

Newcastle May Day Toast Presentation

1 May 2009

Comrades

Thank you for the opportunity to speak at the Newcastle May Day Dinner.

Let me start by paying tribute to the proud history and culture associated with May Day. It's a time to reflect on past glories and discuss and plan future battles.

I salute the many labour movement heroes and heroins going all the way back to the original martyrs in Chicago in the 1880's.

I salute the many labour movement leaders, activists and rank and filers here in Newcastle and the Hunter Valley. This is a region of Australia that is rich in labour movement traditions.

In reflecting on the current political and industrial events in Australia and internationally it's obvious dramatic change is unfolding around us.

Twelve months ago there was no acronym called GFC – now it's a reality in every country and every workplace.

And now you don't have to take the word of an old leftie like me that "neo-liberalism" and "cult of free market economics" is a disaster and always was a fraud – the Australian Prime Minister declares it to be so, and so says the President of the United States.

'Neo-Liberalism', 'laissez faire capitalism', 'trickle down economics' – call it what you like - this economic school of thought is now widely discredited. (Save a few flunkies from the Right Wing Think Tanks and the hirelings of the Murdoch media who say we need more deregulation and more neo-liberal economics – hard medicine, more pain etc – but lets face it they should be certified!)

The truth is that capitalism is in meltdown across the globe.

In the US venerable institutions like Lehman Bros and Bear Stearns have gone belly up.

Without massive state intervention the biggest banks like Citibank and Bank of America would have collapsed.

The world's biggest insurance company AIG would have collapsed. General Motors would have gone months ago. Freddie and Fannie, Chrysler Motors – I could go on and on naming landmark capitalist corporations that are in trouble. In the UK and Europe it's similar with Governments bailing out banks all over the place.

Of course the irony is not lost on any of us that it's the same Governments that we have been told by right wing politicians and right wing economists over the last 25 years that had to get out of the way of the free market and get out of the way of the entrepreneurs that have now had to come to their rescue – to rescue capitalism from itself!

So we are at point of dramatic change! Where is all this headed? Well clearly nobody can say for sure.

All the economic experts of 12 months ago who could supposedly read the markets, tell you where to put your retirement savings, your super etc are all looking pretty stupid today.

Clearly deregulated capitalism wasn't the nirvana we were promised. In fact the period which was kick started by Reagan and Thatcher in the early 80's and the subsequent neo-liberal policies that were shoved down our throats by Governments here and abroad ended up being a GFC – Great "F"ing Calamity.

Well what's the way forward?

I want to talk about Kevin Rudd's Australia. It's a great thing that our Prime Minister has denounced the disaster of neo-liberalism. It's a declaration that opens up great opportunities and possibilities!

Opportunities to rebuild our economy and society based on the sound foundations of real democratic and human values!

The trouble is that I (and many of us in the Left) don't believe Kevin Rudd is following up his powerful rhetoric in The Monthly magazine with the kind of economic and industrial policies that really, genuinely kill off neo-liberalism. Sure Labor has rediscovered Keynesianism but that's not nearly enough.

Let me elaborate.

I have read Kevin Rudd's The Monthly article and these are the facts:

- It is inconsistent with his thesis to laud the deregulation of the financial and labour markets that went on under Hawke and Keating. It's that very deregulation that lay the basis for the disastrous sub-prime financial products that have caused the current crisis.
- It is inconsistent with his thesis to continue to laud the concept of 'free trade'. Kevin Rudd has rightly exposed the false god of neo-liberalism but unfortunately his Government worships another false god called 'free trade'.

Despite a manifest lack of evidence that the various free trade agreements executed under the WTO rules are benefitting us we continue apace to negotiate them and enter them. There's no real evidence, and I recently took the time to look at the reports the AMWU have commissioned in this area, no evidence of net job growth here in Australia, in fact it's the opposite – net job losses.

- I'm also critical that other planks of neo-liberalism like privatisation remain unchallenged by Rudd Labor.
- We even continue to have a Minister – a Left Minister at that – called the Minister for Deregulation.

Comrades, let me come to another vexed area – Industrial Relations.

This is an area that I – and all of us in this room know a fair bit about After all it was our movement – the trade union movement through the magnificent Your Rights @ Work

Campaign that did more, that was more responsible than any other group in Australian society for Labor being in Government today.

Of course a mean, disreputable, anti-worker, anti-union outfit known as the Howard Government through its thoroughly rotten WorkChoices laws laid the basis for its own defeat – but we had to work incredibly hard and intelligently to finish the bastards off.

And here I acknowledge and pay tribute to Greg Combet who is here with us this evening for the fantastic leadership that he provided to the trade union movement through that critical period in our history.

Yet many in the trade union movement today – knowing the efforts we went to – do not regard Labor's new Fair Work Legislation as either an adequate outcome nor just reward for the trade union movement's efforts. Let me deal with some of the good and bad here:

The good elements include:

- The abolition of AWAs
- Good Faith Bargaining
- The re-introduction of a unfair dismissals regime
- The introduction of a strong safety net
- Many other good elements

The bad elements include:

- Restrictions on multi employer bargaining, including industry and pattern bargaining
- Restrictions on the content of bargaining
- The same penalties on unions as under WorkChoices
- Essentially the same Right of Entry rules as WorkChoices
- The retention of the Gestapo Squad know as the ABCC
- Various other bad elements

It's true Labor doesn't control the Senate and that is an important factor here. Compromises had to be made.

However as one who was intimately involved in the negotiations, I am not satisfied that Kevin Rudd or Julia Gillard – both highly competent politicians, both a huge advance on those neo-fascists Howard and Costello –I'm not satisfied that the Labor leadership really understands the importance of rebuilding the trade union movement – rebuilding the Labor Party's trade union base. They say they understand it – I've been in meetings where they indicate sympathy, empathy etc – but I for one am not satisfied that Kevin Rudd for instance will go the extra mile for the trade union movement. Heaven knows with Kevin Rudd having 70% popularity at this time – when is a better time to institute real, far reaching change in industrial policy and in economic policy?

On the latter let me on May Day put before you some big economic policies that I believe really would demolish neo-liberalism:

1. Tough corporate regulation and tough corporate governance for public and private companies.
2. A new Government owned retail and investment bank, a la the old Commonwealth Bank – before the rogues and racketeers took it over.

3. The new national broadband provider – a great idea – but to be kept in Government hands! Not privatised once Government and taxpayers have done all the hard yards to set it up.

And what sense does it make to establish a powerful national Government owned operator and then privatise it letting it become monopoly like Telstra that then trashes the national interest and rips everyone off.

4. Dramatic change back to a genuinely progressive tax system – Australia lags the world here. We need:
 - i. Higher tax rates in the top brackets.
 - ii. The superannuation rorts that Costello established closed down.
 - iii. Close down a host of shelters, trusts and other devices.
 - iv. Narrow the gap between the corporate rate of tax and the top marginal rate. This will inevitably mean lifting the corporate rate (unfortunately all the signs from the Government's Henry Review are headed in other direction).
5. Fair Trade not Free Trade.
6. Major infrastructure expenditure to refurbish our economic supply lines (with serious conditionality on who wins Government contracts).
7. A major commitment to overcoming our serious skills shortage – Australian firms must be encouraged through carrots (subsidies etc) and sticks (no Government contracts unless you employ and train young Australians).

We must stop the trend that started under Howard to train nobody and import your workforce under the dodgy 457 cheap labour scheme.

Before I conclude I must also deal with a major challenge facing all of us that wasn't dealt with in May Day speeches 5 or 10 years ago – namely the challenge to humanity that is known as 'climate change'.

There is no denying the importance of this issue to our children and future generations. Labor was elected on a platform of tackling the issue and rescuing our country's international standing after the Howard Government put its head in the sand and pretended the issue didn't exist.

Labor has a responsibility to provide domestic leadership on the issue of global warming such that we have a respected position in the international forums which are so critical to an outcome here. I am no expert in this field of science and socio-economic policy however I and my union which is heavily impacted by this issue know a problem when we see it – we know this issue cannot be ignored.

But let me also say that in Labor providing critical leadership in this area there is no point in committing suicide by closing down industry and decimating jobs here while the big emitter countries do little or nothing.

We have no choice but to provide sensible leadership on the home front while using our voice in international forums to drive serious change that will see carbon emissions reduced globally.

Well I think I've taken long enough. Let me conclude this speech by emphasizing that this is a time of great opportunity. The window for serious change will probably only stay open for a relatively short time.

If the Left and the labour movement doesn't drive that change there is a real danger that at turbulent times like this the far right can capitalise on people's uncertainty and insecurity.

Let's get on with the struggle – redouble our efforts and change Australia for the better.

And in the long term, I believe that changing Australia for the better means having the commanding heights of our economy in public hands – comrades the traditional May Day call for Socialism is as relevant, in fact it is even more urgent today than it was 50 years ago!

Thanks very much

John Sutton
National Secretary
CFMEU
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