

Weak mining tax exposes sell-out to corporate power

by *Bill F*

After wilting before the corporate power of the multinational and local mining giants, the Gillard Labor government has finally passed legislation in the lower house, to introduce a belated tax on the mining monopolies' obscene record profits.

The legislation to establish a Mineral Resources Rent Tax (MRRT) will subject only coal and iron ore mining giants to an estimated 22.5% tax on their super-profits, substantially less than the earlier Rudd proposal for 40% which would have applied to all mining companies.

The new tax will also cut in at a higher level, at \$75 million rather \$50 million, and will not be levied at all on gold or uranium. Even then, the full tax rate will not be levied until a threshold of \$125 million, up from \$100 million!

These back-downs will mean a total loss of federal revenue to the tune of \$10 billion a year, yet the government is persisting in its neo-liberal "surplus budget" agenda, which means more service cuts, more cost increases and more job losses for ordinary working people.

Lining their pockets

Tax revenue not passed on to the people just stays in the pockets of the rich and powerful mining magnates.

The biggest corporate owners and major shareholders, together with their bankers and financiers, often reside overseas, in the US, Europe and China. They certainly don't lose any sleep over ripping off Australia's resources and people.

Far from being grateful for Labor's sell-out, the mining monopolies are keeping up their stream of abuse and criticism, funding expensive media campaigns against Labor, and leveraging the Abbott Liberals into promising to dismantle the tax when they get their turn at steering the ship. It just shows that if you give in to bullies, they keep coming at you!

Sharing the wealth

According to various polls, a clear majority of people support the concept of a resources tax, believing that Australia's mineral resources should benefit the nation and its people, not just the privateers and speculators.

The only benefits from this particular 'Claytons' tax that will 'trickle down' to the people come in the form of improvements to employer-funded

compulsory superannuation – at the same time providing even more working class dollars for capital investment and speculation.

Company tax will be reduced by 1%; but will that be enough to keep small business happy when the economic crisis takes a toll on their customers?

People also support the concept of a Sovereign Wealth Fund, which would use much of the wealth from the mining boom to finance schools, hospitals and badly needed infrastructure such as modern rail and public transport systems. This was a recommendation of the Henry Tax Review, but was ignored by the Rudd and Gillard Labor governments.

One suspects many people are still under the illusion that the MRRT will set up some sort of "future fund", but this is not going to happen. After all, large scale investment in Australia is the sole preserve of foreign monopolies, not governments! Such an idea is too close to socialism to be contemplated by the major parliamentary parties!

Speaking of socialism ...

The current system, which sees Australia at the mercy of foreign imperialism through economic, political and military domination, does not meet the longer term interests of the Australian people.

Mineral wealth that is rightly the property of all the people can only be ripped out of the ground once, can only be shipped overseas once. When it's gone, there is nothing left but another hole. The small number of good paying jobs, the skills, the experience, will eventually move on.

Unless the profits are put aside and invested in decent public services, clean and sustainable industries, and responsible infrastructure projects, the livelihood of people will suffer and Australia will decay.

Our alternative to begging a few crumbs from the multinational monopolies is to nationalise the major mining companies, regulate their production on rational economic and environmentally sustainable lines and use the profits for the clear benefit of the Australian people.

Countries and enterprises that want to have access to the mineral wealth would have to trade, not just buy up whole chunks of Australia.

For once, the ruling class is right! Breaking the stranglehold of imperialism is indeed taking a step closer to socialism.

Editorial

Protracted struggle needed to restore rights to the workers

One of the features of the recent Qantas dispute was the re-emergence of the language of abuse that is always visited on workers and their unions by reactionaries working for the ruling class.

Elected union officials are called "union bosses", conveniently ignoring the fact that no boss employing workers ever puts himself or herself up for election to that role.

Then there is the insult of "union thuggery" as though unions in this country had the power to impose their will on employers through some threat or act of violence.

The truth is that unions have very few rights today. Some, such as the construction unions, even have special laws that deprive them and their members of even the most basic rights.

Long gone are the days when unions could simply call their members out on strike, and on any issue. Long gone are the days when unions could stop work in sympathy with other unions engaged in industrial action.

It used to be the case that the number of working days lost per 1000 workers each year was around 200 – and sometimes twice that amount. This is not to romanticise strike activity. Workers don't like to lose pay by striking just for the hell of it. But it is a bit of a rule of thumb in relation to the ability and willingness of workers to win concessions and improvements from the capitalists. In the early 1990s the average number of days lost per thousand workers went, for the first time, below 100. Today it is less than 10.

Labor has 'delivered' the working class

The emasculation of trade unions was carried through by the Hawke and Keating Labor governments as part of their embrace of neo-liberalism. The various union amalgamations could have created stronger and more militant unions, but were carried out to a design that saw organisations created that increasingly divorced their official structures from the rank and file membership. A new class of "professional" union official emerged. This led to a strengthening of what our Party has identified as the bourgeois ideology of economism/trade unionism: confining demands to those that present no threat to the system of capitalism, and pursuing them through methods that present no threat to capitalism.

Until quite recently, the result of Labor neo-liberalism has been to weaken the overall fighting capacity of the working class and has almost paralysed sections of the trade union movement.

Liberal and Labor collaborate to choke workers' struggle

Howard, as a member of the Fraser Liberal government, refined Sections 45D and E of the Trade Practices Act so that they became weapons against "secondary boycotts" or sympathy strikes. Labor governments choose to leave these iron fists in place.

Both Labor and Liberal governments are committed to the concept of "protected" industrial action, although they have some minor differences about what this might include. Their industrial laws have created the categories of "unprotected" and "unlawful" industrial action.

For an action to be "protected" it must meet certain very narrow criteria that essentially confine it to action during a limited bargaining period in support of a new agreement or award. It must be supported by a majority of members involved voting in a secret ballot approved by Fair Work Australia, the so-called "independent" industrial tribunal created by Gillard. At least three days' notice must be supplied to the employer, depriving workers of any element of spontaneity or surprise.

Action is "unprotected" if it does not meet these requirements, and "unlawful" if it precedes the expiry of an existing agreement. In both cases, unions can be fined or sued for damages by third parties.

In these ways the great Australian working class is chained to the sacred altar of employer rights. This altar is supported by the political pillars of the Liberal and Labor parties.

Protracted struggle is the only way to win back rights for organised workers and to advance the struggle for the replacement of capitalism with anti-imperialist independence and socialism.