

Workers' Liberty



The emancipation of the working class must be the act of the working class itself
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The right to strike and Changing the Rules

By Bob Carnegie and Martin Thomas

The ACTU's new campaign to "Change the Rules" indicts the fact that the "rules" of working life have shifted more and more against workers over recent decades, even if you take it into account the limited moves the Rudd and Gillard federal governments made between 2007 and 2013 to undo some of what the Howard coalition government had done.

**Gillard wrote
the Fair Work
Act. Shorten
was there too.**



The campaign is a positive move; but not by itself not sufficient. The more active unions need to supplement it by a public campaign for the right to strike.

The Australian industrial relations system is exceptional in giving great weight and spread to official arbitration procedures, and

Inside this issue

- The right to strike and Changing the Rules
- Morrison and Dutton: jackals of the ruling class
- What will it take to "Change the Rules"?
- Living Wage for working women
- RAFFWU Woolworths activist interview
- Student workers getting organised
- Financial services Royal Commission and FSU
- Why Study Das Kapital
- Book Reviews: The Internationalists; Rosa Luxemburg collection
- Victorian Socialists – launch and candidate interviews

restricting workers' right to take industrial action more, probably, than any other country which allows parliamentary elections, free activity for opposition parties, and significant media critical of the government.

This exceptional system has not served Australian workers well. Union density has fallen faster than in other countries, from 51% in the mid-70s to 15% on the latest figures, 9% in the private sector, 7% among workers aged 20-24 and 4% among workers aged 15-19. In October 2017, Vitor Gaspar, the IMF's director of fiscal affairs, reported that as regards growth of income inequality since the 1980s, Australia is up there with the leading few countries, the US, South Africa, India, China, Spain and the UK (bit.ly/imf-ineq).

Australian capitalism has done relatively well, compared to other countries, since 2007. That should have given more space for the union movement to push for improvements. But workers are still going backwards. The items in "Change the Rules" are mostly wishes for changes in government policy, to be mediated through the arbitration-heavy system of industrial relations. They are good and desirable. All experience shows that unions' ability to win such changes on any large scale depends on the strength of union organisation and activity, and not just on the desirability of the changes. Without a regrowth of union organisation and activity, all campaigns like "Change the Rules" will be pushed into becoming increasingly plaintive pleas to the good nature of Labor politicians.

The very low union density rate among young people is not a product of those people being flooded with right-wing ideologies or even of them fearing that union membership will get them victimised. A survey among young people found that they "considered that unions were portrayed [in the media] as associated with strikes and causing trouble. However, interviewees suggested that the

demonising of unions was typical of broadcast media operators... Overall, interviewees (including non-members) were not unsympathetic to unions".

Why weren't they union members? The most cited reasons were that they "don't see them [unions] doing all that much", or they feel they "don't know enough" about unions, or that unions are "invisible in the workplace" (bit.ly/geny-u).

Those perceptions cannot be overcome without unions winning, and being seen to win (by more than aficionados of the small print of Fair Work Commission decisions), disputes. And to win disputes, unions need to take action.

Unions should sponsor a campaign, complementary to "Change the Rules", for the right to strike to be recognised by law as an individual right as basic as the right to free speech, the right to hold meetings, and the right to protest on the streets. It is so recognised in the constitution of France.

The general demand in the "Change the Rules" material that "Workers' rights to withdraw their labour must be aligned to ILO [International Labour Organisation] standards" is not sufficient.

The ILO is an international body originally set up by the League of Nations in 1919, and then adopted by the United Nations in 1946, run on a 2:1:1 basis by representatives of governments, employers, and unions. The ILO's own pamphlet on the ILO and the right to strike records that "the right to strike is not set out explicitly in ILO Conventions and Recommendations" (bit.ly/ilo-rts).

Various ILO meetings have deplored various Australian government actions as not up to ILO standards, but there are no "ILO standards" to rely on.

Support for the right to strike does not mean thinking that strikes are a cure-all. It suggests intelligent and judicious use of that right. Workers' victories come most often from short, sharp, well-timed actions: long set-

piece disputes are most often won by the employers, who have deep pockets. Nor does support for the right to strike mean thinking that strikes are the only form of industrial action. One of the outrageous features of the current Australian regime is that action which would not even be "industrial action" in most countries, like work-to-rule, can be outlawed.

The more active and campaign-minded unions should be approached to sponsor a specific right-to-strike campaign complementary to the "Change the Rules" campaign, and to assemble funds sufficient to get office space and a minimal staff for it in each state.

The first task of the right-to-strike campaign should be basic public outreach - meetings, debates, petitions, street stalls, leafleting, social-media promotion.

The campaign should also seek endorsements, one by one, from Labor politicians for its demand for a right-to-strike law. The unions sponsoring the campaign should use their votes in Labor conferences to push that demand, and press other unions to do the same.

As well as doing its basic public outreach work, the campaign should be set up on a sufficiently "arm's length" basis that it can organise "community assemblies" and such in support of industrial disputes while not falling foul of the law, at least as at present interpreted. It should organise support for unions and workers penalised, or threatened with penalties, for industrial action to defend their rights.

The aim is to raise the confidence of the union movement - and of workers who are not unsympathetic to unions, but don't join because they "don't know" or they perceive unions as "not doing all that much" - so that it can coordinate diverse forms of social pressure into a push sufficient to revitalise union organisation and force a new Labor government to concede the right to strike.

Morrison and Dutton: jackals of the ruling class

"The silent minority" - minority, yes, that's what he said - "are fed up with bodies like the Civil Liberties Council and the Refugee Action Collective, and certainly the dictatorship of the trade union movement".

That was Peter Dutton in his maiden speech, who on 24 August forced Malcolm Turnbull to resign as Liberal Party leader.

Dutton wanted rid of Malcolm Turnbull because Turnbull, though solidly right-wing on all the core economic issues, is a social liberal of the sort commonplace in most richer capitalist countries.

In the final party room, Dutton failed to become the new Liberal leader and prime minister. But the winner Scott Morrison, is only a slightly more smoothed and polished representation of the Liberal right.

Dutton opposed same-sex marriage. He boycotted the parliamentary apology to the Stolen Generation. He opposes a republic. As a minister dealing with health and with immigration, he has been stridently right-wing even in Liberal terms. His politics are what you would expect from an ex-cop.

Morrison is the son of a cop, rather than an ex-cop, and more polished in manner. But he too opposed same-sex marriage. He too has been an especially mean-spirited immigration minister. He too tends to climate-change scepticism. Unlike Dutton (as far as we know) he is a full-on religious devotee, a member of a Pentecostalist sect.

Compared to British Tories, German Christian Democrats, or pre-Trump US Republicans, Australian conservative politics is shifting to the aggressive right wing of that ruling-class spectrum.

The move is similar to that with the US Republicans with Trump, or the French mainstream right (Les Republicains) with Laurent Wauquiez. It is internally generated,

rather than coming from the pressure on the mainstream right of maverick forces (Trump, or Marine Le Pen's FN/RN in France: One Nation is not in the same league).

It offers hard-faced, illiberal, free-market policies, with little of the demagogic social-populist tone of Trump or the FN/RN or Salvini in Italy. The drift is reflected not only in the federal Parliament, but in the conservative press, like *The Australian*.

There is, as of now, no economic crisis pushing the Australian ruling class to more aggressive policies. The driving force here seems to be a long-term truth: if the labour movement quivers and retreats, that will make the ruling class want to come after us, rather than become generous and accommodating. If we're on the ground, they will enjoy kicking us.

Dutton is demagogic about the supposed "dictatorship of the trade union movement" - a trade union movement struggling to stop 15% density dropping even lower, legally banned from using industrial action except once every few years after EBA negotiations, and maybe not even then - he is demagogic about that precisely because he knows the real dictatorship is of the rich and the profiteers, and they can bash the unions with impunity.

Dutton and Morrison are jackals of the ruling class, feeding on the wounded.

The unions need to drop their modest, plaintive tone, and start rebuilding aggressively.

What will it take to Change the Rules?

By Martin Thomas and Bob Carnegie

In March 2018 the Australian Council of Trade Unions (ACTU) launched its Change The Rules campaign. It was made a feature of Brisbane's Labour Day and of rallies across Australia around that time.

Union and pro-union activists welcomed the ACTU's turn to campaigning. The rally and the delegates' meeting in Melbourne was especially big.

Part of the campaign has been a call for a minimum wage high enough to be a living wage. The ACTU's case on that was rejected by the Fair Work Commission in June.

After ACTU congress on 17-18 July, ACTU secretary Sally McManus restated the theme, in a response to official figures showing that real wages are stagnant.

"We need to change the rules so that working people aren't left behind while company owners and the very rich are allowed to take more than their share".

McManus said in her Congress speech: "When we reach top gear, it is when we organise at all levels... in our workplaces, our industries, our unions... communities" (bit.ly/s-mcman).

Yet union density continues to fall. On the latest official figures, it is 15% overall, 9% in the private sector, 7% among workers aged 20-24 and 4% among workers aged 15-19.

It is time for a discussion about whether the campaign needs to be sharpened and reshaped if it is to have effect.

The campaign booklet, 56 pages long (bit.ly/actu-ctr), lists many desirable demands, but says nothing about how they are to be achieved.

Some can only be achieved by an organising effort sufficient to rebuild union

density and organisation - and to win back the right to effective industrial action.

Others are demands for government action, or rather expressions of wishes for government action. But the booklet says nothing about the fact that many of the bad rules it objects to were introduced by the Rudd-Gillard Labor governments, with the unions not using the 50% of delegate votes which they have at ALP congresses to insist on better rules.

The first step to change those rules would be a concerted effort by unions to use those delegate votes to commit the ALP to better rules.

A second step would be to make the proposals more precise. The campaign booklet leaves them at the level of general good ideas. But even when good general ideas are voted through congresses, a lot can be lost when parliamentarians translate the good generalities into precise legislation.

A third step, discussed on our front page story, would be to refocus the campaign around the simple demand for the unions no longer to be banned in almost all circumstances from using the basic source of strength which unions depend on: the right to industrial action.

As Sally McManus put it in a comment back in January: "The basic right to strike in Australia is very nearly dead".

Australia still has islands of strong union organisation: the ports, big inner-city construction sites, state schools. They sit in a rising sea of non-unionism.

The choices are brutal. Either the trade unionists in those "islands" help union organisation revive in the submerged continents of labour, or in time, maybe sooner, maybe later, the sea will submerge them too.

Support for trade-union values of equality, solidarity, and non-discrimination is high among young people. That general support

for values can be translated into organisation only by a concerted effort, and only by an effort which also restores to unions the legal right to effective action to enforce those values.

Change The Rules proposals summarised

- Casual or rolling-contract workers "have worked on a regular or systematic basis for a consecutive six months" should have a right to permanent contracts.
- "Independent contractors" should have "the same basic rights" as other workers.
- Labour-hire workers should have the right to bargain with the host company, and there should be a national labour-hire licensing system.
- Workers "must be consulted through their unions on major challenges that their workplace is facing".
- The government should "favour permanent migration" over "temporary visas".
- "Rebuild funding for TAFEs and universities".
- Restrict trade agreements so they "defend wages and job security for Australians".
- Rewrite Commonwealth procurement rules.
- Right to get reduced hours for child-care.
- Improve awards (2.3 million workers are now on award wages).
- Restore penalty rates to the levels before July 2017.
- Increase the minimum wage to a living wage.
- Improve collective bargaining rules.
- "Workers' rights to withdraw their labour must be aligned to ILO standards".
- Ten days paid leave for all, and extra paid leave for victims of domestic violence.
- Fix the broken equal pay provisions.
- A strong and independent umpire.

- Quick and effective redress on wage-payment and super-payment abuses.
- Easier access by workers to union membership and union reps.
- Replace the ABCC and ROC by "a fair and independent regulator".
- A provision like the one in the tax laws against employers artificially rearranging their affairs to evade worker entitlements.

A living wage for women is different

By Janet Burstall

In early 2018 the ACTU launched a claim for a Living Wage, i.e. to increase the minimum wage by \$50 per week, as part of the Change the Rules campaign. The full claim was refused by the Fair Work Commission in June 2018, when it awarded a rise of less than half that, \$24.32 per week. All award pay was raised 3.5%, affecting in total about 2.3 million workers.

Then treasurer Scott Morrison in opposing the ACTU's claim for a living wage, repeated the reasoning that employers and governments always give when unions demand a pay rise. "The way you create jobs is you back businesses to invest. The union movement has only a plan for people who currently have a job, but not for people who need a job." The Australian Industry Group chief executive Innes Willox said that \$50 per week " would just be a job-killer and the ACTU ... is really out of touch with the reality that most employers are facing at the moment."

The ACTU had argued that "a \$50 raise to the minimum wage could create 57,000 jobs" by stimulating demand, and therefore investment. They quoted findings from US and UK research that modest increases in minimum wages can be beneficial to business and will not cause a rise in unemployment.

Their argument did not convince the Fair Work Commission.

The argument that an increase in the minimum wage would stimulate employment may be true but it may not be, and more importantly what would make the Commission, the Reserve Bank, politicians, policy makers change their minds on this question, when they have been opposing unions on this point for at least three decades? Would the ACTU settle for increases the minimum wage that are low enough to win the argument that they won't cause more unemployment? And if unemployment were to rise (for whatever reason), would the ACTU concede that wage rises must be limited, as happened in the early 1980s when unemployment shot up?

An additional argument put by the ACTU for increasing the minimum wage, and award wages, is that a greater proportion of women than men are paid under awards, and thus a substantial increase in award rates would help to remedy the gender pay gap.

This is a good start, but it missed a critical point about wages that make women's incomes lower than men's on average.

Hours of work matter. Wages are meant to be enough for a household to live on each week, in return for working a standard number of hours. This was the principle of the Harvester case that the Living Wage campaign refers to as a worthwhile benchmark. The original minimum wage set in 1907 was designed to be paid to one man for one standard working week to support one family of two adults and two or three children.

The Living Wage campaign doesn't say anything about hours of work, yet hours matter all the more when so many households are working more than the standard hours, because more than one person is working. At the same time more women than men work part-time, and average hours worked per employed worker have gone down because of

part-time work and underemployment. So a minimum hourly rate, based on a full time working week, as the measure of what a living wage for a household could be, no longer makes sense. The Living Wage campaign needs to deal with the end of the standard 38 hour workweek per household.

A shorter standard working week would help households get back some of the time that has been lost to work, and make it easier for women and men to work more similar hours, earn more similar weekly wages, and to demand secure standard hours of employment.

The low paid need a substantial pay rise, and unions need to work out answers to un- and underemployment that is not at the expense of workers. For example (re)nationalise services, energy and utilities, and increase employment in those industries, shorter standard hours. Because of demarcation between unions, leaders of unions covering private sector workers are conspicuously silent about defending or advocating public provision and public employment.

When the CPI was the measure for wage rises, workers knew straight away if wages were increasing by a reasonable amount, and were more ready to reject or accept a wage decision. The ACTU claim talks about needs

that wages should be enough to pay for, and a new level of minimum wage to meet that. It also refers to the borderline for poverty being 60% of the median wage. The minimum wage was last at the level of 60% of the median wage in the mid 1990s. Arguably that is still too low, and the whole union movement could be engaged in considering how much a sufficient minimum wage should be. That could be a starting point for seeking the support of all workers, including those on enterprise agreements, for a substantial rise in the minimum wage, with implications that Newstart unemployment allowance should also be substantially increased.

The Fair Pay Commission has been setting the minimum wage without any agreed measure. If unions can make sure that a clear and consistent measure is set, then workers can know what target we are aiming for.

Minimum wages and awards will only increase as much as we are willing to stand up for them to be. There hasn't been an industrial campaign for the minimum wage, or wage safety net, since the Accord.

The rules on the minimum and award wages, that put them outside of any bargaining. Unions should be preparing members to defy those rules. It could be an endless wait for a Labor Government to change them first.



Demanding a 30 hour week in the US in the 1930s

Preparing to take on the employer: “Get informed and talk about what you find out.”

Woolworths worker and Melbourne member of the Retail and Fast Food Workers Union (RAFFWU), Loukas Kakogiannis has applied to terminate the Woolworths' 2012 enterprise bargaining agreement, on the grounds that the majority of Woolworths workers have been underpaid in comparison to the award. The backpay applied for could total as much as \$1 billion.

Janet Burstall of Workers' Liberty spoke with Loukas who has organised dozens of his fellow workers at a Woolworths store to join up in only a few months. Most Retail and Fast Food Workers Union members are the only member in their workplace.

We asked Loukas how he made the difference.

“When an SDA organiser came round to recruit, I looked up the SDA and found out about RAFFWU. I joined RAFFWU, not the SDA. A few months after I joined I asked RAFFWU how I could be more involved and I started organising in my workplace.”

“I followed up a lot of RAFFWU information online, learning about how Enterprise Bargaining Agreements work, then I told my co-workers starting with my closest friends. ”

“The main thing that really activates people is the disparity between the Award and the EBA, and we're in a position right now where something can be done.”

Loukas is on the RAFFWU team that is taking part in bargaining for a new agreement with Woolworths, in which RAFFWU's position includes restoration of penalty rates with back pay to 2015, and equal pay to replace junior rates.

“I regularly communicate with them about the bargaining process, get their thoughts on it and help them to find out more about what they're entitled to after the deal that the SDA made in 2012. It has been a big shock to find out that there's a union (the SDA) that is supposed to be fighting for our interests but has struck a bad deal for us. I also help with the RAFFWU social media campaign to engage Woollies workers.”

“The SDA delegate [at my store] is a middle-aged woman who has spent her whole life working in Woollies. When I told her what RAFFWU is doing, and about the broader political positions of the SDA, for example on abortion and gay marriage, as well as the underpayment in the EBA, she was upset and let-down, and sympathetic to RAFFWU. She is an important person in the workplace and well-trusted by members. We will potentially work together.”

“In the future members will meet up and we will build a healthy grassroots infrastructure. The community of it is an important aspect. If more unions were focussed on being effective at the workplace level, people would get involved in the community of their workplaces.”

Loukas has also helped colleagues assert their rights against management, for example when a manager tried to force a worker to take 10 weeks annual leave. “It has a lot to do with meeting people where they're at, with stuff where the union can help out. When we increase awareness of their rights that can be protected, people realise that they don't just have to follow company procedures.”



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And what is your advice to solo members in workplaces, to get more people involved?

“The best thing people can do is to start talking with a best friend at work, start from there. For me there were no other people who were involved in unions in a big way. I just started to tell my colleagues what I’d been reading online. Get informed and talk about what you find out.”

Why RAFFWU solidarity

Janet Burstall is a RAFFWU Solidarity Supporter. The Spring 2017 RAFFWU newsletter carried her explanation of why she is contributing her efforts to RAFFWU.

I passionately believe the world would be a better place for everyone if the people who did the work were the ones who made the decisions, and not the company directors. We need retail and fast food workers to give us access to food, drink and basic necessities. Many are working for large corporations, including the two biggest employers in the country, Wesfarmers and Woolworths, who squeeze staff in the competition for profits to pay dividends to shareholders.

I am a student of political economy, a retired public sector union delegate and a

socialist. I want to use my knowledge and experience to support RAFF workers to become good delegates, and to develop RAFFWU as a democratic accountable union that builds self-confidence of workers to take industrial as well as political action for their interests against employers.

As a delegate my priority was solidarity. I got to know people in all different sections of my workplace, circulated news bulletins, with stories of local, sector and union issues and information about workers’ rights. We met to make decisions together, democratically. Delegates need to be well-informed about EBAs and industrial rights, patient, committed and brave about standing up to management. Sometimes it seems slow between successes, but standing up for what’s right always feels right.

Student workers start to organise at Sydney Uni

By Janet Burstall

Two groups of student worker activists at Sydney Uni are helping students to get organised on the job. A club for Student Workers in Retail and Fast Food was set up in time to run a stall for Orientation Week 2018. SWIRAFF distributes material on working conditions produced by the Retail and Fast Food Workers Union. Around 100 students signed up to the club. The Young Workers Collective of the SRC got started around the same time, initiated by SRC Social Justice Coordinator.

There is considerable interest in unionism on campus. The challenge is to convert this interest into standing up for rights at work. In August the two groups held a two hour workshop ‘Student Workers: introduction to organising on the job for your rights at work’ presented by Don Sutherland, former Union Organiser and Educator at AMWU. The invitation pointed out that students are one of

the most vulnerable groups in the workforce, often skipping meals and earning well below the poverty line. The workshop participants have plans for holding events for student workers of specific employers, for surveying working conditions of non-University employed workers on campus, and for a Union Day on campus, in mid September. The Union Day is sponsored by the SRC. Unions NSW affiliates and university groups will have stalls on campus for the day. The organisers say “The Liberal government is cutting education, they are taking your penalty rates and they are union busters. But together, we can find strength and power in joining our unions and getting involved to secure our rights as both students and workers. Come on down to Eastern Avenue and have a chat with one of the many unions involved - they are here to let you know what your rights are.”

Bank exposure an opportunity for a bolder labour movement

By Janet Burstall

The extraordinary remuneration packages for executives of the major finance corporations are supposedly necessary to ensure “good corporate governance”. The Royal Commission is revealing that as a lie.

These executives sit on many other boards, and are a who’s who of the most powerful individuals in Australia. It’s not just the masters of the finance sector being exposed, it’s the masters of Australian capitalism.

So is this just a problem of broken rules that apply to the for-profit financial sector, or is for-profit an inherently bad basis for managing savings and credit facilities? I think the latter.

And I think that the labour movement as well as studying the revelations about financial institutions, should also be

proposing much more than tighter government regulations, strongly enforced by bureaucracy. Democratic control by workers and consumers of financial services could put an end to the various exploitative practices, legal or not, of the banks.

Some bank re-regulation is very likely, with closer scrutiny and greater enforcement powered by government bodies such as APRA. But APRA’s scrutiny has always been more about prudent management of risk to the system, via prudent internal management of the finance corporations, than about meeting the needs of everyday borrowers for credit and savings, and definitely not about workers in the sector. The banks weigh up the regulations and recommendations made APRA, as something to work around in the chase for profits. Culture is much bandied term, but the culture grows out of the unavoidable principle of private banking, to maximise profits from households, especially home mortgages which make up about a third of bank business.

The size of the Australian finance sector in terms of the money it controls is so huge, it makes a weekly wage like a drop of water in Sydney Harbour. “ADIs (Authorised Deposit –taking Institutions, banks and other financial institutions) hold \$4.6 trillion in assets, around two-and-a-half times the size of Australia’s \$1.8 trillion nominal economy.” The major banks hold around ¾ of the \$4.6 trillion, which is “around 55 per cent of the total assets of Australian financial institutions.”

The Big Four banks are not just the four biggest banks, they are the four biggest companies listed on the Australian Stock Exchange. Even the smallest of the Big Four, is larger than BHP by its ASX market value (though BHP is valued at \$220,900 million including the London stock exchange). Their share price at end of 2017 financial year valued these banks: ANZ – \$59 billion; CBA

- \$63 billion; NAB \$51 billion and Westpac - \$61 billion.

The left press in Australia makes the case for nationalisation. Tom Bramble in Red Flag <https://redflag.org.au/node/6307> explains further the weight of the banks in the economy, making the case for nationalisation.

Privatisation of the CBA was a gift to private capital. As Jim McIlroy notes in Green Left Weekly, the Australian Government's privatisation of the CBA between 1991 and 1997 netted only \$7.8 billion, and in 2017 alone CBA profits were more than that, at \$10 billion.



Those articles do not connect the case for nationalisation to finance sector workers.

Over 420,000 people, of 3.3 million Australian employees, have their main job in the finance sector (ABS Nov 2017), around the 10th largest employment sector. The Big Four employ at least 40% of these people.

Financial planning got a special bollocking at the Royal Commission. The industry structures the "rewards" for planner in such a way as to elevate conflict of interest to an art form. Before the 1980s, most workers didn't need financial planning. We didn't have complicated superannuation schemes, or multiple varieties of accounts and mortgages, and pressure to insure every detail of our lives. These complicated "financial products" are one of the ways that banks and other financial institutions compete with each other to make more money out of us.

The Finance Sector Union is calling for industry wide employer paid professional accreditation to lift the standards and stronger regulation to protect consumers and finance workers from the abuse of the bank bosses predatory sales culture. Sally Mc Manus has asked industry super funds to review their

relationships with dodgy banks. But where are the non-dodgy places for super investments? Superannuation account holders wanting a decent retirement have to care about returns, i.e. profits, which the banks have been good at getting. That's a dilemma.

Banking and finance sector workers are very much aware of how the banks screw customers and bank workers. In the words of an insider "The level of outsourcing, offshoring and the exploitation of vulnerable foreign workers on temporary visas is fucking unbelievable."

Many workers in the sector could lose their jobs as banks and AMP get rid of some of their lines of business to try to clean up.

The scale of the finance industry combined with the exposure of bank profit-seeking and disregard for customers and employees, has produced such a collapse in public confidence, that the labour movement should not be timid about effective solutions that challenge profitability as the guiding principle of finance.

If finance sector workers assert themselves against their management they could win a lot of public support. They could consider voting no-confidence in senior management, demanding the abolition of incentives and bonuses, substantial reduction of executive and management pay, ending commercial in confidence and secrecy about policies, procedures and large transactions, election by workers of their own managers, election of boards by workers and customers, as well as better general pay, security and conditions. The implications of this are nationalisation of the finance sector.

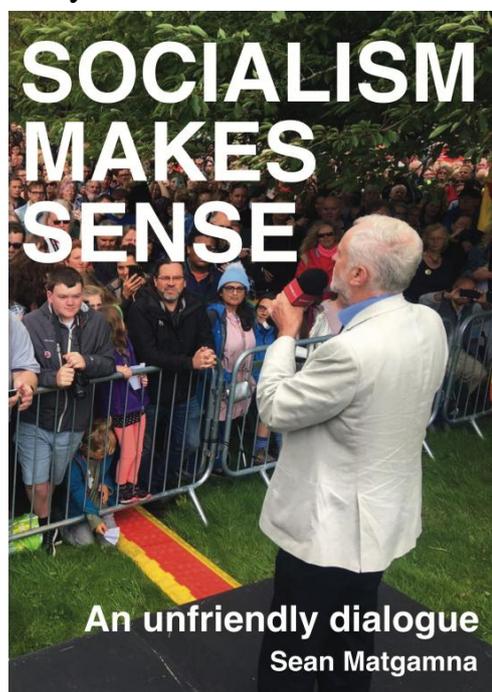
If all we get out of this Royal Commission is some more regulations, then gradually the for-profit finance industry will get back to profit-maximising business as usual. If that is all we demand, we will have squandered an opportunity to assert a working class solidarity perspective against capitalist misrule.

POSTSCRIPT: It is difficult to find out from outside the industry what finance workers have done and are doing in regards to contesting the current culture and operational practices of the banking industry.

Workers' Liberty is keen to know more about what workers in the sector are doing to educate the public about for-profit banking, finance and credit, and win wider support for their own demands for decent employment.

Socialism Makes Sense

The economic crisis of 2008 and its aftershocks cracked the mystique which the world capitalist system had built in the two decades after the collapse of Russian and European Stalinism. For the first time in 30 years the left is on the offensive in the Labour Party.



Socialism is again on the agenda — a society based on human solidarity, social ownership of industry and banks, and on political, economic, and social democracy.

This book confronts head-on the strongest arguments against socialism now in circulation, inside the Labour Party and beyond.

It is a substantially reworked (also, much shorter and cheaper) edition of "Can Socialism Make Sense?" (2016).

Copies available from Workers' Liberty, \$12 plus postage.

Email wl@workersliberty.org

Why study Das Kapital?



The celebrated historian Adam Tooze wrote recently: "In 2013, in the wake of [the 2008] global crisis of capitalism, another European economist published a comprehensive account of recent economic history. Thomas Piketty named his book *Capital*, too".

Piketty's book became a best-seller despite being 700 pages long. Tooze continues: "If you read Piketty and Marx back to back, you will not be surprised that generation after generation of readers have been drawn back to Marx. Even the best 21st-century social science pales beside the complexity and richness of Marx's protean, 19th-century thought..."

Indeed, as Karl Korsch remarked long ago: "The investigation Marx undertakes in the first volume is only formally limited to the productive process of capitalism. In actual fact, in his treatment of this aspect, Marx

grasps and portrays the totality of the capitalist mode of production, and the bourgeois society that emerges from it.

"He describes and connects all its economic features, together with its legal, political, religious, artistic, and philosophical – in short, ideological – manifestations".

For all readers seeking help with Capital, and especially for those daunted by the bulk of the book, the classic leg-up is Otto Rühle's abridgment of Capital volume 1.

Rühle cut away all the factual material specific to Marx's time, all the contemporary illustrations, all the polemics against writers who were influential back then, to produce a pared-down version of Marx's own words which, with notes, appendices, and an introduction, fits into 130 pages. First published in 1939, Rühle's text is now available again from Workers' Liberty.

Rühle himself was the second, after Karl Liebknecht, of the German Social Democratic Party's parliamentary deputies to rebel after August 1914 against the long-sacred party discipline which had at first made them vote for war credits in World War One. He was a member of the Spartacus League led by Rosa Luxemburg, and then of the early German Communist Party.

Later, exiled in Mexico, he served on the Dewey Commission which investigated the Moscow Trial charges against Leon Trotsky. He met Trotsky in Mexico and they were friends, despite political differences: Trotsky wrote a foreword for Rühle's abridgement.

Copies available from Workers' Liberty, \$8 plus postage.

Email wl@workersliberty.org.

The Internationalists and their plan to outlaw war, by Oona Hathaway and Scott Shapiro

Reviewed by Martin Thomas

With verve and courage, this book argues a case which almost all its readers will think far-fetched. It digs out the Paris Peace Pact of 1928, otherwise known as the Kellogg-Briand Pact, from the depths of historical obscurity and derision in its own time, and argues that it was in fact an epoch-making change in world history.

The Pact committed all states which signed it to renounce the use of war. It did not stop or hinder World War 2, or even Italy's invasion of Ethiopia, or the Spanish Civil War, or the "Chaco War" between Bolivia and Paraguay in 1932-5.

Yet, so Hathaway and Shapiro argue, the shift signalled in the pact worked its way through to a New World Order after 1945 in which conquest was considered illegal and individual political leaders could be held criminally responsible for waging illegal wars.

Of course, Hathaway and Shapiro agree, these international rules are still broken. But there are fewer wars. Conquests like Russia's of Crimea are not recognised.

By contrast, they argue, in the Old World Order, war was the basic tool of state policy. Conquest was legitimate, and so was "gunboat diplomacy". What international law there was, required that neutrals remain impartial and let the contenders fight it out, whereas in the New World Order economic and diplomatic sanctions of one sort or another by neutral states are routine against unlawful war and conquest.

The immediate purpose of this book, by US academics, seems to be to rally opinion against the crude "America First", "might is right", "the best bully is the best deal-maker"

politics of Trump, and for the idea of a "rules-based" international order.

The historical argument is indeed far-fetched. It is true that the development of more or less stable capitalist states with territories more or less corresponding to national populations has dampened war.

In most pre-capitalist orders, war was glorious. The conqueror was a hero. An emperor or king ruled territory because he had conquered, and for no other reason. Grabbing more territory and extracting tribute from it was the way to riches.

Even early capitalism introduced more regulation. Now economic progress could come through technology and intensification of labour, rather than through acquiring territory.

The 1648 Peace of Westphalia, after the Thirty Years War, marked a lasting agreement by European states to abjure wars of religion. 19th century European diplomacy deployed congresses and conferences to prevent "aggressive" wars.

European states, Japan, and the USA still considered themselves free to violate and despoil territories in Asia and Africa where no modern states had been formed. Only decades of often bloody struggle by the colonial peoples changed that, and created new independent states; but that struggle won.

The European system of alliances and diplomacy had a fatal tendency to create rival power blocs, neither weak enough to accept that seeking economic advantage while leaving political leadership to the rival was the best option, and thus to lurch into greater and more destructive wars than before - World War 1 and World 2.

The rise after 1945 of the USA to hegemony shifted that pattern enough to allow a bourgeois semi-unification of Europe (the EU), quieten wars between advanced capitalist states, and create space for the

dissolving of the old Europe-centred colonial empires.

The flipside was the USA accepting a "rules-based order" in which, to be sure, it had more scope for bending the rules, and shaping them in the first place, than any other state, but which nevertheless gave weaker states workable room for capitalist expansion, and even allowed many of them to grow faster than the USA.

That system seemed to have triumphed completely after 1991. Since the debacle of the USA's invasion of Iraq in 2003, the rise of Chinese capital to compete more extensively, and the 2008 crash, it has been destabilised and discredited.

The positive alternative is a working-class socialist international order, in which the erratic promises generated by capitalism of peace, cooperation, and impartial rules are given substance by international solidarity and social levelling-up.

But there is also a regressive alternative in play. Trump represents that: so, in their different ways, do Putin and Erdogan.

For all its historical exaggerations, this book tells us something about how far backwards, and into how dark a place, Trump, Putin, and Erdogan threaten to drag us.



Rosa Luxemburg, Complete Works, Volumes 1 and 2

Reviewed by Chris Reynolds

Rosa Luxemburg (1871-1919) was probably the best-known figure of the revolutionary wing of the international socialist movement in her day. Only after 1917 would Lenin's name become more famous. Today she is one of the few Marxist writers, other than Marx and Engels themselves, known outside Marxist circles.

Yet only a scattering - a much thicker scattering since the 1970s, but still a scattering - of Luxemburg's writings have been available in English until now.

The German Communist Party - in its "Zinovievite" phase, not yet Stalinist but heading there - ran a campaign against "Luxemburgism" in 1925. After that, the woman who had built a Marxist movement in Poland much factionally-tighter than the Bolsheviks ever were, who had been damned as "Bloody Rosa" by the German ruling class and murdered by one of their gangs under Social Democratic protection in 1919, became an icon rather than the intense and formidably argumentative theorist she really was.

John Berger's words give a comforting and popular image: "she loved workers and birds. She danced with a limp".

Rosa Luxemburg was turned into an emblem for a fuzzier and more ecumenical strand in revolutionary socialism, condescendingly half-damned for that by Stalinists, adopted as an apparent "easy-option" reference figure by others.

The new English-language Complete Works, now under way, edited by Peter Hudis, will be fourteen volumes, and include much omitted from the 1970s "Collected Works" in German (only six volumes).

As Hudis explained in an article in the socialist newspaper, *Solidarity* 356 "given the amount of time, care, and attention that she

gave to developing her major economic works, it makes sense to begin the Complete Works with her contributions to the field of Marxian economics", and those fill the 1200 or so pages of the two volumes so far published.

The four actual books Rosa Luxemburg wrote, in addition to hundreds of newspaper and magazine articles, were all about economic theory: *The Industrial Development of Poland*, *The Accumulation of Capital*, the *Anti-Critique*, and the (larger, but never-completed) *Introduction to Political Economy*.

Frau Doktor Rosa Luxemburg was a formidable theoretician, and one who reckoned that economics was "her field". She left her native Poland at the age of 18 to study at the University of Zürich, which in 1863 had become the first university in Europe to admit women students. She spent eight years there winning a doctoral degree in economics.

None of the other well-known writers of the socialist movement had academic qualifications in economics. Indeed, among the well-known bourgeois writers on economics then, few - neither Marshall nor Keynes, neither Walras nor Pareto, neither Menger nor Böhm-Bawerk... - had such qualifications.

Like the Italian Marxist Antonio Gramsci, who resolved in prison to write something "für ewig", something lasting, she declared she felt "the need to 'say something great'... to write in such a way as to act on people like a thunderclap". Let's listen to the thunderclaps.

Put a socialist in parliament for North-West Melbourne: candidate interviews



By Riki Lane

Victorian Socialists, an alliance of socialist groups and individuals, is mounting a serious attempt to win an upper house seat in the Victorian Parliament this November. If successful, this would be only the second outright socialist not in the Australian Labor Party (ALP) to win a seat in any parliament in Australia.

Momentum is building behind the electoral drive, with over 800 registering in the election manifesto launch on 23 August at Brunswick Town Hall. This follows the campaign launch on 12 May, where over 500 people attended, going way over the capacity of the hotel venue. Many people commented that this was the largest election launch they had ever attended, for any political party. Along with speeches by candidates and organisers (I couldn't get close enough to hear them!), people were signing up for local organising groups in the 11 lower house electorates. These local organising groups have organised a range of street based events – notably the “we are not sardines” campaign for improved public transport.

Steve Jolly, long term socialist councillor for Yarra (Socialist Party, then The Socialist, now independent), heads the ticket; second is Sue Bolton, Socialist Alliance councillor for Moreland; third is Colleen Bolger, Socialist Alternative activist and labour rights lawyer.

Up front, this is a great initiative – taking genuine socialist policies to over 500,000 overwhelmingly working class voters, with a real chance of having an assertive working class socialist voice in parliament. Three socialist forces that have historically been at odds have come together behind this initiative. It has attracted support from unions

(\$50k from the ETU and \$5k from the Vic. Allied Health union) and prominent left wing intellectuals, and increasingly from independent working class people, union and social movement activists.

However, there are some problematic issues: the initial organisational structures in place are weak, both in terms of democratic decision-making, and in holding Steve responsible to the working class base if elected. There is no apparent structure for unions, community group and other socialist groups to affiliate. The programmatic material currently available is limited;

essentially militant left reformism targeting local issues with up front class struggle politics, but little revolutionary or “transitional” content evident. A limited range of socialist groups were approached to participate, and the process of establishing the party was done behind closed doors, rather than inviting broad consultation.

In recent developments a democratic constitution has been adopted, which will lead to a conference electing the leadership, approving policies etc. This should soon be available on the website along with the policy manifesto. Members of other electorally registered parties (mainly aimed at Socialist Alliance) can join Victorian Socialists as full members in terms of making decisions, but not as electoral members.

I interviewed the three Vic Socialist candidates earlier this year.

Northern Metropolitan is ALP heartland, increasingly contested by the Greens: 9/11 lower house seats are ALP, 2 are Greens. In the Victorian multi-member upper house system, five Members of the Legislative Council are elected by preferential proportional representation, so 16.66% of the vote after preferences is required; currently 2 ALP, 1 Greens, 1 Liberal, and 1 Reason Party. As Colleen noted: *“It stretches from Yarra right to outer reaches of Melbourne. The seat that has some of the most progressive and green voting electorates, as well as solidly labour voters in outer areas. So there is a real chance of getting the last spot”*.

At the last election Fiona Patten from the Sex Party took that last spot with 2.35% of the first preference vote. Steve saw this as very different to previous campaigns: *“the Sex Party changed their name to Reason, so their vote is set to collapse. I was told I was in with a red-hot chance given my history. So I approached other socialist groups, individuals and community organisations. Given the increasing disenchantment with*

major parties, there is a massive market for socialist alternative to that. Socialist polices run properly can win votes and appeal to ordinary people.”

Sue saw it as “more focussed around an electable socialist, rather than a coming together of organisations. It is a certain coming together; a collaboration of Socialist Alliance, Socialist Alternative and Steve and his supporter base. This differs from previous left unity attempts including around elections such as [the original] Socialist Alliance.” Bolger agreed that it was focussed on an electable candidate: “State parliament has a lot more profile, and will garner a lot more attention on a socialist representative than on a council. The other difference, is that [socialists] usually run as a propaganda exercise, not concerned with the final vote; this has a real shot, so we are serious about running a campaign that could win.”

Whilst Steve and Sue’s organisations have had long orientation to electoral politics, Socialist Alternative has previously abstained from active participation, apart from giving some support to Steve’s council and state lower house campaigns in the past. Unsurprisingly, the candidates differed on Socialist Alternative’s motivations.

Steve commented that for “Socialist Alternative, this is the first time, they explained their reasons in a Red Flag editorial. They got involved with gusto. This is an important change for the largest group on the left.” From evidence at the Campaign launch, there is certainly great enthusiasm from their membership, and a realisation that this sort of mass campaigning requires a much more grounded engagement with the working class than the typical propaganda approach of left groups.

Colleen said that for Socialist Alternative “have supported Steve’s runs previously, not on this scale. We are not opposed to socialists running in elections, with no illusions that that is how change will come about. But this

is worth doing to show that there is significant minority support for socialist ideas. Ticks that box, makes it worthwhile. Would really shake up the political landscape in Vic to have a socialist go-to person on every picket line, protest etc.; bring it out from the margins.”

Sue argued that: “They can see what is happening overseas with Corbyn, Sanders, disillusion with traditional parties. They are a bit worried that because they don’t participate in elections they are a cut out of that. So supporting Steve as electable, is a short cut to be part of that. I may sound cynical: they have skipped all the hard yards that the Socialist Party and Socialist Alliance have done to build up an electoral base. Quite a big change for Socialist Alternative – opportunity for them to participate. Also they are the dominant socialist group in Melbourne, and need to develop themselves further; so this is a way to do that. They have been abstentionist in using elections as field for class struggle, although they have participated in student elections for a long time.”

An initial problem with the dominance of Socialist Alternative was that they were only willing to endorse a one-off upper house seat campaign; not even permitting Socialist Alliance or other socialist group lower house candidates to run under the Victorian Socialist banner. I see this as counterproductive on multiple levels: running lower house candidates within the upper house electorate could galvanise the local organising groups; assist in mobilising other groups (e.g. Freedom Socialist Party, Solidarity, The Socialist) to support the initiative, and potentially attract non-aligned activists with local standing to run as candidates, e.g. union shop stewards or organisers. There has been some recent changes in attitude; with more openness to the possibility of running candidates in some lower house seats.

The “one-off” election stance also avoids the question of what is the long term outcome for socialist organisation of this initiative. Discussing the post-election possibilities, Jolly said *“If elected I would use that position to mobilise and advocate – a tool for both. It would open up questions about what we do with the coalition – move to multi-tendency party like Democratic Socialists of America, or maintain as coalition. I have spent the last 14 years as councillor, with increasing votes... I have been able to use the role to advocate and mobilise. What I have done at council level try to do at state level. Organisation around that - do we then move towards some sort of new political formation? That is the question, no question about how we would use the position.”*

Bolger said “If Steve was elected that would really shape up political debates, and sometimes nationally. There would be a voice to project demands that people are fighting for. It would be a shot in the arms for our campaigns, and perhaps increase our capacity to fight, and start to give a sense of what socialist ideas mean for new layers of people in the 21st century.”

Despite the structural and programmatic issues, this campaign offers great opportunities to take socialist ideas to a large working class population. Potentially, the collaboration could act as an example for other parts of Australia, and help galvanise the formation of a large, democratic, inclusive party with class struggle politics, especially should there be electoral success. This initiative is worth the support of all socialists and working class activists, and maximising the range of such views amongst the membership will be important in future debates about leadership, policies and representative structures.

To join Vic Socialists, go to:
<http://www.victoriansocialists.org.au/>

Or Facebook
<https://www.facebook.com/vicsocialists/>

Victorian socialists 400 people

(cont'd from back page)

The manifesto is good as far as it goes; appropriate policies for a state election campaign, and it makes strong connections to building the workers movement through using the campaign and an elected politician if successful. It is inclusive of diversity in ethnicity, sexuality and gender identity. It provides a basis to unite a large number of working class, union and community activists and communities.

However, the manifesto lacks any articulated view, however provisional, of the sort of socialist society we want beyond capitalism – see “Our vision” (backpage) for the two clearest statements.

Now I agree with every word in those statements, but the manifesto would be greatly improved by the addition of a conclusion. That could make the links between building the capacity of the working class movement in struggles here and now for important reforms, and an idea of how a socialist society could develop from those struggles. Without that connection, this is very much classic left reformism like the over 100 years old slogan of Edouard Bernstein’s “revisionism”; the movement is everything, the goal nothing.

Whilst a democratic constitution has been adopted, there have been no ways for rank and file members of Victorian Socialists (like me) to influence the development of the manifesto. That has been done by an inner group of representatives of socialist organisations and individuals.

Despite these shortcomings, Victorian Socialists is a great initiative, with potential to build a serious socialist organisation with a real base in a diverse range of working class communities. All socialist and working class activists should join and get involved in the campaign.

Workers' Liberty: what we stand for

- Independent working-class representation in politics.
- A workers' government, based on and accountable to the labour movement.
- A workers' charter of trade union rights — to organise, to strike, to picket effectively, and to take solidarity action.
- Public ownership of essential industries, and taxation of the rich to fund renewable energy and environmental protection, decent public services, homes, education and jobs for all.
- A workers' movement that fights all forms of oppression. Full equality for women, and social provision to free women from domestic labour. For reproductive justice: free abortion on demand; the right to choose when and whether to have children. Full equality for lesbian, gay, bisexual and transgender people. Indigenous control of indigenous affairs. Working class unity against racism.
- Free refugees, let them stay, right for workers to remain in Australia without insecurity of short term visas.
- Global solidarity against global capital — workers everywhere have more in common with each other than with their capitalist or Stalinist rulers.
- Democracy at every level of society, in trade unions, and from the smallest workplace or community to global social organisation.
- Equal rights for all nations, against imperialists and predators big and small.
- Maximum left unity in action, and openness in debate.

Victorian Socialists: over 400 people pack out Brunswick town hall

By Riki Lane



An enthusiastic crowd heard rousing speeches at the Victorian Socialists election manifesto launch on 24 August. The candidates pointed out the failures of State privatisation, such as public transport and utilities, with rising prices, falling wages and profits skimmed off by the private operators or owners. They pointed to the gaps in public transport and social services in working class suburbs.

(cont'd inside)_____

Vic Socialists: "Our Vision"

"A socialist in parliament will stand with the people, not the powerful. The Victorian Socialists want a city and a state which works for everyone. We want a state where working class people have job security, affordable housing, good services and a good education. We want a state where everyone, regardless of age or identity, can flourish and pursue the best life possible....

We want large-scale public ownership of key industries, equal and free access to world class healthcare and education, cities where everyone can afford secure and good housing; we want the right to strike, and the guarantee of workers' rights; we want people in power who will fight racism, reject law and order myths, and extend women's and LGBTIQ rights. We want a fight against climate change that puts a critique of capitalism, a system literally capable of destroying life on earth, at its centre.

We want socialism, and we're fighting for it."

<https://www.victoriansocialists.org.au/manifesto>

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