

Talking Cents

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Talking Cents is an ecumenical group charged by the Auckland Anglican Diocesan Council to promote an alternative to current economic and political thought, and to encourage debate within the church. Ministry units are encouraged to distribute these articles. This article is contributed by David Hall, a member of the Anglican Auckland Social Justice Group.

NZ is still a democracy: lets not copy the USA!

In most elections the successful candidate for office is expected to receive a majority of the votes or at least more votes than any of the other candidates. We have had instances in New Zealand, under first past the post, of a Government being formed with a majority in the House of Representatives but not of all the votes cast. We moved to MMP to rectify this anomaly. Our new Government is made up of three parties who together received a majority of the votes cast – as have all our MMP Governments.

In the USA, the election of a President does not require that the successful candidate receive a majority of the votes cast nationwide but a majority in the Electoral College. The Electoral College electors are based on the number of total members each state sends to Congress. This is automatically biased in favour of the small states as every state has two Senators, irrespective of population, and a number of Representatives based on population. Six states have populations of less than one million – Delaware, South Dakota, North Dakota, Alaska, Vermont and Wyoming, with a total population of 4.5 million and 18 electoral votes. That is one vote for every 252,000 people, yet California with a population of 39.25 million has 55 Electoral College votes OR one Electoral College vote for every 714,000 people. A vote for the President in one of the six smallest states is worth nearly three times that of a vote in California. The Electoral College votes are decided by the popular vote winner takes all in 48 out of 50 states. Therefore Donald Trump was elected President of the USA with nearly 3 million less votes than Hillary Clinton.

Back in the 18th century when the US Constitution was written, the concept of one vote for each adult was

not the norm in the very few democracies around. In the United Kingdom, only males who owned property were eligible to vote; but over time this has been changed so that all UK residents over the age of 18 can now vote. In New Zealand, we have followed a similar path but included women some years before the UK.

The thinking behind the Electoral College system in the US Constitution reflected the attitudes of the 18th century. It was generally accepted by the framers of the US Constitution that only those male adults that owned property were right and proper persons to vote. The setting of qualifications for voting was devolved to the states. Initially, similar restrictions to those in the UK applied, although indigenous people were specifically excluded, and slaves were not citizens so could not vote.¹ Over the years these restrictions have been amended, women could vote after the ratification of the 19th Amendment in 1920. But poll taxes, a method regularly used in the South to stop African Americans and other minorities from registering to vote, were not outlawed until 1962. But even now states can still restrict enrolment for voting by various means.

Although the US way may not be perfect it could be described as basically democratic. But, over the years here have been systematic efforts to undermine the system. Nancy McLean in her book *Democracy in Chains: the deep history of the Radical Right's stealth plan for America*² explains how a small group of very wealthy individuals have tried to undermine the powers of the Federal Government, including the Supreme Court, to tax the very wealthy, to help the poor etc., by using their great wealth to influence elections. In the 1930s, the introduction of Social

¹ See Article One, Section 2.1 of the US Constitution

² Nancy McLean, *Democracy in Chains* published by Viking 2017. Available from Auckland Libraries

Security (the US equivalent to our superannuation), unemployment insurance and free of education for all were like red rags to a bull as far as the very wealthy were concerned. McLean identifies Charles Koch, and his brother, David as two of the driving forces behind the undermining of democratic processes using their extreme wealth. McLean describes Charles Koch as: *“An entrepreneurial genius who had multiplied the earnings of the corporation he inherited by a factor of at least one thousand, he too, had an unrealized dream of liberty, of a capitalism all but free of government interference and, at least in his mind, thus able to achieve the prosperity and peace that only this form of capitalism could produce. The puzzle that preoccupied him was how to achieve this in a democracy where most people did not want what he did.”*³

Koch and his friends have consistently funded over the last 50 plus years a series of academic institutions and think tanks promoting their libertarian philosophy including the School of Political Economy at the University of Virginia (UVA), the Schools of Economics at UCLA and Chicago, and the Heritage Foundation and Cato Institute – two right wing libertarian think tanks. Milton Friedman at the University of Chicago is well known to those who study the impact of neoliberal free market philosophy. Less well known is James McGill Buchanan, who founded the School of Political Economy at UVA. Buchanan received his PhD in Economics from the University of Chicago. He embraced the ‘market economics’ approach of Milton Friedman and took it further with the support of the Koch brothers and friends. They believed that the only role for government was the protection of citizens from external (Armed Forces) and internal (Police) threats. All other functions of government should be in the hands of individuals and corporations including education and prisons.

Certainly, over the last 50 years the libertarians have made some significant progress in the USA, and that, in turn, has had an impact in other countries including New Zealand – Charter Schools and Serco in prisons are two examples.

Lack of any meaningful restrictions on spending by candidates and funding of candidates by individuals and corporations has meant that money now talks very loudly in American elections.

The Reagan years saw some gains for the free marketers, but not enough for Koch and their friends. In addition, Republican domination during the Reagan and Bush years did, in many of the states, open the way to the redrawing of constituency boundaries to ensure Republicans would continue to dominate, at least in the House of Representatives.

The election of Barack Obama in 2008 and the emergence of The Tea Party on the right wing of the Republican Party were opportunities not to be missed by the Koch brothers. They, and their friends, started to generously fund any “Republican” who would further their cause, and many defeated moderate Republicans in primary elections and went on to be elected Senators or Representatives. The result was a very significant move towards libertarian philosophy by major parts of the Republican Party, to the extent that virtually all the Republican Party candidates for the Presidency in 2016 were from the right wing of the party. In winning, Donald Trump managed to embrace both the right-wing philosophy of the Tea Party, with a populist agenda coupled with a very abrasive way of campaigning.

One of Buchanan’s contributions to the libertarian cause was to suggest that radical reforms should be “dressed up” to make them look relatively harmless. It appears that Donald Trump learned this lesson as he managed to dress up his “policies” to seem fair and reasonable although, in fact, they were just the opposite. Trump managed to appeal to the white middle and working classes in the “rust belt” states with his populist “*I will make America Great Again*” slogan. And the Electoral College votes of these states were essential to his success. Trump’s Tax Reform proposals illustrate how he manages to dress up reforms that will only advantage the very rich.

Democracy is government by all the people for all the people, not government by the rich elite for the rich elite. As Jeremy Corbyn so succinctly put in in the 2017 British General Election – it is **For the Many not the Few**. In New Zealand, MMP has resulted in a series of “coalition governments” each including parties that combined had a majority of the voters at the General Election. It may not be the most perfect system of electing our government, but it seems to work in giving us democratic governments.

³ Ibid page xxiv