



# Vanguard

For an Independent Australia and Socialism

Volume 51 Number 6

July 2014

Print Post Approved 100019206

Recommended Price \$2 inc GST

Vanguard expresses the viewpoint of the Communist Party of Australia (Marxist - Leninist)

## Take the fight beyond parliament

by Louisa L.

**People hate Abbott. He's the face of a brutal capitalist onslaught.**

Post budget, Sydney's *Daily Telegraph*, freely distributed in every cafe, sensed the temperature and briefly divested itself of its most pro-Abbott clothing. But by late June it was selectively attacking again.

Getting rid of Abbott's crew would strike a blow against imperialist plans.

The ACTU and Labor Councils' targeted seats campaign is a part of the strategy, because people don't yet see an alternative to parliament and elections to cement gains.

But re-electing the ALP isn't the answer. And people sense that too, based on bitter experience.

Straight after the defeat of Howard, *Your Rights at Work* community groups were disbanded. Union leaderships now call that a mistake, while organising to re-elect the ALP.

Yet capitalism has never been under threat from Labor governments, and the real mistake is having illusions about the ALP.

Underpinning it lays either a preparedness to discipline the workers for imperialist overlords or a lack of faith in the ability of people to fight back in a mass way.

Both steer dangerously clear of the people's strongest weapon, industrial action.

### Labor leaders were never fair dinkum

The ALP is a capitalist party, which consistently obeys foreign corporate masters.

Under Labor, capitalism thrived and successive leaders used our money to stabilise capitalism and build infrastructure to support its needs.

Labor leaders were never fair dinkum.

On Rudd and Gillard's watch, to use an apt U.S. military metaphor since complete subservience to US military dictates is part of their agenda, 33 CFMEU workers in Western Australia copped big fines.



*June 12 rally in Melbourne was organised by the Victorian Trades Hall and mobilised thousands of union workers and the broader community to condemn the Abbott-Hockey austerity budget.*

The rebooted Australian Building and Construction Commission has now frozen their assets until those fines are paid.

As Education Minister, Gillard did exactly as PM Abbott did, and visited Rupert Murdoch to get her orders on education. She invited Joel Klein, now head of News Education, to Australia to sell the message.

When teachers around the country banned NAPLAN and refused to cop Rupert's dictates, she threatened those in Victoria, ACT and Northern Territory with individual fines.

While breaking the back of the moratorium, she wasn't able to kill off the issues raised, due to teacher unions' leadership in struggle.

### Time to cooperate

There's been a qualitative shift in capitalism since the 1970s.

In part this is due to a systematic ideological re-organisation emanating from US imperialist think-tanks. In part it's over 30 years of coordinated dismantling of unions' abilities to fight effectively, something the ALP has been

up to its neck in organising here.

But underlying it all is the economic compulsion of a more concentrated imperialist class to make an historically obsolete system function, by indebting and impoverishing ordinary people.

This gives Labor governments less ability to maintain the deception that they serve the people. Yet in opposition deception grows more easily.

March Australia has steered clear of the ALP machine, and unleashed marchers' creative energy.

Its speakers expose the ruling class standing behind Abbott. Yet its

spontaneity is also a weakness.

The Australian people would be well served by cooperation between the organised working class and the broader community. Unions should be supporting its events.

Vast numbers of Australians want Abbott's government to be defeated. But defeating the forces behind it requires more than targeted seats campaigns.

It requires not just activists, but the mass of our people, to understand just what we are up against and to organise to fight back. The anger is there. It can be channelled into united action.

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# More Aboriginal kids stolen than ever

by *Louisa L.*

## Sorry Day, May 26 on Gadigal land in Redfern, begins.

Aunty Denny, a Luritja Yakuntjajara woman, stolen as a baby and never reunited with her mother, stands with 100 others outside the Family and Community Services (FACS) headquarters.

Uncle Ray Jackson understands. At just two he was taken from his Aboriginal mother because his white father died on the Kokoda Track. "This pain is a constant. It eats at you every day. Who? When? Where? Why? For me those questions are unanswerable."

But a new generation will again face those questions. As Greens MP David Shoebridge says, "We need to put some

meat on the bones of the word 'sorry'. We are removing Aboriginal kids at a rate higher than in the 1930s, 1940s and 1950s, at the height of the assimilation era."

Says Uncle Ray Jackson fiercely, "Some of what's happening now beggars belief. A FACS worker wanted to take a boy because he didn't have any shoes. Give him some shoes! Don't take him from his family!"

## Sorry means you won't keep doing it

Aboriginal people are looking for solutions to intergenerational trauma that began with the British invasion, whilst too often the authorities punish poverty instead.

Former FACS caseworker Debra Swan told the protest, "I couldn't bring



## 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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myself to go to work any more with the way this department is mistreating Aboriginal people."

According to an article by John Pilger, "In 2012, the co-ordinator-general of remote services for the Northern Territory, Olga Havnen, was sacked when she revealed that almost \$80 million was spent on the surveillance and removal of Aboriginal children compared with only \$500,000 on supporting the same impoverished families."

And, despite widespread opposition from Aboriginal communities, service providers and legal networks, amendments to the Children and Young Persons Act of 1998 passed by the NSW Parliament in April, will fast track adoption, privatise 'guardianship' of children and make reunification of families close to impossible.

## They account to us!

According to Gunnedah Grandmothers Against Removals (GMAR), "We have virtually no rights within the current system. The rules of evidence do not apply in the Children's Court. Welfare workers can file statements full of anonymous stories and have magistrates approve removal without any chance for parents to be heard. Many parents are not represented in court and those who are often have to wait months to put their case forward."

Aunty Hazel from GMAR told ABC's Kelly Fuller, "They told me I had to be a qualified carer [to look after

my grandchild]. Why am I not qualified under kinship? I've been a mother all my adult life. I'm a non-drinker. I don't take drugs. How am I not suitable?"

This undermines any notion of pre-existing Aboriginal knowledge, traditions or skills. Richard Trudgen's, *Why Warriors Lie Down and Die* powerfully documents how the reverse is essential for Aboriginal people to overcome the huge tragedies engulfing their communities.

A GMAR statement reads, "If there is a crisis situation and children are unable to remain in a household, options for care should be negotiated with the family group and the broader Aboriginal community, not be enforced through non-indigenous foster care. The ultimate goal must be self-determination for our people in the care and protection of our children."

To ensure this, GMAR has proposed creation of an Aboriginal Community Liaison Committee (ACLC). Under grassroots community pressure and negative publicity, FACS agreed to respond by mid-June and meet the GMAR team in Tamworth.

Aunty Hazel says, "They are failing our children. They rip our babies out of our arms. Who protects our babies? They have failed us in every way imaginable. Aboriginal people will make them accountable! They account to us!"

See

[www.whywarriors.com.au](http://www.whywarriors.com.au)

<http://stopstolengenerations.com.au>

## Trade in Services Agreement a new attack on the people

by Nick G.

### Yet another secret trade agreement is being negotiated.

Australians now know of some of the content of the secret Trans Pacific Partnership Agreement, but thanks only to the whistle-blowing efforts of WikiLeaks.

Now Public Services International, a French-based global trade union federation operating in 150 countries, has called for opposition to the Trade in Services Agreement (TISA).

It describes the TISA as “currently being negotiated in secret and outside of the World Trade Organisation rules... a deliberate attempt to privilege the profits of the richest corporations and countries in the world over those who have the greatest needs.”

“The TISA will prevent governments from returning public services to public hands when privatisations fail, restrict domestic regulations on worker safety, limit environmental regulations and consumer protections and regulatory authority in areas such as licensing of health care facilities, power plants, waste disposal and university and school accreditation.”

preconditions including a very strong commitment to deregulation of a range of services.

While the TISA would require all signatories to open their service delivery sectors to competition from corporate monopolies unrestricted by domestic regulations, there are no requirements on labour standards.

Indeed, it would be required of participating countries that there be a free flow of labour between countries, and that any measures such as labour market tests, designed to show that there is a genuine shortage of suitably trained local workers, would be abolished.

Not all countries are enamoured of US demands to open the world to its unrestricted exploitation.

On April 21, Brazil adopted an “Internet Bill of Rights” to protect itself from measures likely to be adopted through TISA on the liberalisation of Internet services designed to benefit the industry’s major players, including Facebook and Google, all of which are US corporations.

The Brazilian Bill guarantees net neutrality, regulates government surveillance on the Internet, and places limits on the data companies can collect



The negotiating countries are a self-selected group of neo-liberal adherents including the US, the European Union, Australia, New Zealand, Japan, Canada, Mexico, Colombia and Peru.

China has asked to join the talks, but this has so far been obstructed by US demands that it meet certain

from Brazilian customers.

Likewise, countries such as Argentina, Canada, France, Tanzania and Malaysia have seen local or national governments exercising “re-municipalisation” rights in which a previously privatised public service is transferred back to the public sector.

## Editorial

### The gloves are coming off, but we will win!

**Fascist measures are being put in place to try and hold a restive people back. They are a sign of the weakness of the bourgeoisie, of its fear and of its cruelty.**

The velvet glove of “rights” and “democratic freedoms” is discarded for the iron fist of police violence and jail.

The Naphthine government in Victoria introduced amendments to the Summary Offences Act to crack down on picket lines, protests and social action. “Exclusions orders” banning people from an identified area carry a penalty of two years jail.

The New South Wales and Queensland governments attempted to introduce legislation further restricting the freedom of unions to serve their members’ interests. Construction workers in Western Australia are in danger of having assets, including houses and cars, seized because of penalties imposed under the “Fair” Work Act. Their crime was to defy then Industry Minister Julia Gillard and take so-called “unprotected” industrial action in defence of employment conditions.

Workers who struck at the Royal Adelaide Hospital site to force the employer to comply with safety standards were ordered back to work under the “Fair” Work Act under threat of massive personal fines. The message is clear: workers must work in unsafe conditions to meet the bosses’ deadlines.

In Tasmania, legislation similar to Naphthine’s is being introduced. Under the guise of preventing environmentalists from entering forests to stop logging, the Workplaces (Protection from Protesters) Bill will cover all areas defined as “workplaces” and provide for mandatory jail time for protestors and fines for members of the public who are guilty of “inciting protests”.

Penalties include \$2000 fines for invading or hindering a business, rising to \$5000 if the person has the charge heard in court and is found guilty. Convictions would be automatically recorded.

Second and later offences would carry a minimum three months and up to two years in jail — which would represent Tasmania’s first mandatory imprisonment legislation.

In Queensland the government is introducing a Mineral and Energy resources (Common Provisions) Bill that will restrict the land over which objectors may seek to prevent access by mining and energy companies, and also restrict the persons entitled to make those objections. Neighbours and concerned citizens will not be able to lodge objections to mining or CSG exploration even if they are the most affected by the activity.

In addition to every other piece of already existing repressive legislation, these measures indicate that the gloves are fast coming off, and that workers and community activists need to develop strategies for countering the wave of fascism sweeping the land.

In the end, it will be the people who are the more courageous and the more powerful. Their solidarity will overcome the cruelty of the repressive measures in fascist legislation.

So, on the one hand, imperialist corporations are pushing to open public services as areas for the investment of surplus capital, and on the other, peoples and communities are fighting back.

No doubt, the federal government Review of Competition Policy, to be delivered shortly, will take the side of the imperialists and contain a number of measures designed to complement the TISA.

Unions and community organisations must take up this challenge to our lifestyles and communities and unite the many to defeat the imperialists and their local servants.

Further reading:

[http://www.world-psi.org/sites/default/files/documents/research/en\\_tisaresearchpaper\\_hqp\\_internal.pdf](http://www.world-psi.org/sites/default/files/documents/research/en_tisaresearchpaper_hqp_internal.pdf)

<http://touchstoneblog.org.uk/2014/04/why-is-the-trade-in-services-agreement-tisa-a-bad-deal/>

<http://speciali.espresso.repubblica.it/pdf/wikiLeaks-secret-tisa-financial-annex.pdf>

# Abbott and Bishop grovel in Washington

by **Bill F.**

**If Julia Gillard opened the door for the United States military to march into Australia, then Tony Abbott has ripped it off its hinges.**

In their recent jaunt to the Washington headquarters of US imperialism, Abbott and Bishop have eagerly agreed to anything and everything the US wanted.

Abbott snivelled to the media, "I want to assure the president that Australia will be an utterly dependable ally of the United States".

At the very least this means more US troops based in Darwin, more permanent bases and ungraded airfields, US navy warships and submarines stationed at Stirling naval base near Perth, drones and surveillance planes operating from Australia's Cocos Islands in the Indian Ocean, a new space radar station near Exmouth, and greater involvement in the US ballistic missile defence system.

Australian taxpayers will foot the bill for most of this; the national defence budget was quarantined from the budget cuts, and in fact was increased by 6%.

There will be social costs also, as the criminal code covering US military personnel in Australia was discussed between officials, but not completely finalised.

If the formula of other subservient countries is anything to go by, they could get away with rape, armed robbery and even murder!

## Only a pawn in their game

Abbott's new agreement with Obama locks Australia into the US military war plans.

It automatically commits Australia to whatever aggression or miscalculation the US embarks upon, whether it is China, Korea or anywhere else in the region.

The agreement locks Australia into an echo of US foreign policy. Who needs Julie Bishop as Foreign Minister when we can have John Kerry? (That would help the budget, eh Joe?)

For example, if Japan pokes China too hard and cops a bloody nose, the US is committed to join in. No need to ask Australia, already a US base and now a nuclear target.

Australia is not only locked in militarily and politically, but also financially.

According to the Stockholm International Peace Research Institute, Australia buys 10% of all US weapons exports, making it one of the best customers of military aircraft, drones, missiles, armaments and hardware.

Then, of course, there is the \$12.4 billion for 58 F35 Joint Strike Fighter planes which are barely reliable in wind tunnel tests let alone in hostile skies.

## Chaos in Iraq

Abbott did not even blush when the subject of Iraq came up, even though he was part of the Howard government that sent Australian troops to help US imperialism destroy the country on the basis of lies.

Having no independent Australian foreign policy, Abbott has to wait for the US strategists to make up their minds if they want Australia to jump, and how high.

"The United States is considering what an appropriate response might be. They haven't finalised their views on what the response should be.

"They haven't requested assistance



*Abbott and gatekeeper Credlin leaving Rupert Murdoch's pad.*

from us. It is really quite routine for us to be in discussions with the United States when situations like this arise.

"Let's see what, if any, help they might request but obviously any request for help would be taken very seriously by us."

## New Royal Adelaide Hospital project unsafe for construction workers

by **Max O.**



**Construction workers recently walked off the Royal Adelaide Hospital site after a load of steel fell from a sling seven metres onto a concrete floor, and in protest at unsatisfactory safety assurances from the building consortium, Hansen Yuncken and Leighton (HYLC).**

Their workplace safety record is pretty bad as far as the workers are concerned.

Aaron Cartledge, SA state secretary of the CFMEU, pointed out that there have been over a dozen crane accidents in the last 18 months.

What is more important to HYLC is construction deadlines and extracting labour time, consequently they bullied their workers back on site by applying to the Fair Work Commission to issue a back to work order.

The HYLC have now banned workers from holding meetings on the site and bully those workers who raise safety and danger concerns about the construction

of the new hospital building.

Cartledge pointed out, "You don't have 1,000 workers make a decision to walk off the project if they think they're being listened to and communicated to, they simply have had enough of the rhetoric from this builder.

"All of the mission statements and glossy posters on walls and the big inductions, but the practice out on the job is nothing like what they commit to in their inductions."

Sub-contractors have been rejecting jobs on the site because of timetable changes and extensive induction processes for new workers.

With the high turnover of workers at the site and the smallness of the jobs, sub-contractors just can't afford the compulsory induction courses.

This illustrates one of the many contradictions of capitalism. Construction deadlines and the importance of extracting as much labour time from workers is at odds

Abbott sees no need to consult with the Iraqi government. He knows that they're just puppets like us!

## The business of state

Abbott's busy schedule had him ringing the bell at the New York Stock Exchange and telling the corporate fat cats that "Australia is open for business".

Cheering on was a gang of Australian bosses from companies such as BHP Billiton, Lend Lease and Macquarie Group.

No Australian Prime Minister's visit to New York would be complete without reporting to Rupert, so Abbott duly fronted at the Murdoch apartment and presumably got the "good dog" pat on the head for selling out Australian sovereignty and kicking the working class in the guts.

with the pretence of occupational, health and safety bureaucracy that the state operates.

When it comes to profits vs safety, the former will always win out, hence the industrial court being used to force workers back to an unsafe work site.

Sometimes referred to as the "industrial umpire", the court shares the values of the dominant class.

It is independent in a formal sense, but not in terms of its ideology and class outlook.

To overcome the fact that the project is behind schedule, construction workers' rate of work has been ramped up, increasing the risk of accidents so that HYLC can complete the \$1.8 billion hospital by April 2016.

The group Voice of Industrial Deaths, set up by Andrea Madeley, held a meeting in support of the RAH workers at the main entrance gate to the site.

She argued that "If it's going to or it needs four years to build or six years to build, then let it take that long."

Her son Daniel was killed in a factory workplace accident in 2004.

She stated what all families would wish: "Let it be done safely so that people can get home at the end of the day and so somebody isn't attending a funeral.

"I guess the other thing is let's make sure that the people making the decisions at the very top of the ladder there become personally liable for those decisions."

Unfortunately, capitalism operates on the maxim that Marx stated: "Killing is not murder when done for profit".

# ASPI – Australians Serving Predatory Imperialism

by Nick G.

**Darwin residents are having to get used to the sights of US tanks in their streets. On the third weekend in June, US tanks, all decked out with weapons poised for action, put on a display that many locals felt quite confronting.**

No doubt the US imperialists see such displays as part of a softening up process and a precursor to an expanded military presence in this country.

ASPI offers our sovereignty to US imperialism

Just such an expansion was urged at the beginning of June by the government funded Australian Strategic Policy Institute (ASPI).

Like other right-wing think tanks, the role of the ASPI is to provide a platform from which advocates for imperialism can urge on the further subordination of this country to the US. It provides them with the means with which to fly kites to soften up the public.

In its analysis of the 2014 “defence” budget, ASPI raises the unlikely prospect of US “disengagement” from the Asia-Pacific and puts forward a treacherous and bizarre proposal for turning the whole of our continent into a US base against the peoples of the region.

“Leaders need followers,” argues the paper.

“But there’s also something that Australia can offer the United States which goes to the heart of its economic and security interests - access to 7.7 million square kilometres of terrain stretching from the Pacific to Indian Ocean and from the Great Southern Ocean to the base of the Asian archipelago.”

“As the Western Pacific becomes more contested, the value of access to Australian ports, airfields and training



grounds will surely grow. It’s arguably the most valuable thing we can offer our ally... a solid strategic base straddling the sea lanes passing from the Indian to Pacific Oceans.”

## Top Army chief urges subservience to US

In a speech to ASPI on 13 February 2014, Lieutenant General David Morrison, Chief of the Australian Army, offered his own view of the role of the Australian “Defence” Forces (ADF).

He said that the ADF has “always really existed to defend Australia’s sovereignty, not its geography as defined by a continental landmass”.

And he defined our “sovereignty” as that of a “trading state”, as a state that is essentially maritime in nature, and one that must therefore be able to engage in conflicts outside of its borders.

Australia, he pointed out, has been at war for more than one third of the time since Federation in 1901, but not once has that involved fighting within the continental boundaries of the country with the exception of Japanese bombardments of northern cities and towns during World War 2.

For Morrison, aggressive actions beyond our borders in support of an

imperialist-led “global order” are a necessary part of the ADF’s role. “The real issue is not whether we need to be able to deploy military forces away from our shores. I take that as a given. The issue is whether they are prepared adequately to do their jobs with an acceptable level of risk.”

For Morrison, being a client state of an imperialist master is also a given.

He sees the future of the Australian ruling class as “guaranteed by the dominant maritime power of the day,” and that “area sea control is unachievable for us and it remains the monopoly of great naval powers.”

He argues for inequality in relations between countries. “... formal inequality – where someone, or some state or group, has more authority and power than others ... prevents chaos”.

## Top US commander defines our role

On April 9, 2014 Admiral Harry B. Harris Jr., Commander of the US Pacific Fleet, spoke at an ASPI gathering at the Australian War Memorial.

He noted that it was his third visit to Australia since assuming command last October.

Like Morrison, he stressed maritime power as “the minimum necessary condition” for the accumulation of

capital by the world’s biggest and most exploitative corporations (or for “global prosperity and trade to flourish” in his own chosen weasel words).

He painted a picture of an increasingly assertive and aggressive China and saw the role of the US and its “allies” as “fostering a rules-based system that respects international law and adheres to international norms. This is a strategy that makes great powers great.”

That is, US imperialism will define the rules and then force compliance through its military.

He called for weapons development and procurement that “will further increase interoperability between our two navies” and praised Australia as a “truly great maritime power”.

He concluded by stating that the Pacific Fleet, with which Australia is to be a subservient and interoperable member, “must be ready to fight tonight. From Hollywood to Bollywood, from polar bears to penguins, and everywhere in between...”

## We must end our subservience to US imperialism

The aggressive and predatory beast that is US imperialism always seeks full spectrum domination at the expense of the peoples and nations of the world.

We cannot allow our future to be determined by and tied to the self-interest of a global superpower.

We must pull down the kites flown by ASPI.

We will determine our own future and our own foreign policy in the fight for anti-imperialist independence and socialism.

We will strive to replace an army committed to subservience to a foreign power with an army committed to the true interests of the working people of this country and those of our friends in the working classes of all nations.

# Public schools, not corporate schools!

by Nick G.

**In November 2008, US weapons manufacturer Raytheon entered into a three-year sponsorship deal with a South Australian high school.**

The school was one of three hosting a special course for students of high intellectual potential, drawn from all over the state.

Raytheon, one of the largest weapons manufacturers in the world and fourth largest contractor with the Australian Defence Forces, provided \$450,000 over three years to “mentor” the students as future employees. That deal has now

run its course.

But under a plan announced by Abbott during his recent visit to the US, the government will promote whole schools to be placed under the control of giant corporations.

He revealed the plan after visiting a New York school funded by the government, but effectively run by IBM. IBM “shapes” the school curriculum and creates a pathway into a two-year tertiary degree in applied science.

The IBM sponsorship guarantees the company a compliant workforce trained to its immediate specifications.

It means that these students have a narrow curriculum designed to meet

the skills demand in information technology.

Australian Education Union researcher Mike Williss said “This is not what education is meant to be.

“Sure we want kids with job-ready skills, but we also want kids with life-ready skills.

“We need more skilled critics of society, more skilled advocates on behalf of the marginalised, more skilled defenders of the common good, more skilled organisers for social progress, more skilled leaders of movements for social justice.”

Abbott has opened the door to corporate devastation of a child’s right

to an all-round education.

He has opened the door for Raytheon, BAE Systems, and any one of the big end of town’s major players to run whole schools.

Communities must fight for the right to high quality, comprehensive public education in a local school.

## Public schools, not corporate schools!

See also <http://www.aeufederal.org.au/Media/MediaReleases/2014/1206.pdf>

# Australia 'open for business', but buried in foreign debt!

by Max O.

**Abbott in June prostrated himself before the belly of the beast on Wall Street and declared 'Australia is open for business'.**

This homage to the citadel of US capitalism and imperialism would be expected from a comprador like Abbott.

For he is only a prime minister of one of their client states and is all too well aware that the United States is the largest investor in Australia.

So what is so bad in having a powerful foreign investor such as the United States involved in Australia's economy?

Debt! The Abbott Coalition government may well scream about how bad big government debt is and the need for an austerity budget, but you won't hear them make a squeak (nor the Labor opposition) about the massive Current Account Deficit that is suffocating the Australian economy.

Why not? As prime minister of Australia, it is Abbott's job to oversee the country being milked by foreign investors, with the United States being the biggest beneficiary.

## Balance of debt

For foreign investors the advantage of having client states such as Australia is that they pay out enormous amounts of profits, dividends and interests to multinational corporations.

This foreign dominance of the Australian economy can be viewed through the frequent running up of a deficit in its current account.

Unfortunately our politicians rarely speak about the exponential pile of foreign debt that is the result of 40 years of uninterrupted deficits on the current account.

The current account records a country's trade in goods and services and its income flows with the rest of the world.

A current account deficit is a country's monetary loss that is funded by foreigners through the capital account, the other side of the balance of payments.

The aim of the game is for the current and capital accounts to add up to zero.

The balance of payments is a balance sheet of a country's position which can be compared to the rest of the world.

The balance of payments is divided into two main sections: the capital account and the current account.

The capital account provides all the data on capital flow in and out of

Australia.

It is the capital inflows from foreign investment and foreign borrowings that fund any current account deficit.

The current account consists of

(1) the trade in goods balance (imports and exports of goods);

(2) the services balance (imports and exports of services, such as freight, tourism and foreign students);

(3) the net income and

(4) the net transfer balance, all added to give an overall current account balance.

The net income figure consists of interest, dividends and royalties paid overseas and those received from overseas.

The biggest debits here are the interest payments on foreign borrowings, but dividends paid to foreign owners of Australian shares have swollen strikingly in recent years; consequently the net income deficit is the overwhelming portion of our current account deficit.

## Foreign investment ends up as foreign debt

Bourgeois economic commentators reassure us that current account deficits are not bad per se if they finance investment opportunities that will earn the foreign exchange that helps repay foreign capital.

However until these borrowed foreign savings are paid off, they are a country's liabilities as foreign debt.

# Inequality gap widens as the rich get richer

by Bill F.

**Once upon a time there was a far away country where people worked hard, but were able to live reasonably well, pay off their own house, educate their kids, and even have a holiday once a year. When they retired, they could still get by on the age pension...**

Most people were proud of the fact that Australia was considered a nation where people were treated equally and were given a "fair go".

What has happened to the fairytale? No happy ending?

According to the latest Oxfam report, *Still the Lucky Country?* even though the wealthiest people are not paying enough tax, they still have disproportionate influence in society.

"Inequality threatens to further entrap poor and marginalised people and undermine efforts to tackle extreme poverty. By concentrating wealth and power in the hands of a few, inequality robs the poorest people of the support they need to improve their lives, and

Major financial investments in Australia are essentially controlled and owned by overseas capital.

The danger of foreign money controlling a country is widely detested throughout the world: just look at Greece, Spain, Portugal and Argentina!

In the 2013 December quarter Australia's foreign debt stood at \$858.9 billion, a record high 55.5% of GDP, a high ratio by international standards. Compare this with our net foreign equity (foreign loans owed to Australians) of \$20.4 billion, which brought our net international investment liability position to \$838.5 billion and one quickly realises Australia's fortune is at the whim of foreign investors.

The 2014 March quarter saw Australia's foreign debt fall slightly to \$855.6 billion with our net foreign equity shrinking to \$5.2 billion, leaving us with a net investment liability or net income deficit position of \$850.4 billion.

The risk of relying on a high current account deficit is that at some point overseas investors could well refuse to keep funding Australia's foreign debt, especially during an economic crisis.

The current economic debate is myopically limited to tackling Australia's federal government deficit, even though a crisis over the economy's foreign debt would swiftly burden taxpayers with exorbitant liability.

About 81% of our gross foreign debt is held by private investors and financial corporations, and the Federal

government would need to guarantee much of these borrowings in a crisis.

What is happening to the most troubled of indebted countries and their currencies could easily be Australia's destiny.

A number of these nations have lesser foreign-debt ratios than Australia and a declining currency only adds to a country's foreign debt in local-currency terms.

## Financialisation

As a previous article (*Who controls Australia*) in *Vanguard* explained, countries like Australia are caught up in the process of 'financialisation', where the 'flight of capital' goes from one nation-market to another in 'a race to the bottom'.

"But capital has to be free to move between corporations inside a nation-market-state.

"Money-capital can thereby chase better average rates of profits. The current patterns of finance capital speeds that switching. The crisis intensified the need to do so."

This explains the need for Australia to offer higher interest rates to attract foreign capital to keep underwriting our foreign debt. A problem that just keeps getting bigger and bigger.

International finance capital is a predator of economies like Australia, a good reason to break out of their clutches and win economic independence.

means that their voices go unheard."

In the Oxfam survey of more than 1000 people, 79% said the gap between rich and poor had widened over the past ten years, 76% thought the rich didn't pay enough in taxes and 64% said inequality was making Australia a worse place to live.

Life is getting tough enough for the working poor and a damned sight tougher for the unemployed, especially young people trying to get a foothold in the employment market.

In the race to the bottom called globalisation, (fanned by the greed of imperialism) Australian workers are considered expensive and surplus to requirements.

Capitalism likes to have a reserve army of desperate unemployed to put pressure on wages and divide the working class. (working vs unemployed, old vs young, Australian-born vs migrants/refugees, etc.)

Greens Senator Rachel Siewert spoke out, saying "The government is imposing what they call reasonable

compliance requirements on young jobseekers, telling them to apply for 40 jobs a month and attend appointments with employment service providers, all while they're receiving no income support at all".

Treasurer Joe Hockey has brushed aside criticism of his austerity budget as "old-style socialism" and went on to say that the social welfare system in Australia was "unsustainable".

Yet a survey by the Melbourne Institute of Applied Economic and Social Research has revealed that the percentage of people aged 18-64 receiving welfare payments had fallen from 23% to 18.5% over ten years.

Inequality will continue to grow and life will get harder still for many working people.

We need to break free of the domination of the foreign corporations, the banks and the other parasites and rebuild our country for the majority – "new-style" socialism could fix a lot of things. Then our story could have a happy ending.

# The criminal legacy of US imperialism

by *Bill F.*

**What has been the result of the US led “war on terror”? Is the world a safer place? Has the promise of freedom and democracy been realised in countries occupied by US troops and bombarded by US missiles?**

Afghanistan, Libya, Iraq, Syria – all victims of US aggression and interference – are now devastated countries spilling out millions of refugees. Apart from the hundreds of thousands killed and maimed, their infrastructure and social fabric have been destroyed, their museums and national treasures looted, their water supplies and natural environments poisoned.

In unbelievable acts of hypocrisy, American and European corporations have made billions from the sale of weaponry and then “reconstruction” of infrastructure blow apart by the weaponry supplied.

In Afghanistan, Libya and Iraq, corrupt elections have resulted in corrupt governments run by people complicit with US imperialism from day one, stooges and puppets ruling by fear and nepotism.

## Terrorists

As for ‘terrorists’, many of the fanatical Islamic fighters have been armed and supported by the CIA to carry out its dirty work of undermining and subverting previous governments that the US didn’t like.



ISIL and other groups like it are the direct result of US foreign policy, the policy of imperialism.

Like many of the monsters created in the past (Diem, Ky, Noriega, Suharto, Mubarak, Marcos... a long list) the US has been unable to control their grab for more power and their blatant abuse of human rights.

ISIL armies now threaten the puppet leader of Iraq, Nouri al-Maliki, installed by the US in 2006 and now under US pressure to cobble together a “more representative” government.

The same forces are being rolled back in Syria by the Syrian people and army, but not without terrible suffering for the masses.

## The essence of imperialism

Some people might consider the mess in the Middle East to be the result of misguided leaders or simply poor diplomacy.

They forget that Obama came to office opposing the invasion of Iraq. Once in power, however, he poured more troops into Afghanistan and Iraq, and supplied weapons and support to the rebel fanatics in Syria.

Obama was elected to implement the policies of US imperialism – he is in the cab of a runaway train that cannot be diverted, it can only be stopped in its tracks!

Some, like Hugh White (professor,

Australian National University) don’t want to face up to the fact that systemic imperialism is the the driving economic, ideological and military factor in United States foreign policy.

“The reality is that Iraq is falling apart, and the choice facing America is whether it should try to hold it together. Should it try to preserve Iraq as it used to be?”

“Whether America itself has caused Iraq to come apart is irrelevant to this question.”

White wants a solution that does not condemn the US, does not expose the nature of imperialism, and does not educate decent people to struggle against it. Nothing could be more relevant.

## Foreign investors chasing Australian agribusiness

by *Duncan B.*



**Australian agribusiness is becoming increasingly attractive to foreign investors. Private equity investors have been involved in some big purchases recently.**

European firm R&R, owned by French private equity firm PAI Partners, recently bought Australian ice cream maker Peters in A \$400 million deal.

US private equity firm Kohlberg Kravis Roberts tried a \$3.05 billion take-over bid for Treasury Wine Estates, the makers of Penfolds.

In June 2013, TPG Capital bought Ingham Enterprises, one of Australia’s biggest poultry producers for \$880 million.

There have several other deals as private equity buyers target packaged foods and meats, companies with strong brands that can be used to improve their own portfolios and food distribution businesses.

Most of Australia’s grain trading firms are now foreign-owned.

Large, well developed farms in the Riverina, northern NSW and southern Queensland have become targets for foreign investors.

Large properties suited to grains and oils, cotton, irrigated cropping and edible nuts are in strong demand.

The source of funds for foreign

investors include pension funds, insurance funds, endowment funds sovereign wealth funds, ultra high net worth individuals and families and trading houses and corporates.

All of these represent different forms of finance capital, the most rapacious and best organised section of capital in the era of imperialism.

## Joint ventures

Some foreign investors are seeking joint ventures with Australian farmers and companies. This could be more beneficial to Australian farmers and agribusinesses than direct take-overs.

For example, West Australian biggest meat processor, the Walsh family has signed a \$1 billion partnership deal with Grand Farm, one of China’s biggest food companies, for 500,000 lambs and 30,000 cattle to be processed in

Australia and shipped to China.

The joint venture includes a \$200 million investment in WA and the provision of expertise in livestock production and sheep genetics by Walsh as part of \$800 million being spent on the development of farms in Inner Mongolia.

Nevertheless, joint ventures between partners of unequal strength can have serious shortcomings. These can include an imbalance in levels of expertise, investment or assets brought into the venture by the different partners. Such an imbalance has the potential to allow the stronger partner to dominate the weaker.

Capitalism is not a system that manages the contradictions between “partners” to ensure equality.

In that sense, joint ventures may represent the foot in the door that leads to a complete takeover of the weaker by the stronger.

# People power can push back the austerity budget

by Alice M.

**The Australian people are angry with the Abbott government and the austerity budget. The harsh budget attacks people's livelihoods and delivers to the profiteering local and foreign big business corporations.**

The Abbott government has done the people a favour in openly exposing big corporations and their peak representative bodies, the Business Council of Australia and the Mining and Minerals Councils, as the real architects behind the anti-people budget.

The tiny handful comprising big business, banks, mining corporations and multinational monopolies are the only ones to reap the benefits of this country's wealth.

This is the monopoly capitalist and imperialist class rulers in Australia who own and control Australia's economy and parliament.



## Budget anger continues

The mass anger and desire to fight back the Abbott government and the budget is wide and strong.

It's publicly expressed in the grass roots March Australia and in unions' rallies, the union delegates and community meetings, newspapers flooded with letters and on radio talk back.

More than 30,000 angry workers and community supporters took to the streets of Melbourne on Thursday June 16 in the "Bust the Budget" rally organised by the Victorian Trades Hall Council.

In Sydney hundreds of union delegates packed an angry meeting, calling for immediate action by unions to "Bust the Budget".

## Ruling class repression

The ruling class is sensing the growing public anger and the determination to resist the attacks. Laws to ban protests and jail the protestors are rushed in.

Queensland and Victorian state governments are now joined by the Tasmanian government pushing through anti-democratic laws that openly intimidate and suppress peoples' struggles.

The main target of these anti-democratic laws is the organised working class.

When organised and mobilised, armed with an independent working class agenda and programme for a new society, working people collectively have the power to challenge the rule of

*CSIRO workers are part of the broad movement of the people mobilised against the big business austerity budget capital and big business.*

The ruling class of big business has its own class agenda that demands the economic burden of imperialist and capitalist crisis is shifted onto the people. It instructs the capitalist state to crush peoples' resistance.

## Working class agenda builds unity

The working class advances an independent people's agenda that's not tied to the profiteering interests of capital and its lackeys in parliament.

An independent working class agenda and immediate demands that extend beyond the state and federal parliamentary elections will unite many diverse and large sections of the people, from different walks of life.

90% of the Australian people are under attack. Workers, city and rural communities, pensioners, small and medium farmers, environmentalists, artists, scientists, professional workers and many small businesses are all attacked by imperialism and monopoly capital.

## Learning the hard way

The lessons of the *Your Rights @ Work are Worth Fighting For* campaign should serve as a reminder.

Channelling this entire broad grass roots, unions and communities campaign into parliamentary elections, and then shutting it down once Labor was elected in 2007, has left the working people weaker in fighting the present

attacks.

The unions and all working people would be in a stronger position today to resist the attacks had the *Your Rights @ Work Are Worth Fighting For* campaign not been taken out of the hands of the people and dismantled.

This was followed by the Labor government again hosing down the strong and wide public support for the imposition of a 40% super profits tax on the multinational mining corporations.

The Rudd/Gillard governments caved in to the demands of mining monopolies, and ended in a mini coup.

This budget is only a prelude to capital's more severe attacks on the working people.

## On the move

People's demands for justice and fairness are being put forward around people's needs and livelihoods.

Union and working people's rights to organise; people's democratic rights to protest; free health and education; decent community and welfare services, child care, affordable housing, public transport, environment.

Many will unite around these core demands of the people.

Nationalising the banks, mining corporations and other key sectors of the economy will enable the realisation of the people's needs, and a first step towards building an independent Australian economy for the people.

An independent working class agenda collectively developed and

built by the people in workplaces and communities, will fight for the interests of the people, unite the many, and lay the ground towards an independent and socialist Australia.

NATIONAL DAY OF ACTION

# BUST THE BUDGET

JULY 6th, 2014

Sydney - Town Hall Square 1:00pm  
bit.ly/BtB-Sydney

Melbourne - Queen Victoria Gardens 1:00pm  
bit.ly/BtB-Melbourne

Brisbane - Queens Park 11:00am  
bit.ly/BtB-Brisbane

Perth - Stirling Gardens 1:00pm  
bit.ly/BtB-Perth

Adelaide - Victoria Square 11:30am  
bit.ly/BtB-Adelaide

Canberra - Parliament House Lawns 12 noon  
bit.ly/BtB-Canberra

Lisnore - Heritage Park 12 noon  
bit.ly/BtB-Lisnore

Wodonga - Woodland Grove Park 11:00am  
bit.ly/BtB-Wodonga

Join your closest event. Share with family and friends.  
Help spread the word. Lets get the largest protests.  
Australia has seen 10 years

MARCH AUSTRALIA

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