-state system. The likely outcome is a clash of capitalisms.

The spread of capitalist social relations throughout the world creates powerful dynamics of losers and winners, causing political instability and social wars and turning countries into belligerent competitors. Global capitalism is increasingly viewed as representing different forms of capitalism. What has been called Anglo-Saxon, or Anglo-American capitalism, is a laissez-faire form of capitalism imposed by the US on the rest of the world. This form is better known as neoliberalism and in Australia as economic rationalism. At its purest, it denies a role for the state in the economy, except for a warrior class and as a nanny state for

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business welfare. It is a model of extreme competitive individualism and inequality. But there are other forms of capitalism where the role of the state is important in the redistribution of income and wealth and the protection of the common good. This was the case of the 'welfare state' after World War II in countries like the United Kingdom (UK) and France, when they ushered full employment and the nationalisation of basic industries. This is currently the case of the Nordic countries and also that of some emerging economic powers, particularly in the case of China.

Countries are not converging under the globalisation project because nationalism remains a potent divisive and aggressive force which informs and shapes capitalism. The theology of US' laissez-faire capitalism is being resisted and challenged by many, if not most sovereign states. Globalisation unleashed intense competition among nation-states, which is being played out domestically. Different forms of capitalism are informed by differences in culture and historical evolution. In essence, culture is nationalism, and nationalism is what informs a different form of capitalism. The UK has voted to secede from the European Union, while on mainland Europe, right-wing nationalist movements are making serious inroads, threatening the viability of the European political project.

Philosopher John Gray exposes the reality of Asian capitalisms. He writes, 'each version of capitalism articulates the particular culture in which it remains embedded … Asia's diverse capitalisms will not converge: their underlying cultures will remain deeply different from one another. Still less will they assimilate to the practices of any western market economy. Nor will they converge in their political development' (Gray, 1998: 191). In Europe, neoliberal capitalism has squeezed the middle classes, enriched small minorities, and enlarged the underclasses. Brexit is a major symptom of the weakening of globalisation and the rise of protectionism and nationalism. The UK vote to move out of Europe found strength among the more marginalised and poorer electorates in the UK and a vote against immigration.

The US is faced with the rising power and demand of emerging economies of the BRICS: Brazil, Russia, India, China, and South Africa. Moreover, US hegemony is confronted with the rise of superpowers, particularly Russia and China. Both are directly challenging the US' world order and the right of the US to set the rules of trade and security for the rest of humanity. China is set to become the world's largest economy and trader and is constructing a network of global organizations to compete with the World Bank, the International Monetary Fund, and the World

Trade Organization. China is putting in place an alternative framework of global economic governance with the Asian Infrastructure Investment Bank, the China International Payment System (CPIS) with its own credit card system, and a proposed Regional Comprehensive Economic Partnership (RCEP) for East Asia (Hudson, 2015). China and Russia are collaborating in the development of a regional bloc, creating the Shanghai Cooperative Organisation in 2001 as an alternative to the North Atlantic Treaty Organization (NATO).

US hegemony is also undermined by serious economic and political problems at home. The benefits of growth have largely flowed to US corporations and other wealthy private interests, and the military-industrial-intelligence complex. Inequality has significantly increased and lowered the living standards of the middle class. The election of billionaire Donald Trump to the presidency of the US in 2016 is symptomatic of a deep and divisive domestic political crisis that threatens the neoconservative elite's control of foreign policy. President Trump's nationalist response of 'America first' is to cancel plans for a Trans-Pacific Partnership, and renege on the Paris agreement on climate change, and require its allies to 'pay their way'. He will demand trade sanctions on China and other countries, increase US military budget, launch more drones and missiles, and threaten to obliterate North Korea with 'fire and fury'.

US growth has been stagnating, and the country faces a bulging budgetary deficit. While military and national security received more than 57 per cent of federal expenditures, the country's infrastructure is crumbling, and a there is a growing social deficit in funding for the provision of employment, education, health, housing, and other essential services while a culture of gun ownership and use proliferates. An internal social war and a high level of incarceration threaten the sustainability of the ruling class and its control of foreign policy. The election of Donald Trump is both a reactionary movement and a commitment to maintain the ruling elite's privilege status by increasing the return on US capital. President Trump's policy is to boost economic growth by securing the offshore profitability of US capital stock and global security. Under Trump, nationalism, the politics of fear, and the 'war on terror' will play a crucial role in pacifying the population.

There is a global crisis of capitalism largely defined by the US model of capitalism and the dynamics of US military dominance. Anglo-American capitalism is increasingly perceived as a form of fundamentalism and a threat to democracy. Billionaire currency speculator George Soros warned that US capitalism was a threat to world peace and that

> by allowing financial capital to move around freely the Washington Consensus also allowed capital to escape taxation and regulation. That was a triumph for market fundamentalism … ill-conceived … unregulated financial markets are inherently unstable … 2008 was the beginning of a process of financial and political disintegration. (Soros, 2015)

US power and capitalism's capacity to maintain the promise of the American way of life for all and the good times for the few is unpredictable given the reality of the ecological limits on capitalism.

The dynamics of climate change and population growth will likely determine, if not impose, a new world order. The outline of economic warfare and large refugee movement will be exacerbated in the coming years as a result of climate change and its impact on national economies, as they affect the rate of economic growth and social cohesion and trigger reciprocating move towards trade and capital movement restriction and other forms of economic nationalism. Movements away from globalisation have been gaining momentum, particularly in the wake of the 2008 Global Financial Crisis. Globalisation as a US project for a global free market and single economic civilisation for the whole of humankind may well be on the wane (King, 2010; Stewart, 2013; Streeck, 2014).

The US is an imperial power intent on maintaining military and economic hegemony over the world. The resources and political commitment expanded in the pursuit of hegemony are driving the country to bankruptcy and a growing democratic deficit in the provision of public services and political representation. US imperial power is combined with capitalist fundamentalism and messianic claims, equating capitalism with democracy and world peace. It calls for the conversion of the world's economies to Anglo-American laissez-faire capitalism. Its globalisation project is based on the adoption of neoliberal capitalism by ruling elites throughout the world for the construction of a global US-led 'free' trade economy.

US foreign policy of a manifest destiny to free the world from evil gives it the right and authority to prevent any other country from 'surpassing or even equalling, the power of the United States' (US, 2002). Since 9/11, US strategy is to attain global hegemony, to be the only great power on earth. US policy is predicated on preventing by various means any other great power rising to dominate their region and, therefore, from threatening US hegemony. As such the United States (US) is engaged in confronting perceived threats to its power in many parts of the world, targeting many enemies and planning regime change in North Korea,

Iran, Russia, and China. The US military-industrial-intelligence complex has become addicted to power and money. Former US Secretary of Defense Donald Rumsfeld once declared the Pentagon as the greatest enemy in the world bent on conquest because of its addiction to money and weapons (Scheer, 2017).

Concentrations of power in the US is a major cause of violence and injustice. Uncontained power makes the US prone to catastrophic mistakes such as the overthrow of Iran's democratically elected Prime Minister Mohammad Mosaddegh in 1954, the Vietnam War, and more recently the illegal invasion and occupation of Iraq in 2003. Former President George W. Bush told several world leaders that God told him to invade Iraq. Zbigniew Brzezinski, former national security adviser to President Jimmy Carter, argued that the invasion of Iraq in 2003 was a strategic and moral calamity. He writes 'it is undermining American's global legitimacy. Its collateral civilian casualties, as well as some abuses, are tarnishing America's moral credentials. Driven by Manichaean impulses and imperial hubris, it is intensifying regional instability' (Clemons, 2007). The US population is also subject to severe 'blowbacks' for violent operations carried out offshore by the government and kept secret from the public. What happened on 9/11 was retaliation for the US largest clandestine war in Afghanistan against the Soviet Union in the 1980s (Johnson, 2007: 2–5). Security and economic crises constitute a vital mechanism for the conduct of foreign policy. This was the case for most US wars since the end of World War II, the Asian Financial Crisis of 1996–1998, and the 2008 Global Financial Crisis.

US globalisation and military hegemony are increasingly contested and challenged throughout the world. US intervention in the Middle East has created a nightmare scenario with a series of human catastrophes and never-ending wars. The latest phase, marked with the rise of the Islamic State of Iraq and Syria and the Syrian and Yemen civil wars, only serves to amplify regional antagonisms, particularly between Iran and Saudi Arabia, creating waves of unwanted refugees. The shock therapy inflicted on the Russian people by the West after 1991 served to transfer the former Union of Soviet Republics public wealth to foreigners and ruling elites. Since then the US has renegaded on its promise not to expand NATO to former Warsaw Pact countries and provoked Russia in a series of confrontation over Georgia and Ukraine, triggering a civil war and the return of Crimea to Russia (Mearsheimer, 2014). US pivot to Asia as part of the US policy to contain China is the making of future wars in the region, presently

outlined in territorial disputes with Taiwan, Japan, and South Korea, and a major confrontation over the control of the South China Sea.

Global capitalism is also in a crisis mode because of declining growth, growing inequality, and rising debt. Globalisation is causing disorder and conflict throughout the world. Many countries are faced with internal social war and increased repression, uprooting millions of people seeking refuge away from their homes. The process of deglobalisation is gaining traction with the rise of economic nationalism in many countries, particularly among the advanced European capitalist societies, exemplified in the decision of the UK to secede from the European project. In Africa and other parts of the world, more countries face civil strife and the deterioration of their economies and well-being. US globalisation's future is further undermined by the destruction of the biosphere. Climate change and global warming threaten the economic prospects of equatorial countries, including Southeast Asia, where rising waters will put at great risk the future of many major coastal and riverine cities.

Militarism and imperialism are destroying US democracy. The state has been captured by a capitalist and military ruling class intent on advancing their vested interests at the expense of others. Naomi Klein has called Trump's election to the Presidency 'a corporate coup d'état' (Goodman, 2017). The well-being of the population has declined in recent decades, and inequality in the distribution of income and wealth has greatly increased, along with internal conflict and the state repression of dissent. The growing power of the military-industrial-intelligence complex is undermining the US constitutional government. Power of the national security state is increasingly challenging the constitutional rights of citizens and the public interests.

Australia

Partnership in the US imperial project is a major danger to Australian democracy and security. The country has been part of all the major US wars since the end of World War II. At the time of the white Australia policy, it was the only Western country to fight against the Vietnamese. Since 9/11, Australia's military alliance has expanded with a bulging military budget to pay for more wars on behalf of the US, and in preparation for future military operations in Asia and elsewhere in the world. It has made Australia complicit in war crimes, specifically in the illegal invasion and occupation of Iraq in 2003. Australia is now a nuclear target in the event of a war with China or Russia.

Australia's 'war on terror' has turned the country into a garrison state dominated by a powerful national security state, increasingly shielded by secrecy and legislation to neutralise dissent (Evershed & Safi, 2017). Rhetoric about threats to the state security justify censorship and the deprivation of civil and human rights. Australia is alone in the Organization for Economic Cooperation and Development (OECD) without a charter or bill of rights. The US alliance is transforming the continent into a military platform for the US military pivot to Asia and regime change in China. Northern Australia is now hosting a growing network of intelligence and military facilities in support of military operations in the Middle East and East Asia. The militarisation of society by a neoconservative regime creates enemies and antagonisms against China, Islam, and boat refugees to maintain social cohesion and support for a capitalist democracy.

The neoliberal garrison state has been denationalised with the control of the economy and security transferred offshore. In the last twenty-five years, US capitalism has become embedded in the Australian political economy as an important US outpost in the Asia-Pacific. Capitalist democracy is becoming more authoritarian with the concentration of power in a bipartisan elite united in their support for the US hegemonic project. Citizens have become customers and commodities with their voting power increasingly insignificant in the outcome of a political agenda controlled by a ruling class representing foreign capital and US geostrategic interests. The break-up of the Australian marriage between capitalism and democracy could be accelerated with the militarisation of climate change in the coming decade.

Adoption of Anglo-American neoliberal capitalism drives the Australian political agenda for economic growth. What matters is for the country's economy to get bigger and wealthier. Drive for the accumulation of more wealth and power is mainly achieved by the massive transfer of public wealth and power to the private sector. Foreign corporations, mainly Anglo-American, play a major role in the abstraction of wealth from the continent and rent dividends on intellectual property, services, and investments. Free trade agreements, particularly in regard to the US, have been responsible for a deeply entrenched current account deficit, and the loss of manufacturing capacity and employment in Australia.

Australian governance has surrendered principles of social justice to neoliberal capitalism and to the US imperial project. Growth under neoliberal capitalism fosters economic and political inequality and growing shortcomings in the provisions of public services in education, housing,

transport, and health. The control and obedience of the population is becoming a major concern of governance. The political agenda of growth has been primarily by means to create scarcity of public services and full employment as well as the manufacture of security and economic crises. Growth has relied primarily on large yearly intake of permanent migrants selected for their potential contribution to the economy as well as millions of residential visa permits to provide exploitable labour for many industries. Purchase of land and premises by foreign investors is another major source of economic growth. Major cities have quickly sprawled, fuelled by the construction industry and the demand for housing by overseas buyers. Economic growth and massive overconsumption is a major contributing factor to the destruction of the Australian biosphere.

Australian political economy is largely dependent on China for economic growth and welfare. At the same time, China is Australia's most important trading partner and source of export income. It is also dependent on China as an enemy against which it is preparing to fight. Neoconservative forces in Australia are behind a renewed public campaign to demonise China. Prime Minister Malcolm Turnbull has openly called China a 'frenemy', a country that fakes friendship in order to deceive (Grigg & Murray, 2017). He has accused China of interfering in Australian politics and bullying its neighbours. It demonstrates the power shift in Australia towards the growing influence of the intelligence agencies and defence officials behind the Australian national security state. Australia has become the Chinese economy's 'great southern land' but central to its growing militarism and dependency on US neoliberal globalisation and military dominance. It is translated in the transformation of the Australian continent as a vital military platform for the containment and regime change of China. US hegemony is likely to end in the next decade and the question is whether Australian capitalist democracy can survive the growing clash between the US and China.

Australian democracy is not compatible with militarism and neoliberal capitalism. Both are undermining democracy, transforming a capitalist democracy to a modern form of capitalist authoritarianism, and preparing for more wars and human tragedies. Australia is now hostage to the interests to the US military-industrial-intelligence complex. The election of Donald Trump as president of the US is symptomatic of the US domestic and hegemonic crisis and the permanent danger it represents to Australian security. The US can no longer be trusted to lead the world and advance the common good and the interests and well-being of Australians.

Australia should regain its sovereignty, adopt an independent foreign policy, and end its economic, political and military subservience to US power interests. The end of the military alliance signifies the closure of all US military operations on the Australian continent, including Pine Gap in the Northern Territory. Australia should close down its overseas bases and operations in South Asia and the Middle East and stop the sale of arms to Saudi Arabia and other countries. Moreover, it should abandon Howard's doctrine of pre-emptive war. Former Prime Minister John Howard's order to invade Iraq in 2003 was a war of aggression and a crime against humanity. In the past, such wars led to bigger and unintended disasters such as Auschwitz, Dresden, and Hiroshima (Mayer, 2003). Above all, Australia must adopt a foreign policy to allow the peaceful emergence of China as a great power and prevent another Korean War and Sino–Japanese conflict.

Neoliberal capitalism is a major threat to world peace and to the security and welfare of Australian society. Market fundamentalism is inherently unstable. A leading global speculator and hedge fund billionaire George Soros warned before the 2008 global financial crisis that the ideologies behind the Anglo-American model of economics was deeply flawed and 'the most palpable threat to the shared values of an open society' (Pusey, 2003: 12). Australia should revoke its 'free trade' agreement with the US and shift to a trading policy in favour of a multilateral trade arrangement which incorporates principles of social justice and fairness for all participants. It should plan and implement a foreign policy to incorporate principles of social justice in its economic and political relations with the rest of the world, and play a stabilising and mediating role in world affairs, more like the Nordic countries today.

Peace

In reality, Australia's 'war on terror' is part of global civil war about whether humans have enough in common to overcome their prejudices and hatred to share in peace the earth's habitat and resources. Peace making under a neoliberal state has become counter-terrorism, another form of terror, and the imposition of a world order compliant to a US military global regime. Australia's 'war on terror' produces enemies with whom there is no negotiating, which can only end in more wars to decide who is the strongest. Peaceful coexistence is the only pathway to human survival. But the question is how to move in that direction. What are the major obstacles to overcome?

There are two prevailing political cultures in Australia. One is predominantly egalitarian, democratic, and ecological. It supports transparent and accountable power and citizen control of the economy and resources of the country. This culture is firmly embedded in the traditions of the Aboriginal people and in the politics and advocacy of many Australians and social movements for peace with justice. The other is the culture of aggression of the invader and exploiter, enmeshed in laissez-faire capitalism and neoconservative Social Darwinism. The culture of war that now prevails in Australian politics will only lead to more human tragedies. Human rights activist and founder of the Sydney Peace Foundation Stuart Rees in his *Passion for Peace* advocates redefining sovereignty, and supports Susan Marks' argument that 'the riddle of democratic politics has to be solved by requiring all citizens have the chance to participate in decision making that affect them' (Rees, 2003: 178). The world needs participatory democracies and international organizations to address injustices and the challenge of climate change and pathology of the armament race. Meeting this challenge in Australia requires that it overcome the passion for war and sublimate the mentality of the Anzac legend that 'nations and men are made in war'.

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