

***“ A soothsayer bids you beware the Ides of March” Brutus to Julius Caesar,
Act 1, Julius Caesar, William Shakespeare, circa 1600.***

***“We are heading for results of climate change which will produce results not
seen on earth for 30 million years. Unless politicians grasp the gravity of the
situation it will be devastating” Lord Nicholas Stern, former chief economist of
the World Bank. The Age, March 14th, 2009***

And so, we come to the end of March in 2009 AD. Recently, the world chose two new types of leaders, Rudd and Obama. Their elections underscore a growing awareness that the world as we know it is in the process of profound change.

We are looking for solutions, for new leadership. Ahead of us lie tough decisions. There is no map for where we are going. What is clear is that our cherished capitalist system, and the western democratic system of governance, are not working.

We are now governed by “dirty” (corrupt) capitalism far more than we are by democracy ¹. Democracy, if it ever really existed, has been murdered, executed like Caesar, by the darker political force of capitalism. We did not elect these corporations or these captains of industry, yet they are now effectively running the western world, with little or no apparent resistance from governments.

Ideally, capitalism works in hand in hand with democracy. Profitable businesses create jobs. Employment in turn creates prosperity for the whole country. Prosperity allows governments to collect taxes, to pay for other things the country needs such as roads, schools, hospitals and other infrastructure.

This cute old-school theory of capitalism however, glosses over the corruption of capitalism in the last hundred years.... the manipulation of governments and the public to its own ends, the gross brinkmanship, the excessive competitiveness and risk taking, the “herd like” mentality of the markets, the sheer rampant greed and stupidity, the avoidance of tax by large corporations and their executives, the insider trading, the total lack of accountability of those in control, and the utter disregard for the health of the planet.

Warren Buffet recently expressed surprise at the financial market’s lack of benevolent self interest, and its opportunistic, even cannibalistic behaviour. Yet what was even more surprising was that he claimed to be surprised! Warren shouldn’t be, nor should we... Ten years ago George Soros wrote² that global capitalism, as a financial system, is unsustainable, and we need a new model.

¹ *“The Assault on Reason”* Al Gore 2007, Bloomsbury Publishing

² *“ Open Society- Reforming Global Capitalism”* George Soros,2000, Little, Brown and Company publishing

Why is a review of the financial system relevant to our discussion on climate change? Because from the beginning, proper public debate on climate change has been contaminated by lazy thinking about the nature and benefits of capitalism, specifically the belief that we need to continue doing things the old way because of “the economy”. It is our contention that we need to see the falseness of these arguments.

When we look around today, we find we are indeed standing in the midst of a financial system that is broken. Where capitalism via industry used to create jobs and prosperity, now more and more jobs are going offshore. The federal government itself is technically trading while insolvent, as it doesn’t even have enough money in reserve to pay for the future superannuation liabilities for public servants³, something the tax office would never allow a normal Australian business to do! And in the area of commodities such as iron and coal, demand from countries like China has subsided and we are being paid less for the same scarce commodities.

Yet the government and large industry still persist in their addiction to the past, and “it’s all for the economy” type statements. This intellectual laziness is illustrated clearly by the **reductionist thinking** that is trotted out whenever climate change is mentioned.

Reductionist thinking states that everything is reducible to components which are knowable. Cause leads to effect, and if you break down all the components of the economy into their smallest pieces, you can understand how things work and predict their behaviour. Therefore if we support the biggest players in industry now, everything is supposed to turn out alright later in “the economy”.

But now, there is an elephant in the room....the financial system as we know it is dying as George Soros predicted, and in the process wiping out the assets and wealth of millions. It is clear now that business does not care about “the economy”, it only cares about self preservation and profit. So to make “the economy” the central premise for debate on climate change, is like making “the past” the central premise for a discussion on “the future”.

Annoyingly, we the actual tax payers are being forced to fund this “old business” bail out, while being denied our democratic right to participate in a meaningful debate and reform process on “the economy”. We are insulted by the mindless rhetoric from press and politicians alike. Most of our personal letters and visits to politicians of all persuasions in the last few years to discuss climate change concerns have been met with silence, or insultingly “dumbed down” political rhetoric.

Despite the fact that “Rome is burning”, most politicians want to “play the fiddle”. But pulling old economic “levers”, or tinkering with the old system, will not solve **the corruption and weakness that permeate our current form of capitalism**.

³ Access Economics presentation, 2007, Melbourne

The purpose of corporate “old business” today is to make as much money as possible in the shortest time frame, using any available methods. It is therefore illogical for business to take any action which might detract from their bottom line. Big business should be **expected** to try and thwart any changes which reduce their profitability. We therefore need to be able to rely on the government to provide the leadership needed to avert global catastrophe.

Yet our elected leaders are not providing leadership. **Government is clearly allowing big business to tell it what it can and can't do, and avoiding the hard decisions**, those decisions which might upset the fossil fuel industry and other vested interest groups.

For example, in response to pressure from the fossil fuel industry and others, the government cancelled the House of Representatives enquiry into Climate change, and only offered this watered down Senate version after the opposition announced it was going to hold its own enquiry. It also diluted the original concept for the carbon trading scheme so much as to make Australia a laughing stock. Even Garnaut has protested at the weak targets proposed!

How can our government make good policy decisions when it takes more notice of blatant old business interest groups, than the thousands of respected scientists, and economists like Stern and Garnaut? Why does our government lack the courage and clarity to make structural changes not just cosmetic ones?

It is our contention that there are **psycho-emotional** issues at the heart of this inaction by government. Until elected leaders have the courage to address these issues head on, things will not improve. Asking the public to provide “a list” of recommended actions fails to take account of the psychopathology present in the system. The psychopathology is in the form of an addiction to the past that will sabotage any attempts which thwart the “old business” end of town.

All recommendations “listed” will fail unless they are implemented with courage, clarity and determination to do what is right, not just what is easy.

One of the major problems with western democracy is the short length of tenure when elected. Government decision making, especially in the last thirty or forty years, has been geared towards decisions and actions which make the country **appear** to be stable and well run financially. While systematically selling off the assets of the country, and leading the country into ruinous debt, government can pass itself off as “financially responsible”.

Assets (or in the case of Telstra, future imagined assets) are sold off and added to the country's balance sheet, to hide inconvenient facts like the alarming unfunded superannuation liabilities (Australia) or its equivalent overseas. Some countries like the US have refused to even show the cost of the war on their country's P&L or balance sheet until recently.

However, those outside Australia have noticed that our economy like many others, is going backwards, even during the so called economic boom.

For example:

1. In real terms according to the Special Drawing Rate (a rate used by the International Monetary Fund to make loans) the Australian dollar (AUD) has **lost 33% of its value** in the last 25 years.

2. If Australia were a house, the LVR in 1984 was around 30%. For every 68 cents of equity we had only 32 cents of debt. We owned more than we owed in 1984. By 2007, we had 62% debt. **It is estimated that by the year 2025 or sooner, Australia will have NO equity, only debt.**⁴ Our “house” will be bankrupt, and what will happen then is a massive devaluation of all existing assets in Australia, including property prices. This is the ultimate price we will pay for the current model of capitalism unless we have the political will to change it now. But worse is to come.

By continuing to follow the old broken model of capitalism, we are not just selling off our **current assets** as a country, the whole world is selling off its **future assets**- including our rights to “quiet enjoyment” of our planet.

We are now collectively facing a global catastrophe which is unbearably painful to imagine. Climate change is here now. If we do not speed up the pace of reform and take massive action, **millions of humans and other life forms will die over the next two decades, as we knowingly create and accelerate climate conditions which have not existed for 30 million years.**

Storms, bush fires, floods, hurricanes, tidal waves, increased disease from vectors like mosquitoes, desertification of forests, erosion of coastline, acidification of the oceans, more war and political instability as people fight to protect food security and drinkable water....Unfortunately, this is not some awful science fiction story, this is scientific fact, as determined by the Intergovernmental panel of more than two thousand scientists, who have reviewed research evidence from many other scientists for many years.

The descent into climate catastrophe is, at this stage, containable. Damage control/harm minimisation is possible. Yet our politicians are doing virtually nothing of significance toward this. We are gambling away the future by taking the easy option of doing nothing while pretending to be doing something.

⁴ Bill Zheng, Investors Direct lecture, March 2009

To understand more clearly that we are gambling our future away, let's also look at the **psychopathology of gamblers**.

First characteristic of gamblers –gamblers use their addiction to numb **underlying pain**. The gambler experiences anxiety, which is temporarily relieved by the excitement of the activity of gambling. While gambling, a false sense of invincibility and immortality is experienced, the so called “gambler’s high”. Especially where the gambler has lost money previously, gambling **soothes the pain and anxiety of that loss, even when the gambler continues to lose money**.

Our leaders must **stop going to the Casino of the past glories of big business**, to numb themselves to the underlying pain, the reality that the economy is not working well. Failure to take action on climate change now will cost us much, much more in the long term.⁵ Our government should give up the false sense of invincibility that comes from action without commitment. There is and will be major pain, but with courage and boldness we can restructure the system.

The second characteristic of gamblers is what Jung calls “magical thinking”. This is where the gambler believes that if he just has the one big win, or **if he just figures out how to solve one problem, everything in his world will magically be set to rights**. Jung describes this type of thinking as typical of the immature adult. Our leaders should **stop applying magical thinking to the problem of climate change, as small incremental steps to appear to take action will not magically set the problem to rights**.

In this instance, taking small steps is worse than taking no action at all. We have warmed our planet so much already, that without massive immediate action our planet will pass the point⁶ where harm can be reversed. For example, we will have the “great bleached stumpy reef” rather than “the great barrier reef” in just a few years.

The final characteristic of gambling is that like other addictions, the gambler **denies that he/she has a problem**. Usually it takes significant loss or threat of loss, such as losing their home, car, or marriage, before they begin to admit there is a problem, much less seek help. In this case, it is our planet’s climate, and the future safety and prosperity of generations that we will lose.

⁵ “The Business Case for Early Action”, Australian Business Roundtable on Climate Change, 2006

⁶ “The Weather Makers- the History and Future Impact of Climate Change” Tim Flannery 2005, the Text Publishing Company

We call on our leaders in 2009 to **stop denying or minimizing the problem** and then acknowledge what stonewalling will cost us, so that effective action can be decided. Australians emit more CO₂ per capita than any country on earth. Yet the government is minimising and denying the problem with the proposed Carbon Pollution Reduction Scheme, ignoring the advice of the government's own expert Garnaut and the CSIRO, to provide a wholly inadequate response to climate change.

By acting now, we will save billions later. Just based on the advances in solar technology in the last five years, we can **create tens of thousands of green jobs within the green energy sector** to replace those built on the remains of dinosaur type industries.

Those who are polluting must experience the pain of what they are doing. This is the only way those addicted to polluting will ever want to be rehabilitated.

In 2005, CSIRO recommended emissions cut targets of 60% by 2050 to prevent some of the worst effects of climate change, for example most Australian vertebrates losing 90-100% of their core habitat. But these projections of harm were premised on a four degree rise in temperature, and scientist have since discovered that we are more likely to have a six degree rise in temperature. So 60% will not be enough. We need to act now, and quickly.

Massive action needs to occur in every possible area, for example:

- Much stricter rules and transparency re political donations, so that polluters are not covertly or overtly buying government support to continue polluting. Though there have been some token improvements recently, transparency reforms have not gone anywhere near the requirements needed for good governance standards. We need to make sure that democracy, rather than institutionalised bribe taking, is our guiding principle.
- A Carbon tax rather than a trading scheme. Polluters need to feel some commercial pain in order to realize that they must change their behaviour quickly. Tax concessions should not be given to polluters unless they are reducing emissions **BELOW** agreed targets.
- Protect existing forests, especially old growth forests – and for goodness sake stop prosecuting and demonising young protesters who are rallying around these high conservation and carbon value species!
- Re-educate and provide incentives to farmers regarding land clearing, land and water use, and land rehabilitation. Offer more incentives to farmers and others to plant and maintain trees of diverse local species.
- Promote more recycling of waste plastics (only 40% of plastic bottles are currently recycled, the rest are going into landfill) Each plastic bottle of drinking water requires three bottles of water to produce!
- Reduce support for traditional fossil fuelled modes of transport and increase incentives for alternates (such as hydrogen cars) and infrastructure for cyclists and public transport.

- Offer incentives for every Australian to reduce their carbon footprint. Under the current CPRS proposals any carbon savings ordinary Australians make will be sold back to polluters! The only way ordinary people can make a difference under the proposed scheme is to buy the carbon credits themselves and rip them up without using them!
- More spending from the Stimulus Package towards R&D in renewables (such as wave and solar energy) and support for the commercialisation of renewable energy offshoots such as the solar powered airconditioner being developed at RMIT by Yuchun Zhao and others.
- Reduced legislative obstruction and better financial incentives to people wishing to use more solar panels on their roofs/windows to become self reliant in energy.
- Stop counting a **reduction** in tree clearing as part of Australia's estimated future "savings" in carbon!!!! The "reduction" is occurring because we are running out of trees. It is insane to count existing trees as a carbon offset, when no one can agree on how this should be measured or offset.
- Encourage every Australian to plant at least one tree each year. Each tree sequesters approximately a ton of carbon over its lifetime. Some species such as the melaleuca are more valuable than others in this regard. Trees when grouped together can also reverse desertification by attracting higher rainfall. We can reverse some of the effects of climate change simply by planting more trees.
- Review the ridiculous laws which do not allow us to water existing trees due to water restrictions. Every time a tree dies, it releases all the carbon it has stored, and thus may add up to a ton of greenhouse gases to the environment during decomposition.
- We seriously must wean ourselves off the coal and nuclear industry and focus on clean energy options. The *2000 Renewable Energy (Electricity) Act* that was supposed to support the greater commercialisation of renewable energy technologies has failed, due to interference in the design of the legislation from vested interest groups. Not surprisingly, the legislation has failed to stimulate the kind of investment needed, compared to other parts of the world such as California and Germany. We need to wean ourselves off reliance on the coal industry and put some serious thought and money toward encouraging investment in renewables. Proper feed-in laws would add certainty to investors and stimulate more activity in the renewables industry.

Summary:

Most politicians have been stunningly irresponsible in their response to climate change so far. Like gamblers, they are risking our future and the future economic health of the planet, with their addiction to the past. They are denying the pain already present in the economy, and the fact that the old capitalist economic system is failing.

The truth is, we can no longer look to the old economy, old advisors, and the old ways of doing business for solutions to the problems that beset us now. This is especially true where climate change is concerned. There is no map for where we are going, instead massive concerted action is needed on many fronts now.

For this to be possible, our politicians must become resolute like those who wrote the Declaration of Independence in the US many years ago. Obama is beginning to take heartening action, and California is aspiring to lofty goals re renewable energy.

Australia sorely needs similar intellectual and moral leadership to avert catastrophe. Politicians have until now, taken the easy way out by adopting the simplistic, reductionist thinking of the old economy. But now we need to work together, to do the right things, not the easy things.

There is growing evidence that we are headed for temperature rises of six degrees or higher. It may already be too late to save most indigenous species, the great barrier reef, and much more. Even the trees in Collins Street are dying....

Climate change will bring more hot days like those in Victoria this year, more severe bushfires, floods, hurricanes, and "100 year storm" events. Seas will become more acidic, fish will die, and coastal areas will change. And there will be many millions of deaths around the world caused by the increase in insects such as mosquitoes, not to mention political unrest and war caused by the dislocation of millions of people, the change in arable land locations, and the shortage of drinkable water caused by the drying up of major rivers.

In the words of Professor Kevin Anderson " Scientists have lost patience with carefully constructed messages being lost in the political noise. We are now prepared to stand up and say-*enough is enough*" ⁷

Governments CAN be bold. We have shown strength and started to rein in the excesses of corporate cowboys who have cost taxpayers billions. In the same way, let us summon our boldest political will, with resoluteness and intelligence, and make rapid multifaceted decisions on how to protect our future, going forward together on this fragile planet.

Submission written by Claire Hudson and Christopher Ryan, in April 2009, details and signatures faxed

⁷ "Planet Faces Dangerous Climate Change- Scientists call for Drastic Action" the Age, March 14th 2009

Notes and main sources:

From Wikipedia, a summary of the Stern and Garnaut reports

The **Stern Review on the Economics of Climate Change** is a 700-page report released on [October 30, 2006](#) by economist Lord [Stern](#) of Brentford for the [British government](#), which discusses the effect of [climate change](#) and [global warming](#) on the world economy. Although not the first economic report on global warming, it is significant as the largest and most widely known and discussed report of its kind.^[1]

Its main conclusions are that one percent of global [gross domestic product](#) (GDP) per annum is required to be invested in order to avoid the worst effects of climate change, and that failure to do so could risk global GDP being up to twenty percent lower than it otherwise might be. Stern's report^[2] suggests that climate change threatens to be the greatest and widest-ranging [market failure](#) ever seen, and it provides prescriptions including [environmental taxes](#) to minimize the economic and social disruptions. He states, "our actions over the coming few decades could create risks of major disruption to economic and social activity, later in this century and in the next, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century."^{[3][4]} In June 2008 Stern increased the estimate to 2% of GDP to account for faster than expected climate change.^[5]

The Stern Review has been criticized by some economists, saying that Stern used an incorrect [discount rate](#) in his calculations, and that stopping or significantly slowing climate change will require deep emission cuts everywhere.^{[6][7]} Other economists have supported Stern's approach,^{[8][9]} or argued that Stern's conclusions are reasonable, even if the method by which he reached them is incorrect.^[10] At the [climate congress](#), [Lord Stern](#) stated that the current data on [climate sensitivity](#) to [greenhouse gases](#) and the severity of the [effects of global warming](#) predict earlier and more severe impacts than in the original report.^[citation needed]

The draft report of the [Garnaut Climate Change Review](#), a similar study conducted in Australia in 2008 by [Ross Garnaut](#) broadly endorsed the approach undertaken by Stern, but concluded, in the light of new information, that Stern had underestimated the severity of the problem and the extent of the cuts in emissions that were required to avoid dangerous climate change.

The Report indicated that in the absence of a global effort to reduce CO2 emissions, climate change would have severe adverse effects on Australian [agriculture](#) and on the [natural environment](#). [Irrigation](#) in the [Murray-Darling Basin](#) would be severely affected, and in the most adverse scenarios, would cease altogether. Severe damage, and even destruction of the [Great Barrier Reef](#) is also a likely impact of rapid climate change.

The Garnaut report was released on [September 30, 2008](#)^[7]. The report recommended that Australia push internationally for a carbon dioxide equivalent concentrations of 450 [ppm](#), which would commit Australia to reductions of 25% on 2000 levels by 2020, and 90% by 2050. He also recommended that Australia have a fall-back position of 550 CO2 -e concentration, which would entail a 10% reduction in emissions by 2020, and an 80% reduction by 2050. He further recommended that, should all negotiations collapse at the [Copenhagen summit](#), Australia should still reduce its emissions by 5% by 2020 on 2000 levels.

The report's key recommendation was to implement an [emissions trading](#) scheme. However, the report did not recommend free permits be granted to major polluters, or that transport sector be protected by special fossil fuel subsidies or tax excise cuts.

The report also recommended that up to \$1 billion should be made available for matched funding for investment in [reducing emissions in coal power generation](#), as a form of preemptive structural adjustment assistance.

Emission reductions from the agriculture and forestry sectors were excluded from the final report.

Professor Garnaut said that the overall cost to the Australian economy of tackling climate change under both the 450ppm and 550ppm scenarios was manageable and in the order of 0.1-0.2 per cent of annual economic growth to 2020.

The report estimated mitigation costs for 450ppm at almost a percentage point more than 550ppm mitigation of the present value of GNP through the 21st century. The report stated that stronger mitigation is justified by insurance value and non-market value benefits in the 21st century and much larger benefits beyond, and that the costs of action are less than the costs of inaction.

The report was criticised by the [Australian Chamber of Commerce and Industry](#) for the economic impact that reducing greenhouse gas emissions would have^[8]. It was also heavily criticised by environmental organisations, including [Friends of the Earth](#)^[9] and [Rising Tide](#)^[10]. The [Australian Conservation Foundation](#) praised the report for advocating a 450 ppm target, but was critical of Professor Garnaut's 550ppm second best option of 550ppm and described the 2020 target of 10 per cent as weak.^[11] Dr [Clive Hamilton](#) was heavily critical of the report, arguing that it reduced global expectations of what should be aimed for, naively exposed Australia's negotiating tactics to the international diplomatic sphere, alienates both the Australian public and the international community, misjudges the time frames necessary to avoid dangerous climate change, gives Australia numerous special deals, and would be rejected by the international community^[12].

Responses from political parties were mixed. [Australian Greens](#) leader [Bob Brown](#) showed that the report demonstrated that reducing greenhouse gas emissions would not come at the expense of Australia's economic growth^[13]. Climate Change Minister [Penny Wong](#) did not comment directly on the report but said that economic responsibility needed to be considered in responding to the report, and that the Government would wait for [Treasury](#) modelling on climate change mitigation before responding^[14].

Other References:

"Collapse- How Societies choose to Fail or Survive" Jared Daimond, 2005, Penguin Books Ltd.

"Heat" George Monbiot 2006, Penguin Books Ltd.

"High and Dry" Guy Pearse, 2007, Penguin Books Ltd.

"The Sacred Balance" David Suzuki, 1997, Greystone Books

"The Last Tycoons" and "House of Cards" by William Cohen, 2007 and 2009, Penguin Books Ltd

"The revenge of Gaia" James Lovelock 2007, Penguin Books

"The Weather Makers" Tim Flannery 2005, the Text Publishing Company

"Open Society- Reforming Global Capitalism" George Soros 2000, Little, Brown and Company, UK