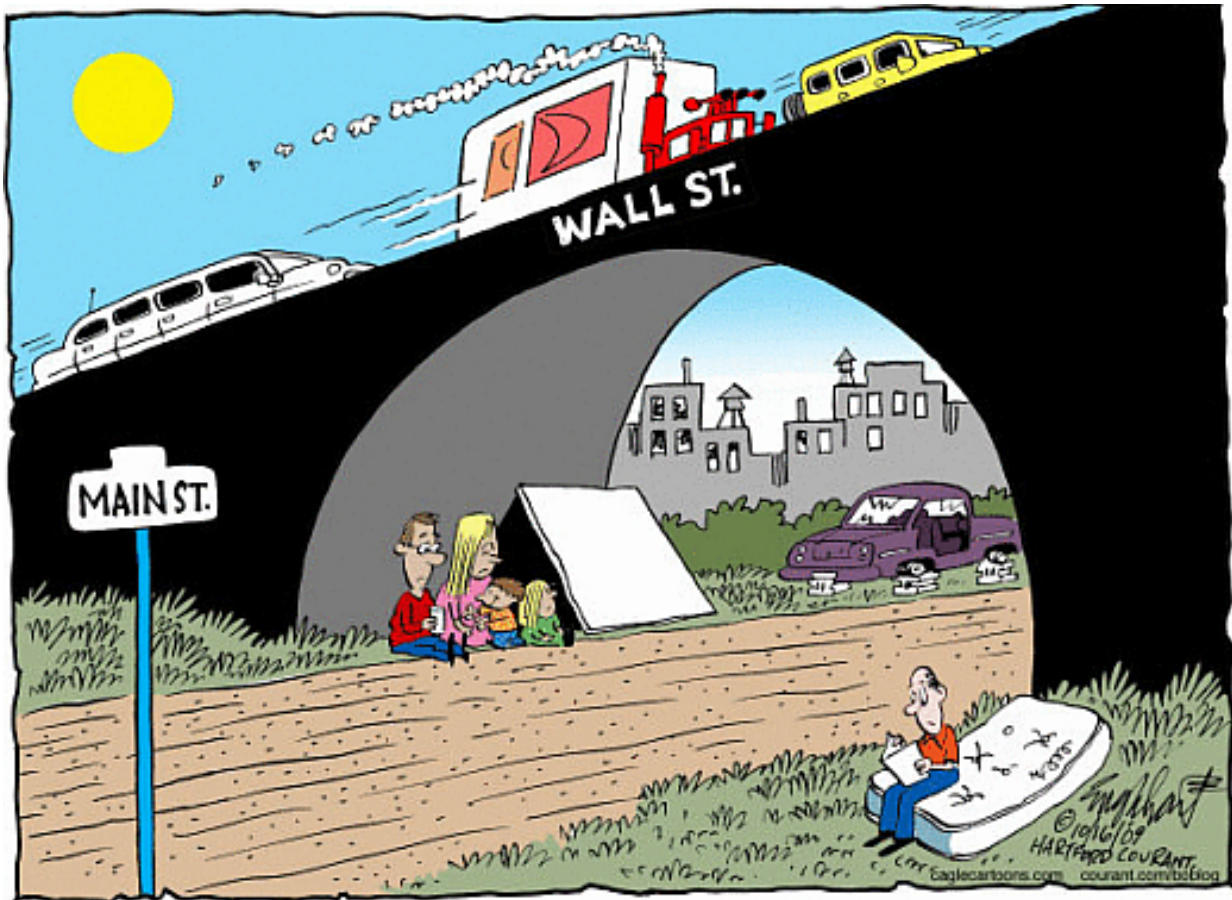


The Two Main Threats to Democracy and Modern Capitalism

Paul Sandison

I was moved by the stark and infinitely sad picture by Bob Englehart entitled Main St versus Wall St. published in "[Investment Postcards](#)" of 20 October 2009.



Source: Bob Englehart, [Comics.com](#), October 16, 2009.

Where can I find a another picture showing
RESPONSIBILITY
ACCOUNTABILITY
MORALITY
ETHICS
SERVICE TO COMPANY, STAKEHOLDERS, and COUNTRY
REGULATION
INDICTMENT FOR MALFEASANCE
JAIL FOR LIFE?

Since 1989 and the exit of Soviet communism from the world stage it has been easy to believe that capitalist democracy is only under threat from authoritarian states. Most people know what authoritarian rule is – the steel yoke of Stalinism, Nazi rule under Hitler, the bestial

dictatorship under Idi Amin, the Khmer Rouge in Cambodia and so on.

In the last decade we had occasion to study the dictatorship under Saddam Hussein and any number of Islamic dictatorships or Islamic pseudo-democracies. We also have seen failed democracies in Africa through the overly strong combination of authoritarian tribalism or clanship and weak democratic structures and culture, relics of the oppressive colonial age. In the last couple of years we have witnessed numerous rigged elections, and more recently the curious advent of forced coalitions with previous dictatorial regimes, for example in present-day Zimbabwe.

However I propose that there is another threat to democracy, especially in the United States. Quite apart from the external threat from authoritarian states I believe there is already a new type of threat – a threat from within. As anyone knows, a democratic state can become authoritarian and an authoritarian state can become democratic. The traditional internal threat to a democratic state is via a charismatic leader who wins an election and then declares a one-party state.

However, the new threat is from a formation of individuals and parties and interest groups which are acting to subvert and bring down the democratic state, not by declaring a one-party state but by claiming that the state itself must be destroyed, or at least put on a severe diet and reduced to national defence only.

In the 19th Century, anarchists and communists in Russia and Europe tried to destroy the capitalist state – the anarchists because they wanted to eliminate the state altogether, and the communists because they wanted to take over the state and introduce a planned economy. Any means by which the state collapsed, e.g. economic, served the revolutionary aspirations of these groups. Strikes and sabotage were common methods of engineering an economic collapse, and thereby a political collapse.

Today the threat is different. As yet it appears to be largely disparate individuals and interest groups who nevertheless all wish to bring about a collapse of the present-day capitalist state in order to 'free' the people from local and federal government control. The federal state would be radically reduced to manage national defence matters only. In the local state, only a small police unit and perhaps, at the very outside, municipal fire brigades would remain from the array of services which local government provides.

This threat may appear to some as the banal fantasies of a nutty anarchist group. However it is quite possible that an ideologically driven and fanatical minority, comprised of misled and corrupt self-seekers, could propel a movement which engineers an economic failure from within. This would take place through extreme self-seeking and a defiant denial of established, traditional values, and ultimately culminate in the destruction or take-over of local government on the local and state levels. But with radically different outlooks and systems in different parts of the country the co-ordination of the economic life of the wider country would then break down. The anarchists would get no further economically but the country would slide into civil war.

The danger is that the corrosive decline is already far advanced. In fact I propose that this decline has in fact been going on for the last 29 years, and that it preceded the collapse of the Soviet Union. Is it not staring us in the face? Are we so few who dare to look the truth in the face and remark on it? When a country decides on principle to cease worrying about balancing its budget and decides to lower its taxes, thus creating a budget gap which can only be covered by borrowing from foreign countries abroad, shouldn't a little bell ring somewhere in the minds of its people? Isn't that permanent policy not just a little treacherous and setting up huge problems for the future?

Then when the government doesn't follow its own laws and regulations, allowing banks to operate with huge leverage, encouraging huge expansive booms and ever more spectacular busts, isn't there perhaps more than a little very very wrong? Then latterly when huge bonuses usurp my list of established principles at the top of this article and the government bails out the culprits and impoverishes the country, then surely there is 'something rotten in the state of Denmark'?! For the undeniable fact is that the present unfortunate situation has created a very ripe environment for the anarchists to grow and take root.

Then when the government does not quickly rip out the toxic assets from the offending banks, restructure them and put them back on their feet - and the government ends up owning most of the failing big banks instead – surely no one can deny that the country is in a shocking state?

Then finally, when the CNBC screamers and shriekers indoctrinate their millions of viewers to believe there is too much regulation already, fundamental reform by the government to prevent future crises is successfully obstructed and the collapse becomes turbo-driven. With such a partial, fifth-columnist third power exhorting all to resist any regulation and reform, is it not crystal clear such a country is already becoming anarchist, nihilist, corrupt and beginning to collapse from within?

Therefore: the past has now come to turning point. A civil war by proxy is already under way, even if it is so far only played out in the theatre of the media through the guileful selection of moving words and pictures and the same slanted questions to the interviewees year after year. Forever the interviewers carry on, like water relentlessly dropping on stone, with great effect. Both the interviewees and the viewers allow this disgraceful spectacle to carry on largely unquestioned, and the government is harried into delaying tactics and half-measures, all while the country has already lost \$12 trillion and continues to bleed to the tune of \$2 trillion annually.

It is tragic to have to watch such a great nation destroy itself, not over centuries, but in such a short space of time. There are two words the CNBC interviewees should learn – boycott and alternative. They do not have to submit to humiliation or cross-questioning by the High Priests of the Inquisition or their stooge interviewees, and they should find or create alternatives.

For the decline in values has indeed been rapid. In a mere 29 years it has now become politically incorrect, if not decidedly quaint, to believe in the principles in my list above. The effects of the decadence and backsliding created by the neo-con ideologues and Ayn Randers are now having far-reaching consequences. They have cut and cut into the moral fibre net of society until at last it has burst for all and the world to see. What is the solution? The culprits must be revealed, exposed, resisted, boycotted and counter-attacked in alternative media, *now*. If this does not happen soon then correct remedies will not be implemented and far greater damage will be incurred to society, when the social convulsions become too great for the people or the government to tolerate.

Lucky is the country which has not had to defend itself from external enemies and take to war. If successful, war is a temporary condition and if unsuccessful then death is at least better than slavery. Likewise the financial system is the life blood of the economy which regulates the daily efforts of the people to live and work and produce for all.

When that is sabotaged and financial institutions become insolvent, they *must* be temporarily

taken over, cleaned out and put back on their feet, or declared bankrupt and the depositors' holdings moved to other banks. All else is theft and duplicity, serving to continue the transfer of wealth from those who have few assets or none to the unscrupulous group which is unabashedly continuing to siphon off assets for itself. The short-lived but ultimately futile greed of the ethically jejune group is now setting up the conditions for the inevitable final and much greater collapse.

During war there is a temporary restriction on the freedom of speech. The time may soon come when limits are placed upon the desinformational sabotage and anti-social activities of the superficial TV and streaming media whose only lodestar in life is a simplistic and fanatical belief in unrestrained self-interest as the only allowable driving force in the individual and a total absence of local and federal government in the social sphere. I believe restrictions on free speech are however not the answer. The fanatics must be met by other means, to prevent the very social collapse which will tempt a government into introducing restrictions on free speech and other civil liberties.

Extremist beliefs are always a threat to democracy and capitalism. The extreme Christian persecution of those questioning the cruel and authoritarian rule of the Church and State in the 16th and 17th Centuries resulted in the execution of 10% of Europe's population by torture, hanging and burning at the stake. Many of the pilgrim fathers and mothers who immigrated to the United States were refugees from the religious persecution and political oppression in Europe at that time. In the 20th Century, Nazism and Communism is estimated to have resulted in the killing of over 80 million people through their fanatical and economically unrealistic ideologies.

During the 19th Century, Lenin's rivals for revolutionary power in Russia were the anarchists, who believed in a country without a state. The anarchists used violence and terrorism as the main means of destroying the state and had no regard for human life. Even after the Bolshevik revolution in 1917, the anarchists were far more numerous than the Communists. Today we have two main threats to Western society – fanatical Islamic extremism and the fanatical anarchist minimum-state ideologues in the United States, well represented among CNBC news presenters.

For they are the barking dogs of the current guilty devils in Wall Street and in government and their goal is the same – a country with people driven solely by naked economic self-interest and the absence or extreme minimum of a state. The latter view of a state involves an absence of market regulation - and thus zero interference by courts – as well as zero control by local or central government in anything except external defence of the country, internal defence (police) and possibly fire protection.

In most countries there are several layers, or strata, in the population. For example these strata could be comprised of professionals such as doctors, lawyers and accountants, down through strata of media professionals, teachers, nurses, then industrial and service sector workers and then agricultural labourers and other menial workers. For each strata there can be one or more sub-strata which share the same occupation as their stratum but which differ in terms of various factors such as geography, lifestyle, religion, political ideology and so forth.

There are four, as yet relatively disparate, social sub-strata in the US which hold, or very soon may hold, views which are antagonistic to the modern capitalist state. I will deal with first three sub-strata here and the fourth later. The first stratum is represented by the college and university educated. A sub-stratum of these is the arch-conservative adherents of unfettered laissez-faire capitalism and consequently a passionate hate of regulation and government. The second stratum is the staff of the professional media, a sub-stratum of

which share the same loathing of modern regulated capitalism as the first sub-stratum mentioned above.

The third sub-stratum is to be found in, but not only in, the Mid-West cities and small towns which have an agrarian production and lifestyle, somewhat lower educational levels and strong religious beliefs. This group, living in many ways a much purer and sounder way of life than the big city slickers, are naturally aghast at the arrogant antics of the worst of the Wall Street representatives of mammon.

However by dint of their intimate knowledge of how the smaller community works and their insufficient knowledge of national and international economics and finance, this sub-stratum is objectively at risk of incorrectly siding with those who wish to shrink the capitalist state to a bare minimum. If such a development came about, it would come back to devastate them economically, and too late for them to realise their mistake and change their allegiance.

The goal of an anarchic market country is impossible, in fact a contradiction in terms, for the very existence of a modern market pre-supposes a legal regulatory framework. The latter is necessary to correct any abuse of trust which voluntary transactions on a market require, and only a state can have the legal authority and power to enforce that framework. Like the Nazis and Communists, the market anarchist fanatics can wear suits and appear well dressed and well spoken. They do not all shriek and scream like Hitler and some of the CNBC presenters. But what do each of them say, and what do they do? They must be identified and resisted, counter-attacked, boycotted and ignored.

There are over forty failed states in Africa where the state has broken down. Courts no longer exist, roving bands terrorise, torture, abduct, rape and slaughter and the rule of the gun is paramount. This is the modern face of anarchy and this will be the actual achievement of this naïve and thoroughly ignorant and indoctrinated ultra-right anarchist wing in the United States if they succeed in destabilising the country.

Over 15 million unemployed who have lost their unemployment pay have now given these anarchists a huge potential army of converts who by force of their predicament may see little advantage in local and federal government. The unemployed are largely a sub-group of the stratum of industrial and service workers.

Through their position in the production chain which does not provide an sufficiently overall view of the interconnectedness of modern production systems from conception to export, finance and national economics, and by way of their collective experiences of wage-bargaining and more left-leaning ideologies, this group would not normally be adherents of the abolition of the state at all. However, due to their increasingly stressful predicament, this sub-stratum could ultimately join the first three sub-strata already dealt with above.

To date the situation is not revolutionary but pre-revolutionary. There are still great differences between these four sub-strata. But grinding poverty over another year and more insane antics by Wall Street mammon plus a feeble US government hide-bound by its allegiances to the big banks like Goldman Sachs, J P Morgan and even Citigroup(!), and the four sub-strata could very easily weld into one powerful national movement. Their demands will begin to threaten the sitting administration, particularly if demonstrations become unstable and tip over into violence. It should be remembered that especially anarchist movements have a predilection to violence, and twenty million angry people will have a lot of time on their hands. The first reaction of government will be to restrict free speech and communication, something like the Chinese model, for example with an internet that is censored.

However, restricting free speech is always a two-edged sword. Such a move always carries with it a body blow to democracy and creates a terrible dilemma. Like quantitative easing, when do restrictions on free speech stop? Also, and worse in practice, before they have stopped, it is all too likely that the government has found it just too nice and comfortable without having a rabid media to deal with, and decides to continue with the restrictions or increase them - and the country turns into a dictatorship.

Some will ask which the first bad blow to democracy is – the undermining of the flow of capital in the whole system, or attempts to make sure the media cancer is extirpated. The simple answer is that it doesn't matter – both are body blows. The second is likely to flow from the first.

When something as corrupt and evil as a widespread abrogation of responsibility, accountability, moral duty and regulation has taken place, the crucial initial damage to the country has already been done. The damage is horrible and flagrant proof of an insidious corrosion of dangerous proportions in the moral and ethical state of key individuals in the population, specifically in the very first sub-stratum mentioned above.

The criminals of Wall Street, each through the treacherous abuse of their own history, education, status and entrusted position of responsibility, have shown that they do not have the moral fibre to be social human beings. For the consequences of their malfeasance can not only destroy but multiply the destruction for ever. This can be easily seen in the exponential projected rise of US debt.

Like incest, rape, child abuse and kidnapping, the initial crimes should never have happened and the consequences for the individual victims are inestimable. In the present burgeoning economic crisis, already well over a hundred million people across the globe have been thrown into poverty, despair, sickness and are struggling to avoid a premature death. Billions of people abroad are vowing never to allow the United States and the United Kingdom to do this to them again. The remaining question is whether the peoples of these two countries will put their political and economic systems right so that they themselves are never hit like this again.

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Paul Sandison is a social critic of contemporary society. Although born in South Africa, Paul has lived in Europe for nearly four decades. His forbears include an ancestor of King Niall of Ireland and Charlemagne. He is presently engaged in producing American and Scandinavian interpretations of modern Irish music. His hobbies include developmental economics, and jogging.