



Vanguard

For an Independent Australia and Socialism

May Day Special Edition

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May Day: Build the revolutionary movement for Independence and Socialism!

By Nick G.

May Day is the day for international celebration of the socialist objective of the working class.

It is a day born of the struggles and sacrifices of working class activists, a day immersed in the contemporary struggles of the working class, and a day which defines the future and sets the tasks for the working class.

What is socialism...

People's understanding of socialism differs.

For some it simply means a fairer distribution of incomes and services without any fundamental change to the prevailing system of capitalism.

For such people there is hope for parliamentary means of achieving that "fairness" through a Labor (or Greens) party.

The sentiment behind this hope is quite resilient.

Despite all the betrayals by Labor governments, some people seem unable to break out of a cycle of hoping for a better deal than they are going to get from the Liberals, and then losing heart every time Labor wins office and backtracks on its promises to the point where it seems indistinguishable from the more open party of big business.

This hopeful sentiment has been given new life by Jeremy Corbyn's leadership victory in the British Labour Party, and by Bernie Sanders' challenge to Hillary Clinton in the US Democratic primaries.

We respect this sentiment, but do not share it. We need to break out of its dead-end cycle.

For us, socialism has two main characteristics.

Firstly, it means ending the private ownership of the major means of production, distribution and exchange.

It means ending the system which enriches a few, and reinvesting all profit and wealth in society for the benefit of the many.

Secondly, it means depriving the



Our people want a better world, but imperialist domination and monopoly capitalism stand in their way

capitalist ruling class of its political power and its machinery of the state and creating new institutions of power through which the working class will take control of the decision-making processes.

...and how will we get it?

We do not believe that either of those characteristics can be obtained through the parliamentary process.

In no country have the rich and powerful ever surrendered their right to profit from the labour of others.

They did not do it under Allende in Chile, and they are not doing it in Venezuela despite the heroic leaderships of Chavez and Maduro.

Leaving the existing institutions of the capitalist class's creation intact only invites subversion, instability, sabotage and ultimately, armed removal of the progressive government.

More and more workers in Australia must involve themselves in the fight for anti-imperialist independence and socialism. That fight will eventually be waged as a revolution against capitalism and imperialism.

We are not yet at that stage: there is no revolutionary situation, but there must be a revolutionary movement to prepare for it.

That revolution will be a two-stage process

Australia is a dependent, client capitalist state; whose politics, economy and military is dominated by US and foreign interests.

The first stage, the anti-imperialist stage, is defined by the socialist character of the expropriation of the assets belonging to the imperialists and their local associates, assets which are at the heart of capitalism in Australia.

This can only occur under working class leadership, leading to the deepening of the socialist character of the revolution and its embrace of all economic and political functions throughout a second stage when remaining influences of capitalism will be eradicated.

There is no intermediate capitalist stage between these two phases; rather, there is an overlap with the first stage melding into the second.

In our Party's logo, the first anti-imperialist stage, represented by the Eureka flag, is foregrounded in and rests upon the foundation of the red star of socialism.

On this May Day, 2016, we express our complete confidence in the Australian working class, in the revolutionary movement that advances the interests of the working class, and in the independence and socialism that are the future of our class.

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White Paper locks Australia into US confrontation with China

By *Bill F.*

The Turnbull government's recently released Defence White Paper could easily have been called the Offence White Paper, since it virtually places Australia's military forces at the disposal of US imperialism and its aggressive foreign policy agenda in the Pacific region.

Tax payer dollars for the corporate arms industry

While the government is tight-fisted with funding for schools, hospitals and social services, there is no restraint on spending when it comes to ensuring so-called "interoperability" with US military forces.

The White Paper sees military expenditure rising from \$32.4 billion in the 2016-17 financial year to \$58.7 billion in 2025-26. Much of this will go to US corporations such as McDonnell-Douglas, Raytheon and others who need wars and political tension to justify their existence and to expand their profits.

A sinking feeling

Headline grabbing was the announcement of 12 new submarines – shockingly expensive – \$50 billion with delivery over 10 years from 2030 through to 2040. Maintenance costs are expected to be a further \$100 billion over the projected life of the subs.

The White Paper stresses that they should be "regionally superior submarines with a high degree of interoperability with the United States ..." (and as an after-thought) "... to provide Australia with an effective deterrent".

So far no contract for building the submarines has been announced, with bids still being assessed from companies in France, Germany and Japan. However, with the emphasis on "interoperability" don't be surprised if Japan gets the nod as this would cement US aspirations for further US-Japan-Australia operations.

And, given the problems that Australia has had in crewing the Collins class submarines, you can almost bet that US, and probably Japanese, officers will climb on-board as well.

Other expensive items, that dove-tail with US military plans for the Pacific region, are the 72 F-35A Lightning II Joint Strike Fighters, 12 E/A-18G Growler electronic attack aircraft and new helicopters for the SAS special forces.

The airfield on Cocos Island in the



Indian Ocean is to be upgraded to take heavy military aircraft; something the Americans enquired about last year, much to the concern of local islanders.

As for Australia's direct defence, the equipment is mainly replacement items such as 9 frigates to replace the Anzac class, 1000 army patrol vehicles, some surveillance and heavy-lift aircraft, and a small increase in military personnel numbers.

New bits include both armed and surveillance drones and land-based missiles to defend the off-shore oil rigs and gas infrastructure of the multinationals.

Spy in the sky

Further billions will be spent on satellite surveillance systems and studies into the development of an Australian satellite. They say it could be used to monitor bushfires and floods – now who could question that?

This would be an addition and complement to the US space telescope to be installed at North West Cape in Western Australia.

Lest we forget – three years ago Australia forked out \$900 million to pay for the US to launch a satellite to monitor local and regional communications and images from military drones.

Justification?? Serving US imperialism, of course!

To quote the White paper, "...there is no more than a remote chance of a military attack on Australian territory by another country"

In spite this, it then goes on at length to repeat all the positions taken by US imperialism in its contention with China over islands in the South China Sea and the "threatening behaviour" of the People's Democratic Republic of Korea.

Another shot at justification is the sudden concern for our Pacific neighbours threatened by rising sea levels and extreme weather caused by

climate change.

To quote from the White paper, "Climate change will see higher temperatures, increased sea-level rise and will increase the frequency and intensity of extreme weather events. These events will exacerbate the challenges of population growth and environmental degradation, and will contribute to food shortages and undermine economic development... high expectations on us to respond to instability or natural disasters, and climate change means we will be called on to do so more often".

This is all true, but totally hypocritical coming from a government that has wimped on seriously reducing greenhouse gas emissions in Australia, denigrates renewable energy, panders to climate deniers and slashes foreign aid to neighbouring countries in desperate need.

Predictable responses

The White Paper received a stamp of approval from US ambassador to Australia, the ever-grinning John Berry, who said it was "a well-considered, comprehensive approach to addressing evolving security challenges". It satisfies the economic and military aims of US imperialism with its TPP and "Pivot to Asia-Pacific" strategy.

However, Chinese foreign ministry spokeswoman Hua Chunying said the reference to the South China Sea was "negative" and that China was "dissatisfied with that".

Pine Gap

Much less publicised was a report by the Nautilus Institute for Security and Sustainability which reveals the expansion of the highly secretive US spy base at Pine Gap in Central Australia.

Allegedly a "joint facility", the activities there are critically important to US imperialism's global military posture and the conduct of wars of

aggression.

The list includes intercepting military and civilian communications, monitoring space satellites, monitoring military manoeuvres and missile launches, communicating with US nuclear submarines, aircraft and warships, directing drone warfare, and collecting information on the economies of foreign countries, including Australia.

This year marks the 50th anniversary of the establishment of Pine Gap and an equally long history of people's struggle to close it down.

Invasion planning

US imperialism is never satisfied with its puppets. Another paper comes from the Australian Strategic Policy Institute calling for the establishment of an Amphibious Centre of Excellence to "inculcate amphibious warfare expertise across the ADF".

This is being pushed by US special forces officer Ken Gleiman and defence academic Peter Dean who write, "In any major crisis in the region, pooling US and Australian amphibious forces ... would allow the formation of a combined US-Australian expeditionary strike group".

They basically want the HMAS Canberra and HMAS Adelaide to be directly integrated into the US Marine force structure for use in any sea-launched invasion US imperialism cares to conduct.

For an independent Australian foreign policy

The Australian people do not want to be dragged into an American war with China or the DPRK. Nor do they want to have the sea lanes and air corridors closed off by conflict or trade embargoes. And they certainly don't want to be a nuclear target!

The ANZUS treaty won't save us – it only requires the US to "consult" in the event of an attack on Australia. US imperialism would be too busy looking after itself.

Yet this could all be the consequences of subservient politicians bowing to a ruling class dominated by and dependent on foreign corporate monopolies and their local collaborators.

Sooner or later the Australian working class will stand up to this dangerous nest of rats and lead the people in chucking them out and building an independent republic where socialist principles will guarantee peace and security for the people.

Taxation: make the rich pay.... something!



By Nick G.

The Australian Tax Office, under increasing pressure from community groups and unions to shed light on tax evasion by the corporate sector, has once again published data on companies privately owned in Australia.

This complements data published last year on publicly-listed companies (those that issue shares and are listed on the Australian Stock Exchange).

A similar list was published in 2015 for the 2012-13 tax year, showing that one in five private companies with an income of over \$100 million paid no tax.

This led to a huge outcry against corporate tax evasion and led the government, with Greens support, to change the criterion for inclusion on the list from an income of over \$100m to an income of over \$200m.

This shielded some 500-600 companies from public scrutiny in the latest round and thus considerably understates the avoidance in the corporate sector. Even so, 98 of the top 321 private companies are now known to have paid no tax in 2013-14.

The biggest revenue earner not to pay tax was West Australian grain handling cooperative CBH, which paid no company tax in 2013-14 on more than \$3.4 billion in revenue.

Among the other largest private companies that paid no tax in 2013-14 were:

- Pratt Consolidated Holdings, despite more than \$2.5 billion in revenue;
- Thorney Investments, run by Richard Pratt's son-in-law Alex Waislitz, which earned \$430 million in revenue;

- Hoyts, which had \$417 million in gross earnings;

- McDonald's Asia-Pacific Consortium (MAC), the global supplier of the fast food outlet's beef, which had \$478 million in revenue.

Of the remainder, most made use of legislative loopholes to avoid paying their full tax liability.

With a corporate tax rate of 30%, many paid only a fraction of that amount. Examples include:

- Harry Triguboff's Meriton, which paid almost \$76 million in company tax from \$1.19 billion in revenue;
- Perron Investments, owned by Western Australian property and automotive tycoon Stan Perron, which paid \$47 million from \$484 million in revenue;
- Linfox, owned by trucking magnate Lindsay Fox, which paid nearly \$34 million from \$2.02 billion in gross earnings.

'...thieves stealing from social funds'

The ATO, which comes down hard on any wage-earner who tries to avoid paying tax, warned that "not paying tax does not equate to tax avoidance" and that "wealthy Australians made a substantial contribution to the nation's economy".

We say that big corporations avoiding their responsibility to pay tax epitomise the selfishness and greed of the capitalist system.

We say that big corporations avoiding their responsibility to pay tax are thieves stealing from social funds for education, health and social welfare services.

We say that big corporations avoiding their responsibility to pay tax will lead more and more Australians to struggle for anti-imperialist independence and

Editorial

Disillusioned twice over!

The double dissolution election being set up by Prime Minister Turnbull will at least spare us from the endless detailed reports of point-scoring in the American primaries.

Unlike present-day America, the main contenders in our election will generate little passion or enthusiasm among the people. This is because the people sense that there are really no fundamental differences between the Coalition parties and Labor.

Both want to steer the good ship *Australian Capitalism* on a course set down by US imperialism and the Business Council of Australia. The Coalition will hold the course regardless of storms and reefs (South China Sea can be tricky) while Labor will zig and zag and backtrack, but end up in the same place.

Neither will challenge the unelected holders of power that rule Australian political and economic life from foreign boardrooms, private think-tanks and wealthy clubs, and the top echelons of the public service and military.

Neither will challenge the political and economic domination of US imperialism that these collaborators work to uphold.

Neither will reverse the transfer of wealth from the working poor to the rich that accelerates inequality and spreads insecurity across the middle sections as well.

Sensing that the differences are not so great, most people will still vote, without much enthusiasm, for the 'least worse' of the main parliamentary parties on offer.

Greens and protest votes

And, as usual, a solid percentage of voters will vote for the Greens or other progressive independents, hoping that capitalism/imperialism can be regulated or reformed to exploit and oppress the people in a nicer way.

In some ways this vote can be a reflection of 'mass consciousness' even when it reinforces illusions about parliamentary democracy. At least it reflects the desire for substantial, if not fundamental, change. It is more significant than a pile of informal votes that can be interpreted any way you like.

Real democracy

While respecting this, our party believes that real democracy should have more content than an election every few years to shuffle personalities.

We think that democracy should extend to workplaces and communities where working people can participate in the development of plans and policies and actively monitor their implementation. This empowers the people rather than focus groups, lobbyists and bureaucrats, and gives them ownership of decisions affecting their lives and the future of the country.

Although socialist democracy is not currently a hot topic, the election will provide plenty of opportunities for raising working class demands and building greater awareness of corporate greed, the threat of imperialist war, and the need for national independence and socialism.

socialism.

Years ago our Party advanced the tactical slogan "Make the Rich Pay".

It was based on the premise that the rich weren't paying enough for the social programs of the people. It now transpires that the rich constantly strive, and often successfully, to pay nothing at all.

As an immediate demand, "Make the Rich Pay....something, anything" still resonates.

However, the days when we continue to tolerate the rich at all are drawing to a close.

The enormous wealth that the

Australian people generate is wasted on the big local and foreign corporations.

It is wasted on the 1% of high net worth (investable assets of at least \$US1 million) and ultra-high net worth (investable assets of at least \$US50 million) individuals, of whom Australia has more than its share.

It is wasted by being diverted from production to satisfy basic needs to speculation in the great global financial casino.

In time, we will transition from "Make the Rich Pay" to "Overthrow the 1% and organise and run the place ourselves"!

Marxism Today

The basic needs of the working class can only be guaranteed by socialism

By *Bill F.*

In Australia's capitalist society the working class and all working people have common needs – employment, housing, healthcare, education and reliable transport are critical issues for workers, their families and their communities.

These issues will be highlighted even more as the federal election campaign grinds on, and people digest the detail in the federal budget.

Whatever happens, beyond the parliamentary smokescreens and fireworks, there will be the usual 'little gives' and 'big takes' and the transfer of wealth from the working class to the rich will continue.

The lesson of the history of modern capitalism is one of the working class winning a few reforms and concessions and then seeing any gains watered down and eventually taken back.

The monopoly media will trot out their usual dumbing-down analysis, reducing all political discussion to the shallow personalities of Shorten vs Turnbull and the parliamentary numbers game, as if this is the only choice for workers to make.

Secure employment Affordable housing

Employment is at the top of the list. While earlier generations had 'a job for life', even full-time workers are haunted by insecurity as their jobs could vanish in a sudden merger or takeover, a restructure or a decision by a foreign or local bank. Globalisation (the imperialist market-place) might mean workers can buy more gadgets, but you can't buy much without a job!

While mining jobs are disappearing as demand for resources tapers off, and manufacturing jobs are being exported to low-wage countries, part-time, casual and short-term contract work is replacing full-time positions in many sections of the economy. Trade union organisation has been slow to respond and consequently these workers have to endure lower wages and poorer conditions, forcing many into long term credit card debt. The capitalist class also uses desperate 457 visa-workers and impoverished students to pressure further attacks on working conditions and drive down the general level of wages and penalties.

The biggest expense for workers in Australia is buying or renting a house

or unit.

Whereas earlier post-war generations were able to pay off a house within 25 years, it now takes 40 years or more for an average house in an outer suburb in one of the main cities. Just scraping together a deposit for a bank loan takes many years of sacrifice in the face of ever-rising living costs. They quickly learn that they have to compete at auction with well-healed speculators who feast on the negative gearing tax concession rip-off.

Quality healthcare and education

Sixty years ago, working people could get free treatment in a public hospital.

Sixty years ago, parents could send their children to a public school, paying only for a simple uniform and cost-price school books.

Sixty years ago, retired workers could get by on the age pension.

All that has changed as progressive social services have been wound down and privatised.

These are the common issues that workers want resolved, regardless of parliamentary election promises, regardless of party factions and

regardless of union membership or affiliation.

They are the starting point for their demands and struggles that are both economic and political, and around which the working class and trade unions can unite and mobilise, rather than just being content to letter-box every three years or so when the Labor Party whistles.

This really means the building of a powerful mass movement demanding fundamental change, independent of the parliamentary parties.

In the process, workers can find out who's really on their side and who's out for themselves.

Socialism is the only real alternative

Currently, the biggest challenge is to take on the most powerful section of monopoly capitalism, to free Australia from the grip of US imperialism and its local agents and apologists, and to nationalise the main industries and resources.

Upon this base, with key resources owned and controlled by the working class, the basic needs of the working class can be met, and further improved as the revolutionary process continues on to socialism.

Unlike the insecurity of capitalism, socialism guarantees decent, permanent work for all the people in a planned economy where products are made and services are provided for the benefit of working people.

Under capitalism, workers just take orders, but socialism empowers

the working class through union and workplace assemblies, cooperatives and industry councils where they can have input into workplace, local and national decision-making, and then can monitor the implementation of agreed policies.

Socialism guarantees decent, affordable housing and accommodation for all people, whether singles, couples, families or groups, with regulated quality standards, controlled rent and utility charges.

Socialism wipes out homelessness and builds houses and units for people's needs, not for speculation.

Rather than each household being an island economically and socially, socialism actively encourages community engagement and mutual assistance.

Socialism guarantees well-resourced hospitals, medical and child-care centres, schools and universities where quality services are provided free of charge – with proper funding coming from the people's ownership and control of major industries and resources, rather than being syphoned off to line the pockets of the rich.

In caring for the well-being of the people, socialism not only seeks an end to war, but also takes on the responsibility of protecting the natural environment, cleaning up the centuries of pollution, waste and destruction that accompanied the growth of capitalism/imperialism.

And only socialism can mobilise the political will and the technology to roll back escalating climate change that threatens all humanity.

BCA plan: "a new architecture for Aboriginal affairs"

By *Louisa L.*

A Maori representative once told Narungga Elder Tauto Sansbury, "If you're not at the table, you're the menu."

"Right now," Tauto says, "we're being chopped up into little pieces."

Terry Mason, Awabakal Elder and NTEU representative, speaking with Tauto and others at a 'Men for Treaty' event in Sydney recently, described the 500 Aboriginal people who descended on a Victorian Government meeting, and voted unanimously for Treaty.

"They wanted to break us into four groups and give us focus questions set by the government," he said.

The participants took over. "We'll do this Aboriginal way. Focus groups mean you have us heading somewhere you want us to head. We'll stay together and we will talk about what we want to talk about. It'll be open and everyone will hear it, and when we come to a conclusion, it'll be our conclusion," Uncle Terry reported.

Tony McAvoy Australia's first Indigenous Senior Council said the Victorian meeting called for unity, "a collective voice". Sovereign Peoples across the continent echo this call.

Calling Treaty "a winner" Uncle Tauto said, "We are a grass roots campaign. We don't get dollars or cents for this. Some of us borrow money to fly over here...Recognise is a multimillion dollar campaign."

Uncle Tony added, "It shouldn't be those who can afford to go, those with a vested interest, who represent certain organisations."

Awash with money and power

In 1988 Sovereign peoples were united and powerful, while aggressive policies had isolated corporations and undermined their profits. It's not so now.

Brenda Croft, a Gurindji Elder spoke with strong feeling at an earlier Women For Treaty gathering, "It's theft upon theft upon theft! ... I want action!"

Bunurong author, Bruce Pascoe, writes in 'Bread', "Imagine that the culture so wilfully ignored was your own. Try and describe the magnitude of your anger, and don't hold back, because anger and sorrow of themselves are not criminal acts."

Facing despair, it's small wonder that when corporations, awash with money and power, with governments at their beck and call, promise order imposed on chaos, employment, education, high order skills and money to solve problems, some choose cooperation.

Talking about 'settlement'

The Business Council of Australia (BCA) is the ruling class's executive. It sets agendas and systematically applies the vast resources of its 100 plus corporate members to implement them.

For the BCA 'Indigenous Engagement' is a priority issue. Its members are integral to Reconciliation Australia, and its offshoot, *Recognise*.

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The decline of US imperialism and the rise of Donald Trump

By Nick G.

A reader has asked for our opinion on Republican presidential candidate Donald Trump. The reader observed that “he is not afraid of going to war to achieve his goals” and asked “If Donald Trump comes into power and is the same type of person as Adolf Hitler in historical context, what could it mean?”

Trump’s ascendancy is symptomatic of an imperialist power in decline.

Unlike Britain, which was able to manage its decline by transferring much of its imperial power to the US after WW2, and accepting a “junior partner” role within global imperialism, the US has no “great and powerful friend” prepared to work with it in managing its decline.

That makes the option of a reassertion of power by means of war abroad and intensified repression at home one of the few open to the US ruling class.

“Is God an American citizen?” and why Americans don’t laugh about it

The culture promoted by a ruling class is that which helps keep it in power.

The British may still formally declare that their monarch rules “by the grace of God”, but no-one takes that seriously.

In the US, by contrast, God enjoys national citizenship and is not to be laughed at by presidential hopefuls.

Trump’s Republican competitor Ted Cruz is fond of saying that the rights of Americans come not from man-made artefacts such as the Constitution or the Bill of Rights, but directly from God. “God’s blessing has been on America since the very beginning of this nation, and I believe God isn’t done with America yet,” Cruz said in March 2015, and repeated again recently.

It is hard to imagine Winston Churchill, looking British imperialism’s decline squarely in the face, resorting to such quackery. His quackery resided precisely in that tradition of man-



made artefacts that have served the British ruling class so well – from the Magna Carta to universal suffrage and parliamentary “democracy”.

Whereas the British dealt with the humiliation of decline by learning to laugh at themselves, the US ruling class sees little option but to put forward as their head a person who everyone else laughs at.

Trump pushes the US closer to fascism

But his threat is real, and his recent promise of “making America great again” is reminiscent of the promise Hitler made to the German people in the wake of their defeat in WW1 and the subsequent Treaty of Versailles.

It was not just in the content, but the arrogance of the delivery, that many saw a parallel with Hitler. Indeed, as our reader noted: “His speeches have a similar method of connecting as Hitler did.”

However, we should not dismiss the threat of fascism by believing that fascism will only reappear sporting a funny moustache and carrying the crooked cross. Many progressive

Americans can see it coming sporting a funny hairstyle and a billionaire’s brand-name.

In truth, if we look at Dimitrov’s famous definition of fascism, we can see that there has always been an element of fascism in the practice of all capitalist ruling classes, and it is really only a matter of degree as to whether or not a complete resort to fascism is likely or not.

Dimitrov wrote: *“Fascism is an open terrorist dictatorship of the most reactionary, the most chauvinistic, the most imperialistic elements of the financial capital... Fascism is neither the government beyond classes nor the government of the petty bourgeois or the lumpen-proletariat over the financial capital. Fascism is the government of the financial capital itself. It is an organized massacre of the working class and the revolutionary slice of peasantry and intelligentsia. Fascism in its foreign policy is the most brutal kind of chauvinism, which cultivates zoological hatred against other peoples.”*

The degree to which a President Trump would encourage “an open terrorist dictatorship” against the US people is unclear: he has so far avoided making too many pronouncements on this score.

In claiming to speak for the “silent majority” he has had to go softly on how he will manage “law and order”, one of the few exceptions being his promise to white Americans that he will provide “law and order” to make the streets safe.

However, on the issue of foreign policy, it is certainly the case that his “... is the most brutal kind of chauvinism, which cultivates zoological hatred against other people.”

He has promised to “bring China to the negotiating table as a currency manipulator” and says he will be a President “who will not succumb to

the financial blackmail of a Communist dictatorship”.

His recipe for making US imperialism competitive with China is to cut the corporate tax rate from 35% to 15%, a cut that can only lead to attacks on the living standards of his “silent majority”.

He played a very nasty race card with his depiction of Mexican “illegals”: They (the Mexicans) “are sending people that have lots of problems, and they’re bringing those problems with us. They’re bringing drugs. They’re bringing crime. They’re rapists. And some, I assume, are good people.”

His solution - to fence these “illegals” out of the US – is simply a cultivation of a “zoological hatred” against Latins. In this context we must also place his proposal for a ban on Muslims from entering the USA.

Likewise, on the question of the Democratic People’s Republic of Korea (North Korea) he has speculated about assassinating the leader of North Korea on live television and threatened a pre-emptive nuclear strike (although he has also ruled that out and declared that the DPRK is “China’s problem”. (He is nothing if not erratic!)

And he advocates nuking ISIS and “killing their families”.

The individual is important, but class is the deciding factor

Trump is certainly keen to take on the role of the spearhead of US imperialist finance capital. His personality and character are certainly important if he ever reaches his goal of renaming the White House “Trump House”.

But even if he fails, his will be an individual failure.

It is inconceivable that any contender for the presidency of the USA will work against the fundamental interests of US imperialism.

The hope that attended the so-called “progressive” candidacy of Barak Obama quite clearly underscores the reality that it is a class that holds state power, not a president.

No doubt each of Donald Trump, Ted Cruz, Hillary Clinton and Bernie Sanders would make their own personal mark on that presidency, but only within limits allowed by and acceptable to, the US ruling class.

The great task facing the American people, as it does all people in capitalist countries, is not changing the spearheads of class rule, but rather, ending the class rule of the capitalists.

This can only be done by raising the working class to the position of rule with its own independent socialist state apparatus.



Fascism on standby: the militarisation of American police

The world enters a third wave of economic crisis

By Max O.

In November last year *The Economist*, that foremost economic journal of capitalism, stated that “The world is entering a third stage of a rolling debt crisis...”.

The first one centred on the US with the collapse of the real estate market (2008), the second one centred on the European Union and its members’ sovereign debt crisis and now the current or third one on the Emerging markets - places like China and Brazil.

The financial crash that we have been witnessing at the end of 2015 and the beginning of 2016 may be far larger as it unfolds than in 2008, possibly causing the entire global economy to grind to a halt.

Global banks cause the crisis

As usual the large global banks and financial institutions are up to their necks in this crisis. With the collapse of oil and gas prices these banks are at risk because their loans to energy companies are now bad debts.

Europe’s biggest bank, the Deutsche Bank, has suffered a loss of more than 9% (due to its loans exposure to energy companies) and has hit Australian banks hard.

Morgan Stanley investment bank reported that ‘Australia’s big four banks’ are owed \$31 billion from energy companies. The Commonwealth Bank has the biggest risk of \$11.6 billion owed to it. Since the beginning of this year, the market values of Australia’s two major banks have nose-dived: ANZ down 18.66% and Westpac 14.5%.

J.P. Morgan bank reported that private-sector debt in emerging markets climbed from 73% of GDP at the end of 2007 to 107% of GDP by the end of 2014. The emerging markets debt figure rises even more sharply to 127% of GDP if credit from non-bank financial institutions is included.

The US Federal Reserve and other major central banks through the policy of quantitative easing (printing money), pumped trillions of dollars into the global financial system. This led to an outbreak of borrowing by corporations in emerging markets, quadrupling their debt from \$4 trillion in 2004 to over \$18 trillion by 2014. This money is now heading out of the emerging economies and in the process, crippling them.

Stock market and financial panic

The current panic sell-off on stock markets in China, Europe, US, and including Australia has seen trillions of dollars wiped out from global share values. As a result of investors getting spooked over fears of the world

economy, the Australian share market has lost more than \$40 billion so far this year.

Money has flooded out of stocks with any trace of risk causing a ‘bear market’ of panic selling in stock markets worldwide; and Australia’s stock market has fallen quicker and more violently than others in the developed world.

‘Australian banks’ are not shielded from the contamination of tumbling oil prices as energy companies become crippled by debt.

It ought to be remembered that ‘Australian banks’, especially the big four, would’ve collapsed during the 2008 GFC had the Federal Government not come to their rescue and guaranteed them. They were unable to refinance their overseas loans because the global credit markets had come to a standstill.

The 2008 crisis saw Australian banks borrow \$120 billion at the taxpayers’ expense. This was the biggest bailout of an institution in our history.

In September last year overseas borrowings by Australian banks had reached 53% of GDP. Obviously they refuse to learn any lessons from the 2008 GFC.

Now banks and hedge funds are gripped with terror and alarm as they are forced to confront week after week of collapsing share prices and asset values. Close to 1000 hedge funds in the US were closed down in 2015.

When the US Federal Reserve lifted interest rates above zero whilst the dollar rose, commodity (oil and gas) prices crumpled, putting a huge burden on energy companies and economies. Then rivals Japan and some European countries went into negative with their interest rates.

Now central banks are at war with each other by pushing their currencies lower to get whatever trade advantage they can with exports. No doubt central banks and governments will be having serious but covert meetings haggling over what to do with capitalism’s latest anarchic economic crisis.

The shift to negative interest rates, as has quantitative easing, will inevitably damage the global banking system. The Royal Bank of Scotland’s advice (which was scoffed at early in January this year by the financial media) to its clients to “sell everything...” and that 2016 could be a “cataclysmic year” appears now to be wise counsel.

Day of reckoning

The Bank of International Settlements (the banker’s bank) contends that there has not been enough wiping off the value of useless investment, what Marxists call de-valorisation. In other words the unthinkable is our reality; the present

economic crisis is in fact the implosion of the capitalist system.

The BIS has stated that there needs to be a day of reckoning where huge wipe off from assets and investments needs to occur; which in effect means the closing down of plants all over the world. For example, China has excess capacity in steel-making that is larger than the entire steel-making capacity of Japan.

Up until now governments’ economic policies have been the postponement of the day of reckoning, because they are politically scared of what the social and political consequences of such actions will be.

However, from the capitalist point of view, there is no alternative to the BIS plan of recovery but to slash government debts and wipe out excess capacity - close down firms, plants, machinery etc. What has happened to Greece will now occur throughout the world!

The free trade agreements with Japan, Korea and China, and the multinational corporations’ Trans Pacific Partnership, are a way of forcing through de-valorisation i.e. the wiping out of excess firms, plants, machinery etc.

Wave of job losses

A wave of job cuts world-wide demonstrates the declining depression-like conditions of the global economy.

In the US 40,000 coal mining jobs have gone; Wal-Mart slashed 10,000 jobs and 154 stores; and the freight transport industry is in a slump.

Here in Australia whilst the Australian Bureau of Statistics (ABS) reports an unemployment rate of 5.8% (727,000) the Roy Morgan survey for January gives a more realistic unemployment rate of 10.3% (2,575,000).

Two major retailers have collapsed: Dick Smith Electronics has placed in jeopardy 3,300 jobs and 393 stores; Woolworths announced it will exit its Masters hardware business, threatening 7,000 jobs and 63 stores.

Last year Chevron cut 1,200 jobs in Australia. In January Clive Palmer’s Queensland Nickel Yabulu refinery closed with 237 jobs gone.

Loss of jobs in the mining industry

CBH Resources - 116 jobs
Panoramic Resources - 50 jobs
Mincor Resources - 90 jobs
Independence Group - 28 jobs
Newcrest Mining - 100 jobs
Oz Minerals - 100 jobs
ANGLO American - 245 jobs

Other industries are also carrying out job cuts:

Pacific National - 46 jobs
Ship builder BAE - 325 jobs
Ship repairer Forgas - 150 jobs
SMR Automotive - 140 jobs
Banking giant Barclays - 80 jobs
Bank of Queensland - 50 jobs
Lion Australia - 39 jobs
The University of WA - 300 jobs
CSIRO - 120 jobs
Arrium – hundreds forecast along with possible closure of Whyalla steelworks
The federal government - 700 jobs
WA government - 1,163 jobs

Only a different mode of production can overcome the economic crisis and threat of war

It is obvious that finance capital through its central bankers and capitalist governments has only expanded and intensified the continual waves of economic crisis that it inflicts on the world.

They are only interested in the accumulation of capital for themselves and consequently like mad men pour cash into financial markets sparking off speculation and parasitic mergers and fire-sale buy outs.

This finally brings about the day of reckoning of widespread destruction of productive activity (wipe out excess capacity - close down firms, plants, machinery) and job and welfare losses to the working class.

The escalating global economic crisis additionally risks igniting the geopolitical pressures and the drive to war by the US and other imperialist countries.

The US military strategy of the ‘Asia Pivot’ and the conflicts it has sown in the Ukraine and Syria are pointed directly at blunting competition from China and Russia.

As Marx pointed out long ago only a different mode of production, socialism then communism, will remove the exploitation and oppression that the working class has to endure under capitalism.

However this requires that the working class wrest state power from the capitalists and imperialists, and destroy all the capitalist state’s functions and structures.

The state’s role in a capitalist society is to enforce upon the worker the task “...to satisfy the need of existing values for valorization (i.e. creating growth of and for capital). In contrast to capitalism, communism is “...the inverse situation, in which the objective wealth is there to satisfy the worker’s own need for development.”

The humane purpose of communism is that “...the free development of each is the condition for the free development of all.”

Public forum strongly denounces Trans Pacific Partnership

By Alice M.

The exposure of the Trans Pacific Partnership (TPP) as a tool of the US government and its biggest multinational corporations and banks to increase the exploitation of people and plunder of the environment outrages people around the world.

The TPP exposes not only the sham of capitalist democracy, but the naked dictatorship of US imperialism over the national sovereignty of countries in enforcing its economic domination.

A public forum held on 21 April in the Lower Melbourne Town Hall, and attended by over 180 people, called on Australia's politicians not to ratify and implement the Trans Pacific Partnership trade pact being driven by US imperialism.

Broad opposition and concern

The public forum was endorsed by 24 unions and community organisations, including the Victorian Trades Hall Council, ETU, ASU, MEEA, MUA, CFMEU, CWU, Public Transport Unions, Environment Victoria, Citizens for Liveable Melbourne, Spirit of Eureka, Friends of the Earth, Unitarian Church, Migrante Australia, and many others.

The meeting was called by the *TPP Unions and Community Roundtable Coalition (Vic)*, an alliance of unions and community organisations formed in early 2015 to oppose the outrageous sell out of the people and the environment to multinational corporations.

The meeting was chaired by retiring Victorian Federal Labor politician Kelvin Thomson who has been a strong and outspoken critic of the TPP and other free trade agreements.

Professor Jane Kelsey from New Zealand, an academic and TPP activist, spoke passionately and described the formation and growth of the very successful people's movement called "It's Our Future", in her country.

Dr. Deborah Gleeson from the Public Health Association of Australia spoke of the impact the TPP will have on the Pharmaceutical Benefits Scheme and people's access to affordable medicines and public health.

Samantha Castro from Friends of the Earth spoke of the devastation to the environment that the TPP will allow.

Ged Kearney, President of the ACTU spoke of new attacks on people's livelihoods under the TPP.

Shirley Winton from Spirit of Eureka and member of the TPP Unions and Community Roundtable Coalition read out several messages of solidarity.

After questions, the meeting

unanimously carried a resolution moved by TPP Unions and Community Roundtable member, and Spirit of Eureka Chairperson, Kevin Bracken.

This Public Forum of unions and community organisations, held on 21 April 2016, in the Lower Melbourne Town Hall, calls on all Parliamentary Parties and Independents in Australia to act in the best interest of people and the environment and decline ratification of the Trans-Pacific Partnership.

The Trans Pacific Partnership (TPP) will not improve the lives of ordinary people, but instead will undermine the livelihood of working people, local industries, the environment, and our democratic rights and sovereignty to decide what kind of country we want to live and work in.

The TPP will undermine workers' rights and working conditions, exploit and trample the environment even more, increase the cost of medicines and public health, remove protection of local jobs and industries, abolish domestic policies that preference employment of local workers and source local materials on government projects and public services, trample on Indigenous rights, undermine public education, and exploit even more overseas workers in Australia.

The public release of the full TPP Agreement in February 2016 confirms some of our worst fears of the harmful impact of the TPP on people, the environment and our national sovereignty.

The Investor State Dispute Settlement (ISDS) in the Trans Pacific Partnership will override domestic public interest laws and policies where bigger profits can be made by the multinationals.

The Investor State Dispute Chapter provisions empower multinational corporations and foreign investors to sue federal, state and local governments for damages resulting from domestic legislation which they claim could harm increasing the profit-making from their investments.

We need trade policies that engage unions and community organisations to improve the lives of all working people, uphold human rights, workers' rights and protect the environment through the inclusion of climate change provisions, and that ensure the protection of our national sovereignty.

We insist all members of the Australian Parliament: Refuse to Ratify the TPP and any trade agreements with ISDS provisions; Don't Sell out the People and the Environment for Corporate Profits.

This Public Forum resolves to continue building a broad based public campaign of unions and communities to



Section of the crowd Lower Melbourne Town Hall

urge the Australian parliament not to implement enabling legislation required to ratify the corporations-driven Trans Pacific Partnership.

Economic imperialism

The TPP has nothing to do with trade but everything to do with attacking hard-won living standards, working conditions, social services, affordable medicines, public health and education and protection of the environment.

It will sweep away hard won democratic rights; trample on the sovereignty and independence of countries.

It makes a mockery of Australian sovereignty, as the parliament can only rubber-stamp the deal, and even then the locally made laws to implement the deal have to be approved by US imperialism via the US Congress!

The TPP and other big free trade agreements (eg TISA, TTIP), also drawn up by the US and waiting to be rolled out,

will remove the few remaining barriers to maximising profits by multinational corporations and foreign banks.

In the face of growing economic competition from China, US imperialist free trade agreements are also a mechanism to lock countries, with their resources, markets and wealth, into the US economic hegemony.

The TPP and all current free trade agreements pushed by the US and multinational corporations and banks are desperate measures to save US imperialism from economic and political crisis.

Imperialism is in the final stages of decaying capitalism that has reached its use-by-date.

An independent and socialist Australia, where the reins of the country will be held firmly by workers and working people, is the only alternative to the rotting, barbaric system of capitalism, and will guarantee national sovereignty and protect the well-being of the people and the environment.

... "a new architecture for Aboriginal affairs"

Continued from page 4

Recognise has twenty BCA members sprinkled amongst hundreds of community organisations on its Campaign Partners Network.

Giant legal firm, Allens-Linklater, is a key BCA player in the development of *Recognise*.

Partner Ian McGill speaks of "explicit recognition ... of Aboriginal and Torres Strait Islander peoples' occupation of this continent before European settlement." (Not invasion!)

In December PM Turnbull appointed Allen's former Chief Executive Partner, Michael Rose, to the Referendum Council on Constitutional Recognition.

Then there's Melinda Cilento, on the boards of both Reconciliation Australia and Woodside Petroleum through the entire Walmadan (James Price Point) dispute that left the region's Jabirr Jabirr and Goolarabooloo peoples bitterly divided.

Both Ms Cilento (a former BCA Deputy Chief Executive) and KPMG's Peter Nash remain on Reconciliation Australia's board.

Building a new Aboriginal leadership that the BCA deems fit is paramount.

Eight BCA companies are part of the Australian Indigenous Leadership Centre, while BHP Billiton helped create the Indigenous Governance Awards.

Michael Rose is also chair of the the Advisory Board of Empowered Communities, which Allens's describes as "a new architecture for Indigenous Affairs", where communities "with proven and legitimate governance" get "more power to determine priorities and funding."

But there are those who think the lives and futures of Sovereign Peoples is not for corporations to decide. They're fighting back.

Whyalla steel: a casualty of free trade agreements and global over-production

By Max O.

Australia's steel producing industry may soon come to an end with Arrium steel company's collapse in Whyalla.

The steel company's \$4.3 billion debt caused its bankruptcy and put it into voluntary administration. Now 2,000 jobs in the South Australian regional city of Whyalla are endangered, with 7,000 workers in Arrium's other plants across Australia also jeopardized.

Arrium's demise is the combined result of the 2008 economic crash and the global slump in the demand for steel.

China's dominance in steel production (it produces over half of the world's steel) has resulted in it churning out 400 million tonnes per year that can't be sold. Consequently there has been a massive fall in iron ore prices from \$US190 a tonne to \$US55 and a 60 percent collapse in steel prices since 2011.

Finance capital puts its interests first

The company in the end was pushed into administration after its bank creditors refused a \$1.2 billion proposal for recapitalisation from GSO Capital, an offshoot of the US private equity monster Blackstone.

The bank creditors (in particular Australia's big four banks) were having none of it because they would lose 55 percent of their loans to Arrium. If it went ahead GSO Capital/Blackstone would break up Arrium for a fast profit.

The failure of Arrium is the result of the familiar capitalist business practice of 'grow and bust'.

Most of its debt came from loans to purchase overseas plants and iron ore mines after the 2008 crash in the belief that China's enormous growth would continue to expand Australia's mining boom. When it went into administration it was owing \$AUS2.8 billion to the banks, \$AUS1 billion to suppliers and \$AUS500 million to its workers.

In 2000 Arrium the steel-maker was cast out and rebadged as OneSteel by BHP. It was offloaded with \$1 billion of the parent company's debt.

OneSteel was renamed Arrium in 2012; one of its three divisions, a steel and recycling business, retains the OneSteel name.

Then, in 2001, the vultures and parasites went on to merge BHP with the British and South African miner Billiton and to establish the largest mining corporation in the world.

OneSteel and Arrium were then divested, after squeezing massive profits



from their workers for years, when their profitability declined.

If and when Arrium is either closed down or revamped, the city of Whyalla will be devastated.

With a population of 22,000, Arrium's steelworks is the city's major employer. Whyalla's inhabitants' great fear is that the demise of such an important industry will see the city become a ghost town.

On top of the GM Holden car plant closure in 2017, Arrium's liquidation will impose a severe economic depression on the workers in South Australia.

"Free" trade for whom?

Politicians haven't been of much use in the wake of the Arrium Whyalla steel plant collapse.

Prime Minister Malcolm Turnbull rebuffed bailing out the company, with a quietly whispered acknowledgement that this would breach recently-signed freetrade agreements. This demonstrated the lie that free trade agreements create jobs and growth!

Bill Shorten, the Federal Labor opposition leader, Christopher Pyne, the Federal Liberal Minister for Industry, Innovation and Science and Tom Koutsantonis, the State Labor Treasurer of South Australia have all bellowed that government agencies should buy Australian made steel and said that the soon to be built submarines and frigates for the Australian Navy should also be made from Australian produced steel.

Unfortunately Turnbull is right that preference given to Australian steel would breach the free trade agreements (FTAs) and result in overseas companies suing the government through the Investor State Dispute Settlement provisions.

These politicians turn a blind eye to this fact and certainly don't propose Australia withdrawing from these economically disastrous FTAs.

Unfortunately some unions are not much better.

Like King Canute they think they can hold back the tide of capitalist overproduction and downsizing.

In the recent past the AWU have cooperated with Arrium in convincing its workers to accept the dismantling of hard-won conditions, and pay and job cuts to save the company and some of their own jobs.

Its leadership has argued that the Federal Government must introduce tariffs on imported steel and stop Chinese steel being dumped onto the Australian market.

At the same time, it has lined up with the big four banks to change the liquidators appointed by Arrium (supported by the state government and the mayor of Whyalla) to those nominated by the banks.

The Bank of International Settlements (BIS), the banker's bank, has stated that there needs to be a day of reckoning where a huge wipe off from assets and investments needs to occur; which in effect means the closing down of plants all over the world.

From the capitalist point of view, there is no alternative to the BIS plan of recovery but to slash government debts and wipe out excess capacity - close down firms, plants, machinery etc.



What has happened to Greece will now occur throughout the world!

The day of economic reckoning has arrived and the union movement can't avoid it anymore.

Industries are collapsing in a world-wide capitalist downsizing and shifting to the lowest wage countries. Union leaders need to honestly confront this crisis and stop deluding their membership that they can save these situations.

The time has come for workers to mobilise around nationalizing these industries and campaigning against Australia's involvement in FTAs and the Trans Pacific Partnership.

Australia, already a client state of US imperialism, is losing even more of its sovereignty to foreign capital.

A country and its workers need to have an independent economy that looks after and does not exploit its population, or the workers of other countries. That should be the mantra of the Australian union movement and it needs to show in practice that it means it.

If we are to achieve a sovereign, just and democratic Australia then big capital and business need to be brought to heel and their assets turned over to the Australian people.

Such a process can only be led by the working class. In fact they create the wealth of the nation as the creators of wealth, and are the most disciplined and highly organised class with the most to gain from opposing imperialism's control of our economy.

To paraphrase capitalism's favourite epithet, "It's all about the bottom line", well, the bottom line actually starts with the worker creating value. No worker, no profits!

Without workers creating value, there can be no economy. The capitalist economy, which devalues workers and cannibalises its own productive capacity, has no place in a genuinely independent future Australia.

For a guaranteed steel-making industry, fight for independence and socialism!