

Vanguard

For an Independent Australia and Socialism

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Hard times and harder battles

Around the world, capitalism is plunging into a deeper economic crisis. Governments and big business corporations rush to protect the super profits of the giant multinationals and big banks from the crisis. They do this by attacking the working people.

Millions of jobs have been wiped out or moved to countries with cheaper labour. Workers' wages and conditions are slashed. Widespread casualisation and lower wages replace job security.

Economic hardship for the working people deepens and spreads. The cost of living is sky rocketing, and more people are thrown into poverty.

The working people are not taking this laying down. Resistance grows and broadens in the US, Europe, the Middle East, Asia and Latin America. Struggle is strongest in countries with the deepest economic crisis. Attacks on workers' rights, democratic rights and civil liberties are intensified. Suppression by force is used more openly and savagely by the capitalist state. Parliamentary political parties are in turmoil in many countries of the capitalist world. The political disarray is most severe in countries with the deepest economic crisis, where governments are more exposed as servants of capital.

Australia's situation

Australia is not immune or protected from the global capitalist crisis. Australia's economy is completely entangled in a web of foreign capital and multinational corporations.

Australia's big banks are dependent on international finance capital.

Multinational corporations and foreign capital dominate the economy. They make the main decisions for the country and exercise the greatest power over governments, Liberal or Labor, and the mass media. Most Australian industries, from resources, agriculture, manufacturing, building and construction and transport are either owned by, or dependent on, foreign capital and multinationals.

The peak bodies of mainly foreign corporations – the Business Council of Australia, the Minerals Council, Australian Chamber of Commerce and



Construction workers' picket line at Griffith University. They have accused construction company, Laing O'Rourke, of failing to pay allowances and entitlements according to the Enterprise Bargaining Agreement.

the Australian Industry Group – are forcefully pushing for harsher measures against the Australian people.

Big business wants even more freedom to attack workers and their unions. *Fair Work* doesn't go far enough for them. Public spending on services is slashed, while the capitalist class demands cuts to their company taxes.

Tens of thousands of jobs have disappeared from Australia in the past 6 months.

Working class is fighting back

The Australian working class and its union movement is fighting back.

The strength lies in building an independent union movement and action not beholden to the ALP.

South Australian workers and unions launched their fight in 2010, resisting the Rann Labor government's austerity measures and attacks on the public sector workers and community services.

NSW public sector unions are organising a massive day of action on September 8th in defence of workers and communities against the onslaught of the O'Farrell government's draconian

attacks on public sector workers and services.

Victorian public sector unions are in the midst of a co-ordinated campaign for wage increases and improvements in conditions in the new EBAs. The Victorian union movement is gearing up for a fight with the new Liberal government targeting attacks on unions, with construction unions on the front lines.

Queensland workers have learned many lessons from their long fight

against privatisation.

An independent, mobilised and fighting union movement is the only way for workers and working people to defend themselves against the immediate economic hardships and attacks on democratic rights.

From mass resistance to the capitalist economic crisis will emerge the longer struggle for a lasting solution: independence from foreign capital and multinationals, and building a socialist Australia.

In This Issue

Sth. Australia: Will new Premier make any difference?	p2
Credit Ratings Agencies	p3
Marxism Today: The use of Racism by Imperialism	p4
Britain's riots and capitalist crisis	p5
Arkaroola to be protected for all time	p6
Workers and small business get the chop	p7
Workers' struggle against imperialism's crisis will grow	p8

South Australia: Will a new Premier make any difference?

by Ned K

South Australia will see the end of Premier Mike Rann on 20 October this year, when he steps down as leader of the state ALP, to be replaced by Jay Weatherill, parliamentary leader of the left faction of the ALP.

For people in other parts of Australia, let alone other parts of the world, this may appear to be an insignificant event.

However Rann's removal from the position of Premier, the rebellion of working class youth in the UK in August 2011, and the mass movements against governments in countries like Spain and Greece are expressions of the working people's struggle against neo-liberalism, the political expression of imperialism.



Weatherill's weather eye on Premier Rann and Deputy Rau

In South Australia, neo-liberalism has been practised by the Rann ALP Government for many years, but in a

particularly undisguised form in the last two or three years, starting with vicious cuts to injured workers' compensation entitlements.

This was followed in the 2010 State Budget by cuts to public sector jobs and entitlements, as well as cuts and increased costs for public services. On top of this came more privatisation, with the sale of the State's timber assets in the South East of South Australia.

While these cuts were brashly announced, tax payers' money was being used to subsidise a multinational corporation - run desalination plant.

Rann's commitment to US imperialism's war industries saw the 'invasion' of public school education by multinational defence industry companies like BAE and Raytheon.

South Australia's future lies with BHP Billiton's Olympic Dam mining expansion, people were told.

The severity of the neo-liberal agenda of the Rann Government on behalf of big capital caused grave concern to thousands of workers in South Australia.

They demonstrated their feelings on the streets of Adelaide, and outside the ALP State Convention in 2010. Rann and Foley required police escorts to enter their own Convention as three thousand public sector workers condemned their attacks on services and conditions.

These demonstrations caused the resignation or sacking of State Treasurer Foley from that position.

ALP backbenchers and even Ministers could see their parliamentary seats sailing into the sunset at the next election in 2014. ALP voters were demanding action from their local ALP MPs, some resigned from the ALP, some said they'd never vote ALP again and so on.

Within the trade union organisations, there was at first disbelief, and then anger that an ALP government could stray so far from "true Labor Values".

Union leaders started talking about restoring the "labour" in "Labor" and that the only way to keep the "Labor brand" was to get rid of the Labor leaders, in particular Premier Rann and Treasurer Foley.

Although SA Unions affiliates recognise that a change of leaders without a change of policies is no real victory, many of them cannot conceive that the solution is to look beyond the ideology of social democracy, because they genuinely believe that capitalism with a human face (social democracy) is a just cause.

Even the right wing faction of the ALP could see the writing on the wall and that to keep their seats, Rann had to go. So the right wing faction threw their lot in with their left wing rival and told Rann that it was time to go and that the left faction leader Jay Weatherill would be the next ALP Premier - and soon!

Public opinion polls told both factions that Jay Weatherill was their only hope of avoiding a landslide victory for the Liberal Party at the next election.

Without the mass movement of public sector workers in particular against the worst aspects of the Rann government's neo-liberal policies, the planned internal 'coup' against Rann within the ALP would not have been possible.

No wriggle room for social democracy

The problem now for the leadership team of new Premier Weatherill is that there is not much room to move. The global economic crisis of imperialism will be felt in South Australia like everywhere else.

Multinational corporations like BHP Billiton will threaten closure or stagnation of their 'developments'. In particular, they will demand that total labour costs, which include workers' compensation entitlements, be kept low.

General Motors Holden will continue to demand government hand-outs to maintain operations in the State.

Power companies will continue to raise the price of electricity. The IMF will demand 'small government' continue, not to mention pressure to keep the AAA credit rating!

Needless to say, the working people will continue to struggle against rising living costs. SA Unions are promoting a Charter for workers' struggle independent of the Labor government. See www.saworkingpeople.com.au

The new Premier will have an opportunity to support the people by winding back the worst aspects of the policies of his predecessor Rann. If not, his time as Premier will be short lived.

Vanguard

Vanguard is a national monthly newspaper which expresses the viewpoint of the Communist Party of Australia (Marxist - Leninist), the CPA (M-L). Readers are encouraged to comment on, criticise or contribute material to *Vanguard*. Articles, digital graphics, cartoons, clippings, comments or a few lines are all very welcome. All material should be sent to:

Vanguard Editorial Staff
PO Box 196, Fitzroy, Vic. 3065

Vanguard strives to provide a Marxist analysis of Australian society, economy and politics. An important aspect of developing this analysis is an intimate knowledge of and close involvement in all aspects of Australian struggle.

The cost of producing a national newspaper is considerable. Readers are encouraged to contribute whatever they can by sending donations to the above address.

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Credit Ratings Agencies downgrading of the US credit rating

by Alex M

In the past few weeks, we have seen bitter squabbling between the representatives of the main capitalist political parties in the US over budget cuts and austerity measures.

In the midst of the squabbling, the Credit Ratings Agency, Standard and Poor (S&P) downgraded US government bonds from AAA to AA+. What does this mean?

Credit Ratings Agencies (CRAs), according to a 2008 Australian government review into their activities, are "organisation[s] that issue credit ratings.

A credit rating (sometimes also called a debt rating) is an opinion about whether an issuer of a credit commitment, debt or debt-like security is likely to make timely repayment of its financial obligations generally".

CRAs play an important role in financial systems, by "synthesis[ing] the vast array of information available about an issuer or borrower..." which, in turn gives potential "investors and lenders a better understanding of associated credit risks". Consequently, CRAs have also been described as having a 'gatekeeper' role in the market.

All very well, but this is the complex and rapacious world of finance that we are engaged with here and there is a bit more to it than the official perspective suggests.

For a start, the CRAs are businesses whose purpose is not only to provide credit ratings, but make a profit in doing so.

S&P, Moody's and Fitch

Some CRAs have managed to do very well, with three companies dominating the field. These three are Standard and Poor, Moody's and Fitch. They are all US based companies whose influence extends not only to US financial markets, but with the spread of financialisation (a key component of neoliberalism), to most of the rest of the world as well.

Critics have highlighted that the CRAs such as the three mentioned above, helped in creating the conditions that resulted in the global economic and financial crisis.

There was a willingness of ratings agencies in the US, such as Standard and Poor, to give the highest rating, AAA, (which is taken to mean that there is little or limited risk associated with the financial instrument on offer) to "Wall Street engineered mortgage rot".

That is, S&P and other CRAs

gave their highest ratings to financial instruments – mortgage backed securities – that were risky investments, helping to perpetuate the false sense of security that was shattered in 2008, with the sub-prime housing crisis.

Why did S&P and other ratings agencies do this? Because ratings agencies are paid by the companies whose financial instruments they rate.

In short, the relationship between the CRAs and their clients (financial corporations) is a cosy little arrangement, which has had little or no regulatory oversight.

Part of the problem

Far from playing the 'gatekeeper' role, providing "a better understanding of associated credit risks", CRAs such as S&P, Moody's and Fitch have helped to engineer a more risky, volatile financial climate in the global capitalist economy, because they can actually make money out of that situation.

Returning to the recent downgrading of US Treasury bonds by S&P, what has occurred here is that the ratings agency has expressed an opinion on the ability of the US government to meet its financial obligations. This is quite a political statement, and critics have cited the cosy relationship between the CRAs and their Wall Street clients as an example of their less than objective 'opinions' on financial matters.

Beyond reform

One critic, the Australian economist John Quiggin, reacted to the downgrading of US Treasury bonds by S&P by calling for tighter regulation of CRAs, or the establishing of publicly funded ratings agencies.

While Quiggin's recommendations may have some merit within the discipline of bourgeois economics, he cannot see beyond the parameters of capitalism. Nor can such reforms overcome the reality of corporate monopoly power and influence.

The volatility in US and global finance capital and the malaise in global capitalism can only be adequately overcome for the billions of working people by the overthrow of the whole rotten system.

Reforms such as greater regulatory oversight of CRAs cannot address the contradictions within imperialism and capitalism that constantly engender corrupt practices such as the ones outlined above.

The fundamental problem is that in a time of deepening crisis where the

Editorial

Bank super profits are theft

Last month's profit figures for the banks have shown a big jump in profits. And this is in conditions of economic stagnation for Australia. Something is clearly not right.

The Commonwealth Bank announced a \$6.84 billion profit for the full year. Shareholders were paid a handsome dividend of \$1.88 per share. A large part of the profit, a rise of 16%, came from mortgages and transaction accounts, as a result of interest rate hikes that they have imposed on the Australian people.

Then the Commonwealth Bank cried poor and had no choice but to impose the burden or suffer major losses. Now they are laughing all the way to the bank – so to speak.

To put the grab into perspective, earnings from share ownerships in other companies fell by 11%, due to the economic conditions. In connection with this, loans for the corporate sector declined, while mum and dad loans rose. The Commonwealth Bank's profit is now even more dependent on what it can get out of working people.

The National Australia Bank's reported profits of similar scale, that is, \$5.4 billion. For Westpac, it was also \$5.4 billion, and for the ANZ \$4.2 billion.

Collectively, the banks have been making a killing, and this has not been good for Australia. In the first place, excessive charges are still being imposed on ordinary people. As with the Commonwealth, all the banks imposed unjustified interest rate rises.

In all cases, lending for business declined, but loans for housing, artificially kept at a high price by a speculative bubble, continued to bring in the cash from both speculative investors and cash strapped mortgage paying ordinary people.

Even in terms of capitalist thinking, the profits are enormous, and in times of economic downturn, can only bring harm to capitalism in Australia as a whole. When it comes to the interests of the working class and the majority of the population, the injustice is even more glaring.

When people are feeling the pinch; When the share of the efforts of labour going to the top end of town is rising; When there is a demand from below for greater equality and a more just society, where the needs of all are taken care of; When because of the large extent of foreign ownership of the banks, billions of dollars that could be used for the good of Australia are shipped overseas; the time is right to put a stop to this.

Vision for the future

At the very least, the practice of pandering to the banks should come to an end and be replaced with demands that they give back their ill-gotten spoils.

The super profits of the banks should be heavily taxed. Billions could then be put to better use in providing decent social services, public housing, public transport networks, rebuilding the local manufacturing industry using clean and sustainable sources of energy, repairing Australia's damaged environment and degraded river systems, and really shifting the whole economy away from fossil fuels to a low carbon future.

Nationalisation of the banks would be better still, providing an even greater opportunity to meet the needs of the people and develop a balanced and sustainable economy.

Fundamental change will not happen without a conscious political struggle by the working class and its allies, a struggle that opens the perspective of national independence as a necessary step on the road to socialism.

potential for profit by ordinary means diminishes, profiting by risky means increases. This is especially true in monopoly conditions.

The falling proportion of manufacturing leads to a relative fall in the creation of value. As this happens, it

becomes less and less a source for profit of the biggest capitalists.

Faced with this, they are drawn into filling the hole through financial manipulation. It eats away at the foundation of the capitalist economy. Deepening crisis is the result.

Marxism Today

The use of Racism by Imperialism

- Contributed -

In recent days we have heard a State Minister of Aboriginal Affairs express distress at the level of racism Aboriginal people in Australia experience as part of their daily lives.

At the same time, NAIDOC week, meant to celebrate Aboriginal culture, was taken over by the mainstream press and business journals to celebrate the relations corporate Australia has established with Indigenous communities.

NAB, Chevron, BHP, Rio Tinto, they're all into it, sporting headlines like, *Making Progress with Indigenous Communities* (NAB), *Supporting Communities*, with a photo of a happy healthy Aboriginal child (Chevron) or Woodside's claim to *creative energy* against a background of Central Australian Aboriginal art. BHP brags of the job opportunities it is offering Aboriginal young people.

Rio Tinto, not to be left out, talks of 'partnerships' with the Aboriginal communities whose land they are exploiting, and have just completed an 'historic agreement' with the people of Gove for a 42-year right to mine, for which the Yolngu people will receive seven million dollars over the forty-two year period of the contract for social services (services the Government should be providing anyway). No mention of course, of the forty-year struggle it has taken to get even this pittance of reparation for the extraction of finite resources, and no retrospective payment for the last four decades of mining.

What is happening here with all this talk of partnerships and caring for community? Surely Imperialism has not abandoned racism as a means of whipping the working class. The details of these agreements are interesting and can be found online, but what is more interesting is the theory that lies behind all this 'partnership' talk.

The Minister's talk of racism as part of everyday contact on the streets or in workplaces individualises racism and presents it as a contradiction amongst the people. The reality is more complex.

Racism is not an add-on for capitalism. It is integral to capitalist expansion and accumulation. It is embedded in capitalist institutions, particularly the media and the legal systems; it structures historical recording and remembering, and it has an increasingly important role to play



in a world market that, while offering 'free space' for capital to move to where the highest return on invested capital can be realised, also contains a threat to unfettered capital accumulation by offering 'free space' for workers to unite across national boundaries.

Constructing identities

'Scientific Racism' or biological determinism, with its hierarchy of races, constructed the identities of Europeans and adversarial others whose lands were becoming colonised. 'Scientific Racism' justified the invasion, occupation and exploitation of non-European countries, and the destruction of cultures that were unfamiliar to Europeans, and incorporated values that could undermine the aims and objectives of the occupying power.

Imperialism utilises biological determinism when needed, but it has its own form of racist ideology.

Imperialism calls more on cultural difference to generate fear and hatred of the other. Emphasis on racial purity has been replaced with an emphasis on cultural conformity; adherence to the 'norm' with the norm being identified by the dominant power.

But some acceptance of difference is also in the interest of Imperial adventures, thus in Australia we give a nod to multi-culturalism and have Aboriginal dancers performing at special functions and Aboriginal art decorating boardrooms.

This structuring of 'normalcy' and at the same time making sure cultural difference is up front and noticeable, serves a number of

functions for Imperialism.

Imperialism, Racism and War

Violence, or the threat of violence (both domestic and global), is at the heart of Imperialism.

War is a constant as we have seen over several centuries and into this one, and racism is integral to war as it was to colonial expansion.

Racism justifies death and destruction, the ravaged terrain of the adversary, the crippling of economies and the death of own citizens, and paves the way for the deeper penetration of the dominant and most aggressive capitals into the defeated or captured economies, and the imposition of parliamentary democracy, the system of governance most favoured by capital.

Racism and Class

Another function that racism performs for imperialism is to call into play cultural differences within the working class that can be utilised to undermine working class unity, especially in times of crisis.

A critical function of imperial racism is to disguise class differences within cultures and the commonality and work structured unity, always a threat to capital, that exists between cultures especially within the working class.

These aspects of racism are particularly important to capital in a world market where new technologies enable working classes to communicate and act in their own interests across national

boundaries.

Using images to disguise intent

The language and images used by capital are merely a ruse to disguise the exploitation of land and peoples here and around the world. The use of placatory imagery has had to be resorted to because of the militancy of Aboriginal communities and their supporters.

For forty years Rio ripped bauxite out of Gove without any consultation with the Yolngu people or adherence to government guidelines. They did exactly as they liked and would have continued to do so without widespread Aboriginal resistance to the rapacious exploitation of land.

The Yolgnu were central to land rights struggles, beginning with the 1963 Bark Petition to federal parliament.

Now mining companies of the same ilk as Rio Tinto, with their imagery of happy Aboriginal children and Aboriginal art backing their advertisements, claim ownership of the progress Aboriginal people have made against racism, cultural destruction and dispossession of lands.

People standing in front of bulldozers to prevent access to land and police present to protect exploiters' 'rights' is not a good look for multinationals wanting to tighten their control over the Australian and global economy.

As workers' struggles deepen so does imperial racism

Capitalism and Imperialism to a large extent construct the material conditions with which we all have to contend, but they also have to respond to the material conditions they have created, one of which is a militant working class and politicised Indigenous peoples.

The hole capital has dug for itself only deepens, as events around the world indicate. Placatory imagery is a measure of capital's weakening state.

That Rio Tinto has had to be dragged to the negotiating table to negotiate directly with Indigenous people, as opposed to their preferred option of negotiating a pliant Government, is indicative of the strength of the people.

The struggle against racism will not be led by mining capital. It will be led by workers, as have all other struggles for justice, and human and workers' rights.

But racism will not be extinguished within capitalism. Capital needs racism. Imperialism, even more.

Britain's riots and capitalist crisis

by Jim H

Britain's August riots were labelled by Cameron, the country's Prime Minister, as criminal behaviour that would meet the full force of the law. This represents the reaction of a frightened ruling class, acting in haste, to re-impose its control over society.

The causes of the riots are many. All can be summed up in the reality of deepening economic and social crisis. Cameron and the class interests he represents are unable to acknowledge this, let alone tackle it, in the sense of applying genuine solutions. In this respect, Britain's experience is relevant to other nations going down the same road.

The focus of this article is on the economic aspect. This can be summed up in the deepening crisis of capitalist over-production, the rise of parasitism and the grim reality that a huge number of people are finding that they are really becoming worse off.

It is a situation brought about by the operation of the laws of capitalism. A period of economic expansion leads to fierce competition among capitalists for markets and profits. This causes labour to be replaced by technology. Peoples' purchasing power is depressed with lower wages.

The value of what is produced drops, as value is based on labour content. The rate of profit also falls. Capitalists are then pressed to increase the quantity of output, so that the quantity of profit rises. It leads to a scramble for markets. Capitalists swallow each other up. There is a frenzy of takeovers. Monopoly expands. Eventually, the quantity of output outstrips the available market. This is the cyclical behaviour of capitalism.

As the crisis becomes more entrenched, the world of finance takes on a life of its own. Because of falls in returns from production, investment turns towards speculation, artificially expanding credit and one capitalist stealing from the other. These areas become the new source of profit.

But it is unsustainable. There is no foundation for this sort of economy. For a time there is a fiction of economic growth. Behind this, in many countries there is de-industrialisation and a fall in the creation of value. Profit is separated from value. Eventually the whole edifice starts to crumble and is in danger of toppling over.

We have been going through such a period since the mid 1970's. In the few years leading to 2008 the crisis entered a new phase, marked by a significant meltdown in the world of finance.

Despite many claims to the contrary, the crisis has not been resolved. The crisis in production must be overcome.

Today's situation is one where the main centre of international capitalism, the United States, finds itself with a \$14 trillion dollar debt, brought about by a runaway finance industry and excessive government borrowing, as it takes on the growing burden of maintaining its capitalist system and trying to save it from collapse.

Debt and unequal trade relationships are being used to export the crisis in general. The method is, rob others to save oneself. When there is less surplus value at home to get by with, American capitalism strives to take the surplus value created in other places.

By far the two largest holders of American debt are China and Europe. China seeks to unload this burden through rapid internal development and a measure of off-shore investment.

Europe, itself in a crisis of overproduction cannot do this. Its solution, as in the USA, has been for the state to take on an increasing burden of ensuring profits and subsidising the costs of operating the capitalist system. Europe has also been plagued with marked de-industrialisation and unhealthy trends in the world of finance. Speculation and debt have mushroomed. The problem affects the whole continent. In many parts there has been a significant drop in standards of living, loss of opportunities for young people, a major housing crisis and cutbacks to a range of important government services. The cost of living has gone up enormously in recent years.

At this time, those in the weakest position are heading to a new and deeper level of crisis. This emerged first in Greece. Ireland, Spain, Portugal and Italy have followed. If the situation in



Spain and Italy keeps on deteriorating, the third and fourth largest European economies, the whole of Europe could fall. The prospect of defaults is on the horizon. Adding to the mess are the problems in Eastern Europe.

The same crisis has hit Britain hard. It is obvious that the main focal points of the riots were in the most disadvantaged places. Young people, many with little prospect of ever having a stable job and home, plus a host of other issues, are angry. All that was needed was a spark to light the fuse. This came in the form of issues over police brutality and the gunning down in London, by the same police, of a young man. The point is that this would not have occurred if the tinder was not dry already.

Discontent, particularly amongst the youth has been growing in other countries. There are many powder kegs waiting to blow.

Economists and other commentators are now acknowledging, and doing so in greater numbers, that there is no prospect of an economic turn-around in the foreseeable future, and that indeed, the prospect is for higher levels of instability and crisis.

A solution can only come about in one of two ways.

One is to destroy productive capacity

by means of an even much greater shutdown of production, or war on a global scale.

This is the capitalist solution that will bring a great deal of poverty and despair to the majority of humanity. And what will be the result? To repeat the same cycle of moving from boom to bust capitalism.

Alternatively, action can be taken towards putting an end to the capitalist economic system and replacing it with a truly socialist one.

Although not an easy task, it brings the prospect of ending the capitalist cycles once and for all, on the basis of ensuring that production is rational and carried out to meet the real needs of people and not primarily those of a small minority; that all resources, including investment funds, are used for the welfare of the people and to protect and preserve the environment.

The seed of hope for the future lies in the anger that is being generated.

It is quite possible for disengagement with parliamentary politics, distrust of politicians and the drive to act, to develop into a more clear-sighted direction. This requires the building of far sighted working class political leadership and the demand for building an economy and society of a new type.

Capitalism on a collision course with people and the planet

by Ned K

The deepening crisis of global capitalism is giving rise to earnest discussion within the ranks of the capitalist press.

The Fairfax press on the weekend of 6-7 August 2011 went as far as printing an article in their "Smart Investor" section of the *Australian Financial Review* (AFR) which quoted an asset manager who said the problem (for capitalism) is "inevitable mismatch between finite resources and exponential population growth... (and) focus on short term growth and profits, which is likely to cause global suffering on a vast scale"

The asset manager, Jeremy Grantham

of GMO asset management, is an "admirer of capitalism" according to the AFR, but he is quoted as saying capitalism is "brilliant at the short end but lost and even plain dangerous at the very long end".

Grantham, who runs the Grantham Institute for Climate Change, says capitalism cannot tackle problems like soil erosion and subsequent loss of food production, over-fishing of sea and fresh water ways, and air contamination from pollutants. The article ends by saying that Grantham worries that "we have a capitalist system that reflects our weaknesses: one that is finetuned only for the present and immediate future." He does not hold much hope for capitalism to be able to deliver

for the "smart investors seeking some confidence in the very long term outlook".

None of the views of Grantham about the doomed long term future of capitalism will be news to readers. However, the article reveals some of the internal discussions within sections of the ruling class as they are powerless to prevent the collision course on which capitalism is travelling.

Grantham and the AFR are trapped by the historical restriction of the bourgeois ideological outlook which may be able to see no end to a deepening crisis of their system, but without embracing Marxism, cannot see the bright future of anti-imperialist struggle for a sustainable socialist future.

Arkaroola to be protected for all time

by Nick G

The Arkaroola Wilderness Sanctuary in the Northern Flinders Ranges of South Australia is to be protected for all time.

This is a great win for the Aboriginal traditional custodians and for community values that embrace a wider aesthetic than that of private profit and selfish commercial interest.

Background

The area in which Arkaroola is located is the traditional land of the Adnyamathanha people. Their lore contains a belief in a Spiritual Ancestor Virdimuranha who, under the influence of a poisonous easterly wind, became sick and vomited a greenish rock which continues to cause sickness. Virdimuranha's head rests at the rocky outcrop called Mt Gee, which is also the site of the main concentration of uranium ore.

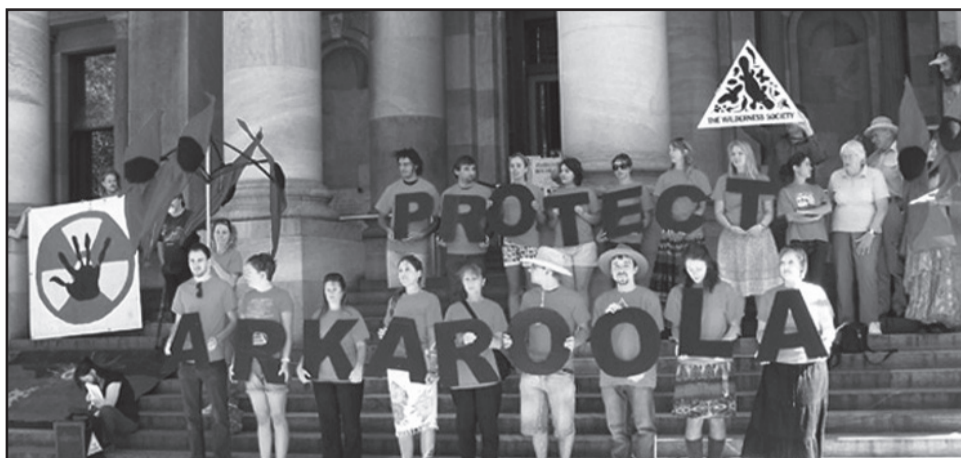
Beginning in the late 1840s and early 1850s, European pastoralists began the process of unsettling the region, stealing the land from its owners and bringing in stock that competed with local fauna for food and water. Guns and stock whips were used on Adnyamathanha to keep them away from waterholes that were henceforth used for sheep and cattle.

Resistance to the settlers was led by Inabuthina. For six or seven years he attacked European settlements, avoiding direct battle, and using the terrain to the advantage of hit and run attacks. He was killed in 1864, and such was the colonial hatred for him that a police commander boasted of having placed his skull in his office to use as a spittoon.

After the defeat of the resistance, Adnyamathanha lived in enforced poverty, dependent on station handouts and employment by unsympathetic and racist pastoralists. However, they never surrendered their law, their culture or their language.

The Wilderness Sanctuary

Pastoralists were not the only Europeans to pioneer the unsettling of the Adnyamathanha lands. In 1860 a short-lived copper mine was begun, followed by mining of rubies and sapphires in 1903. In 1910 copper mining was resumed and not long after, uranium was discovered by the Antarctic explorer Douglas Mawson. Nuclear physicist Mark Oliphant helped source Arkaroola's uranium for the US Manhattan project during WW2.



In the mid-1960s, with mineral exploration scarring the landscape, Adnyamathanha elders Wally and Andrew Coulthard hand-painted "Save this place" on a sheet of corrugated iron and placed it at Coulthard's Lookout in Arkaroola.

In 1968, geologist Reg Sprigg bought the Arkaroola Pastoral Lease at the urging of both Mawson and Oliphant, for the express purpose of preserving the area for its geological significance and its unique and endangered wildlife. To an extent, this coincided with the interests of the traditional owners; on the other hand, it continued their dispossession. As a pastoral lease with a self-declared "sanctuary" status, the area was still open to exploration and mining.

Marathon Resources

In 2005, Marathon Resources, an Adelaide-based company, was listed on the Australian Securities Exchange, and obtained an exploration lease for the Mt Gee section of Arkaroola. Extravagant claims were made for unproven uranium deposits, and an aggressive campaign of capital raising undertaken. This resulted in a flood of cash from multinational bank nominees, but the two biggest shareholders emerged as Talbot Group Holdings and CITIC. The former belonged to Queensland coal mining magnate Ken Talbot, about whom there was an obvious stench of corruption given his payments for favours to a subsequently jailed Queensland politician; the latter is the Chinese Government's major overseas investment arm.

In January 2008, Marathon was exposed for having buried 22,000 bags of core samples and domestic waste in shallow pits at several sites in Arkaroola. This was in violation of its exploration licence, which was subsequently suspended by the Rann Government. A Primary Industries Department investigation also noted the theft of a significant deposit of rare

crystalline fluorite, which could only have occurred using equipment that Marathon had in the area.

Marathon responded by appointing former Labor Senator Christopher Schacht as an Executive Director. Schacht was a shareholder who had been instrumental in overturning what had been a State Labor policy of prohibiting new uranium mines in the state. His appointment, together with Talbot's involvement, prompted calls by our Party and others for an Independent Committee against Corruption (ICAC).

The illegal waste dumping cast a spotlight on Marathon, and a loose coalition of the Greens, SA Wilderness Society, leftwing bloggers and even senior Liberals like Nick Minchin, formed to demand that Labor ban all mining in Arkaroola.

In March 2008, the first of a series of anti-Marathon rallies was held at the PayDirt Annual Uranium Conference. A leaflet observed in relation to CITIC's investment in Marathon that "The Chinese paid a heavy price for their own liberation from imperialism, and should not now start playing the part of a superpower that rides roughshod over the feelings of the Australian people."

More rallies were held on the occasions of Marathon AGMs, and several attempts were made by the Greens to introduce legislation in the State Parliament to protect Arkaroola. However, the Labor Government showed little interest in the issue and voted down the Greens' bills.

In 2010, the SA President of the Australia-China Friendship Society wrote to Chen Zeng, head of CITIC and a Director of Marathon, noting that whilst Australians appreciated the generosity of the Chinese Government in loaning two pandas to the Adelaide Zoo, they were not in favour of mining uranium in a wilderness sanctuary that was essential to the survival of the endangered yellow-footed rock wallaby, and asked that the Chinese divest from the project.

A key addition to the arguments around protecting country was the

granting of a Ph.D to Adnyamathanha woman Dr Jillian Marsh for her study of the decision-making protocols for the Beverley Uranium mine out on the flats to the east of Arkaroola, and also on Adnyamathanha land. Her thesis drew attention to shortcomings in Native Title legislation that favoured miners over traditional owners and that muddied the waters around who was entitled to speak for country.

In February 2011, four Adnyamathanha women came out in public to demand that there be "no mining in any form, no exploration in any form".

Labor backflip

In a surprising and unexpected backflip, Premier Mike Rann announced on July 22 that Arkaroola would be protected for all time from mining by special legislation, and that it would be nominated for inclusion in the National and World Heritage lists.

Rann's popularity, which once stood at 94%, is at an all-time low of only 30%. This follows the deplorable 2010 State Budget that attacked public sector services and conditions. He had overseen the re-badging of SA Labor as "pro-business, pro-growth and pro-mining" and had developed an incestuous relationship with property developers and other big-end-of-town financial backers. Obviously alienated from Labor's traditional support base, and with SA Unions demanding that he step down, Rann felt sure that his track record of serving the interests of the miners could withstand any fall-out from denying Marathon access to Arkaroola. He needed a popularity boost and with 73% of South Australians wanting a ban on mining in Arkaroola, he was finally moved to cut Marathon adrift.

Despite the politics behind the decision, the protection of Arkaroola is a massive win for the Adnyamathanha, for citizens wanting to protect an iconic area for the enjoyment of future generations and a defeat for the money-grubbing shareholders of Marathon Resources.

The fight is not completely over. Dr Marsh says there are two remaining issues. Firstly, the decision still ignores the requirements of the Aboriginal Heritage Act, which should take precedence over Native Title. Secondly, Arkaroola should be connected to questions related to the Beverley, Four Mile, Paralana and other sites of interests to miners.

"For the elders, they are the same, they are one, they are connected."

Workers and small business get the chop

by **Bill F**

During the financial year 2010-11, more than 9800 businesses went broke, according to the Australian Securities and Investments Commission. This is only 200 less than during the devastation caused by the peak of crisis in 2008.

Due to the continuing global economic and financial crisis, Australian companies have had a hard time raising finance in tight credit markets, both here and international.

The current US crisis, in particular, means that US credit is much more restricted and more expensive for borrowers. Australian banks also face higher borrowing rates from the US, and are setting more stringent conditions on their local customers. All of this has meant that many small businesses in Australia are closing up shop and many others are struggling to survive.

This impacts on the working class most heavily, as workers and their families have the least to lose and are the first to suffer.

Jobs losses

Leaving aside the deceptive manner of reporting unemployment statistics (e.g., 1 hour a week counts as full-time work), Bureau of Statistics figures recorded an increase from 4.9% in June to 5.1% in July. The trend towards short hours, part-time and casual work accelerated, with the loss of 22,000 full-time jobs matched by an increase of 22,000 part-time jobs.

Macquarie senior economist Brian Redican said "This is the first sign the unemployment rate is beginning to drift up. It's consistent with other indicators of the labour market - job ads and hiring intentions - that things are actually getting worse," Mr Redican said.

Coca Cola Amatil is sacking 150 workers and closing its SPC Ardmona fruit cannery plant, in Shepparton, north-eastern Victoria. Another US-owned food processor, Heinz, is shifting production to New Zealand, costing a further 350 jobs.

Many sectors of the economy are dumping workers into unemployment. The large retail shops have been running continuous sales to lure customers inside, while cutting back on their casual and even full-time staff numbers. Travel and hospitality businesses are similarly offering discounts, while Qantas has announced the retrenchment of 1000 workers, and its intention to shift its core business out of Australia into Asia.

Steel manufacturers OneSteel and

BlueScope Steel are cutting production and jobs, and WestPac Bank is also 'restructuring' and dumping workers to maintain its bottom line.

On the dole

Unemployment benefits are a joke. According to an article in the *Melbourne Age*, the Organisation of Economic Cooperation and Development (OECD) said that the so-called Newstart allowance of \$474.90 per fortnight was below the poverty line, resulting in "issues about its effectiveness in providing ... support for those experiencing job loss or enabling someone to look for a suitable job".

"Living costs for Australians on allowances other than the age pension climbed 4.6% during the past financial year at a time when the consumer price index climbed 3.6%. Living costs for Australians on allowances have outpaced the official rate of inflation in all but two of the past 10 financial years."

The *Age* article further stated "that in the past 10 years the purchasing power of the fortnightly Newstart allowance has slipped by \$22 at a time when the buying power of the fortnightly age and disability pension has soared \$175. The



Gloomy future for SPC Ardmona workers

difference is because of a one-off jump in the pension in 2009 and because the pension increases in line with average male earnings, while Newstart increases in step with the lower consumer price index."

Lest anyone think the government is being overly generous to age and disability pensioners, new eligibility rules starting in January will cut the number of disability support pensions by 40%, "pushing more Australians on to Newstart."

Disconnected

According to another article in the *Melbourne Sunday Age*, the Victorian Energy and Water Ombudsman reported that 916 people had essential services (electricity, gas or water) disconnected in the first six months of 2011, an increase of 56%.

More than 8000 are struggling with late payments, and it is no wonder. The St Vincent de Paul Society has reported that electricity prices have increased up to 36%, gas up to 29%, and water up to 68% since 2008. The privatised or multinational-owned or financed utility companies have been screwing the working people for years, using their monopoly ownership to extract maximum concessions from docile governments while shamelessly ripping off the people. Taxpayers and consumers are also the ones paying for unnecessary and elaborate 'infrastructure' such as so-called 'smart' electricity meters and the 'white elephant' desalination plant.

The working class and working people generally are becoming more and more disconnected with this unfair society, where the rich and powerful just keep on getting the cream and working people always get the chop.

Attacks continue on country people

by **Duncan B**

Country people continue to suffer the effects of foreign domination of agribusiness in Australia.

Coca-Cola Amatil has announced that it will close its tomato processing plant at Mooroopna (Vic) with the loss of 150 jobs. These workers will be made redundant or will be forced to move elsewhere in Victoria or interstate, if they accept company offers of redeployment. CCA blames the increase in the value of the dollar, cheap foreign imports and the increase in supermarket house brands for the closure of the 90 year-old factory.

Opposition to cut-backs to childcare

Over 200 country mothers, children and childcare workers staged a protest at Parliament House in Melbourne on August 18 over a Federal-State funding dispute which threatens the Take-A-Break occasional childcare program.

This program allows about 9000 children to have access to 220 centres offering occasional childcare, giving their mothers a well-deserved break.

The amount involved is a paltry \$1.9 million. The Federal government cut funding to the program, claiming that it was covered by an increase in funding to Victorian kindergartens.

The Victorian government has also cut its funding to the Take-A-Break programme, agreeing only to extend it until December.

Country organisations, including the Country Women's Association, the United Dairy Farmers of Victoria and the Australian Nursing Federation are backing the protests against this government penny-pinching.

No coal mines!

Residents of the Dean's Marsh and Bacchus Marsh districts of Victoria are fighting proposals by the Queensland-based Mantle Mining Company to take out mining leases for exploration for brown coal in these areas.

The company has already backed down on its plans for Dean's Marsh, following a public meeting where 250 local residents voiced their opposition to mining in this beautiful area of Victoria, close to the Otway Ranges.

Mantle Mining also wants to develop an open-cut mine near an existing brown coal mine south-west of Bacchus Marsh. They have already had a drilling plan approved, and hoped to set up drilling rigs in August. Bacchus Marsh residents are gearing up for a fight to protect their region.

Struggle against coal seam gas wells

The biggest anti-mining battle is looming in Queensland and New South Wales, as farmers and townspeople are coming together to fight the spread of coal seam gas wells in what has been, up to now, prime agricultural land, and in areas close to towns. Thousands of these wells have already been drilled in Queensland and New South Wales, and many thousands more are planned.

The concerns of those opposed to coal seam gas wells include loss of property rights for land owners, destruction of environmentally sensitive areas, destruction of prime agricultural land, and contamination of ground water. A united front comprising a wide cross-section of people is developing against coal seam gas wells.

Workers' struggle against imperialism's crisis will grow

by Ned K

Workers across the world are fighting against governments which are carrying out all sorts of cuts to living standards, on behalf of imperialism.

The workers' fight-back is on both a big scale such as in Greece, Chile and Spain, and a smaller scale in countries like Australia.

The difference in scale of resistance by workers is essentially due to the uneven impact of the economic crisis of imperialism in different parts of the world.

'Flexible' workforce means greater exploitation

One common element of struggle is workers' demand not only for jobs, but for more secure jobs.

Faced with the deepening world-wide economic crisis of global capitalism, corporations and governments look more to 'flexible' workforces to increase profits and cut labour costs.

On a global scale, this has given rise to the massive temporary migration of workers from one country to another and within individual countries,

casualisation, labour hire, fixed term employment contracts, part-time instead of full-time jobs, and privatisation.

These trends have increased in all occupations of employment, from IT to production and construction, to manual service industries jobs. For example, most of the workforce that built and services Dubai is migrant labour.

Even in Australia, thousands of service industries, for example aged care, call centres and food processing, rely on workers on temporary visas and in precarious employment.

Increasing labour insecurity

A comprehensive study of the impact of imperialism's economic crisis on workers' labour insecurity is starkly revealed in the British liberal academic Guy Standing's book, *The Precariat*. It is worth a read.

Standing identifies seven aspects of labour security that imperialism cannot provide for workers, especially in times of economic crisis.

The seven aspects are –

1. labour market security: adequate income-earning opportunities

2. protection against arbitrary dismissal: regulations on hiring and firing
3. job security: ability and opportunity to retain employment
4. work security: protection against accidents and illness at work: for example, safety and health regulations, limits on working time, unsociable hours, night work for women, as well as compensation for mishaps
5. skill reproduction security: opportunity to gain skills, through apprenticeships, employment training and so on
6. income security: assurance of an adequate stable income: for example, minimum wage machinery, comprehensive social security, progressive taxation to reduce inequality and to supplement low incomes
7. representative security: possessing a collective voice in the labour market, through for example, independent trade unions, with a right to strike

all seven points listed above, on behalf of imperialism in Australia.

The Fair Work Act of the ALP made mild changes to WorkChoices, way below the expectation of millions of workers who participated in the *Your Rights At Work, Worth Fighting For* campaign, in the hope of an ALP government's complete break with WorkChoices.

Now imperialism in Australia is not even satisfied with "WorkChoices Lite" in the form of the Fair Work Act. Big business is putting enormous pressure on the Gillard government to wind back the mild amendments it made to WorkChoices.

This is being resisted by workers, at a time when US imperialism's main media mouthpiece, the Murdoch press, is on the defensive.

Now is the time for union leaders to stand with their members and encourage collective action to defend and extend workers' rights.

These struggles are part of the global struggle of workers against attempts by imperialism to make workers pay for an economic crisis they did not create.

Out of crisis comes opportunity for striking a blow against imperialism and strengthening the movement for a new economic global order towards socialism.

Mining boss launches attack

by Bill F

There is nothing the bosses hate more than the organised working class united in trade unions that fight for their wages and conditions and stand up for their dignity as workers.

As reported in the *Sydney Morning Herald*, this class hatred was well demonstrated when MMG mining boss Andrew Micheltore addressed the Australian-British Chamber of Commerce in early August. He attacked the working class for "pissing away" Australia's economic strength, and for holding "airy fairy" "idealistic" and "altruistic" attitudes.

"People can't be bothered moving 25 kilometres to get a job because they will live off social welfare instead, and it's a real worry for me watching Australia have a luxurious time at the benefit of our relationship with China," he said. "We need to get some hunger and drive back into this country, we are becoming soft."

Micheltore was formerly the boss of Western Mining Corporation, an outfit well known for its anti-working class attitudes and practices. The company he now heads, MMG, has its head office in Melbourne and operates several mines in Australia. However, it is listed in Hong Kong and is majority owned by the Chinese state-owned

China Minmetals.

For all his whinging about the lack of skills and 'flexibility' in the workforce, what he is really on about is to open the door for a large influx of Chinese workers into Australia, as a source of cheap, compliant and unorganised labour. Construction, Forestry, Mining and Energy Union national president Tony Maher condemned the statements as "a Trojan horse for a Chinese labour debate". "Chinese companies want to use Chinese labour; that is the real problem here."

Imperialism is the workers' enemy

But Micheltore's agenda is not simply about Chinese or Australian workers doing the work; it's about undermining union solidarity, about intensifying exploitation and making bigger profits.

Australian workers are anything but 'soft'. They work hard and long all their lives just to keep up with the day to day costs of living. Any decent conditions they enjoy have been wrested from the bosses over generations of struggle, and have to be defended again and again.

Workers already know that foreign monopoly interests dominate the economy and call the shots. Up until now, these have been mainly British, US or Japanese. Now it seems China is in the mix, as well.

Defend and extend workers' rights

The Howard government, through WorkChoices, made direct attacks on

Geelong cleaners take on Westfield

-Contributed-

In August Westfield announced a combined profit for its two companies, Westfield Group and Westfield Retail Trust, of \$1 billion for the year ending June 2011.

At the same time as this announcement, part-time contract cleaners at Westfield's Geelong shopping mall were told their hours of work were to be cut! Despite their vulnerable employment position as part-time workers on low wages and no job security at change of contract, they decided to gather together in the shopping centre and demand their hours back.

The startled Westfield management were quickly on the scene. The cleaners stuck to their guns, and the management and contractor caved in within an hour. Cleaners got their hours back.

This seemingly unremarkable workplace event has, however, important lessons for thousands of workers across Australia. These cleaners, perhaps unknowingly, took 'unprotected action' under the Fair Work Act. In theory, they could have ended up being fined for doing so. The element of surprise in their action was a decisive weapon.

The word has got around the cleaning traps of Melbourne pretty quickly. Sticking together, keeping a level head, and acting quickly but staying on site, can put big business, even the likes of Westfield, suddenly on the back foot.

Workers sense that the so-called 'protected action' legalised under the Fair Work Act contains too many hurdles to jump, and gives the boss too much time to prepare against the action.

With the deteriorating economic situation, there will be more attacks on workers' conditions and income levels for the sake of profits. Workers' anger will rise, and more 'unprotected action' is on the cards.