

The Australian waterfront conflict: a political assessment

Socialist Equality Party (Australia)
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The ongoing conflict over the sacking of 2,000 Australian waterfront workers has brought to the surface the deep-seated crisis of political perspective in the workers' movement.

While the Howard government bungled its attempt to carry out a swift surgical strike against the wharfies and is now embroiled in allegations of an unlawful conspiracy with Patrick Stevedores, the working class has been completely unable to take advantage of this situation.

The absence of a clear alternative political program to defeat the government and advance their independent class interests has left workers in the hands of the courts and the administrators of Patrick's insolvent labour hire companies.

The terms accepted by the Maritime Union of Australia (MUA), under which the sacked workers have returned to work, constitute a monumental betrayal. On the basis of the High Court judgment of May 4, supposedly securing reinstatement, at least half the workers have been told there is no work for them, while those who are employed will receive no pay for at least two weeks. Under the MUA's "no strike" commitment, they are simply being used as unpaid labour to clear away the thousands of containers held up in the dispute.

MUA and Australian Council of Trade Unions (ACTU) officials have pledged to make the operations of Patrick's labour hire companies "commercially viable". If they fail to satisfy the demands of the administrators, the banks and Patrick's itself -- by securing insufficient job cuts or changes in wages and working conditions -- then the companies will be liquidated, resulting in the automatic sacking of the entire workforce.

In other words, the unions, led by MUA secretary John Coombs and ACTU president Jennie George, have collaborated with the courts to set up an arrangement that allows Patrick's and the government time to sort out the mess created by their reckless operation. Meanwhile they are proceeding with their offensive against jobs and conditions on the waterfront, setting a precedent to be followed by employers in every section of industry.

By any objective standard, this state of affairs constitutes a bitter blow against wharfies and the entire working class. But the lack of an alternative perspective is graphically revealed in the fact that union leaders are being cheered and applauded by thousands of workers as they hail the outcome a "victory".

The fact that Prime Minister Howard and Workplace Relations Minister Reith face possible legal action -- for engaging in a conspiracy to sack workers in breach of their own Workplace Relations Act -- arises from the circumstances surrounding the passage of the legislation itself.

The Howard government came to office in March 1996, by appealing to those sections of the working class and middle class deeply disaffected with the Labor government and the cuts it had imposed in living standards. But the ruling class demanded a government that would deepen Labor's attacks by restructuring industrial relations, dismantling the welfare state and further gutting social services, health and education

spending.

At the centre of this agenda was the demand for "waterfront reform", involving nothing less than the dismantling of the industrial relations system, based on a centralised system of regulations governing wages and conditions, supervised by the Industrial Relations Commission (IRC).

For corporations facing increased competition at both a global and national level, this system had become completely incompatible with the need for daily flexibility in the hire of labour -- constant downsizing, contracting out, the use of part-time and casual labour and flat-rate working to eliminate overtime payments.

However, after August 1996, when 5,000 workers stormed parliament, breaking away from an official ACTU rally, to protest against the government's savage Budget cuts, the government struck a compromise with the ACTU over the Workplace Relations Bill.

Both sides had a common interest in ensuring that the social and class tensions revealed in the Budget eve clash were contained. The Liberals were concerned with the prospect of the rapid disintegration of their unstable electoral base, while the ACTU leaders feared that the development of a political movement against the government would disrupt their plans to secure a position in the new industrial relations system.

While the resulting legislation gave employers the right to impose individual contracts, it maintained minimal award conditions, retained unfair dismissal procedures and forced employers to register agreements with the IRC. Significantly, it made it an offence for employers to discriminate against workers on the basis of their membership of a union.

Powerful sections of the bourgeoisie began attacking the government. Media baron Rupert Murdoch warned that international capital would be withdrawn from the country unless far more drastic steps were taken to reduce company taxation, revamp the labour legislation and generally "free up" economic conditions -- that is, allow the unrestricted operation of market forces.

Reith spent much of the first half of 1997 trying to convince employers, on the waterfront and elsewhere, that they could achieve the changes they required under the new laws. In March, he participated in discussions with the two main stevedoring companies, Patrick's and P&O, over a plan to provoke strikes and then sack their entire workforce, disregarding any challenge from the IRC. A departmental briefing paper given to Reith on March 10, 1997, said: "Stevedore [companies] would need to activate well-prepared strategies to dismiss their workforce and replace them with another, quickly, in a way that limited the prospect of, for example, the [Industrial Relations] Commission ordering reinstatement."

Patrick's and P&O initially sought to work through the MUA leaders to impose changed working conditions on union members. But continuing resistance by wharfies to deals done by the MUA with the employers led Patrick's chief Corrigan to the conclusion that the MUA leaders, although willing, could not overcome their members' opposition.

The stalemate on the waterfront was part of a broader crisis for the

government. Following the May 1997 budget, which failed to produce further spending cuts, and Howard's decision to back away from tariff reductions in the highly protected motor vehicle and textile industries, the media owners began to apply a political blowtorch to the government.

A series of travel allowance irregularities, on the part of a number of government ministers, was revealed, and then used to create an air of crisis and destabilise the government. Transport Minister John Sharp, who had been in charge of "waterfront reform," and eight other cabinet ministers and parliamentary secretaries, were removed. Political commentary in the media turned to a discussion of Howard's weaknesses and the possible alternatives.

In this way, Howard and his government were whipped into line. After an illness, during which he was visited by Murdoch, Howard returned to his post and began to spell out an entire corporate agenda: a consumption tax, "work-for-the-dole," further cuts to aged care, childcare, health, housing and welfare, full privatisation of the telecommunications company Telstra, and "waterfront reform".

In September 1997, after the failure of an attempt to bring in a contract waterfront workforce at the small Queensland port of Cairns, Reith convened talks with Patrick's, P&O and the National Farmers Federation about how to recruit and train a substantial scab dock workforce. They set a deadline of March 1998. Corrigan secretly restructured Patrick's, transferring the employment of wharfies to shell companies, and hired Fynwest Security to recruit strike-breaking forces to be trained at Dubai, in the United Arab Emirates.

When the government in Dubai, for its own reasons, revoked the visas of the participants, the training base was shifted to Webb Dock in Melbourne. For over two months, scabs were trained in the middle of the country's busiest port, while the MUA restricted workers to ineffectual "peaceful assemblies" outside the gate. On April 7, encouraged by this initial success, the government gave the go-ahead for the mass sacking.

Over the next two days, the Liberals and their National Party partners pushed the Wik native title legislation into both houses of parliament for a second time, using the Senate's rejection of the bill to set the trigger for an early double dissolution election. The government's plan was to secure a quick and definitive victory on the waterfront, and then go to an election to secure a mandate for the imposition of its new program.

On April 14, in a revealing editorial entitled "Reinventing a government", the *Australian Financial Review* pointed to the wider political agenda behind the waterfront confrontation.

"The government," it declared, "now appears to have the great demonstration it needs to impress Australian business and workers that the new world of industrial relations has arrived. This is a major achievement for a government which, six months ago, was being widely dismissed in business circles, within its own ranks and by this newspaper as a do-nothing outfit paralysed by its lack of reform mandate in the 1996 election, becalmed by lack of leadership and distracted by short-term pandering to its new 'battler' constituency."

The editorial urged the Liberals to follow Margaret Thatcher and Ronald Reagan by using the dispute to inflict a decisive defeat on the working class and entrench themselves in office. "Indeed, the wharves dispute may be the sort of cathartic reformist event that lays the foundations of the government's longevity," it said. "If so, for the Howard government the 1998 victory on the wharves would be comparable to the Falklands War in defining Mrs Thatcher's resolute remaking of Britain, and to the American air traffic controllers' dispute in demonstrating the conviction of President Reagan's political revolution."

In developing his plans for the mass sackings, Reith calculated that the ACTU and MUA officials would work to suppress all industrial action. Reith's assessment was completely correct. Indeed, the ACTU gave the government the green light, on April 3, when it reprimanded Australian Workers Union officials for allowing oil industry delegates to vote for a

national strike in the event of waterfront sackings.

When the sackings took place, the first response of the entire trade union bureaucracy was to ensure that the members of their organisations stayed at work. Their position was typified by Construction Forestry Mining and Energy Union secretary John Maitland. After devoting all his efforts to stopping Queensland miners from walking out, Maitland then became a "leader" of the picket line at Sydney's Port Botany.

However, despite the efforts of the union bureaucrats, wide layers of workers, students and professional people reacted with alarm at the methods used by Patrick's and the government. They recognised that a dangerous precedent was being established that would be used on a broader basis.

As a result, thousands of people began to attend picket lines. Sweeping court injunctions, in one case banning anyone from standing within 200 metres of a dockside gate, fuelled these concerns. Given the dubious legality of Patrick's scheme, added to by a Federal Court finding of "an arguable case" of unlawful conspiracy, the state governments and their police commanders largely abandoned efforts to clear away the pickets.

Sections of business, particularly those most directly affected by the disruption of exports and imports, started to express reservations about the resulting impasse. Fears were raised that, by identifying itself so closely with financial asset-strippers like Corrigan and his associate Peter Scanlon -- a corporate high-flier from the 1980s -- the government was jeopardising long-term progress in driving up waterfront work rates, with the help of the unions.

After days of silence, the Labor Party leadership stepped in to offer a number of "peace plans" -- all designed for the trade union bureaucracy to come to the rescue of the beleaguered employers. Labor leader Kim Beazley declared that the MUA and the ACTU would supervise the final "one-third" of the "reform" achieved under the previous Labor government, when the stevedoring workforce was cut by nearly 60 percent.

The inability of the government and Patrick's to carry through their surgical strike necessitated the intervention of the courts. The MUA and ACTU leaders have championed the resultant judicial rulings as signifying a victory for ordinary people against big corporations and government.

They are nothing of the sort. The courts have acted in this case, as they do in every other, to protect the interests of the ruling class as a whole.

The concerns motivating them were spelled out by Federal Court Chief Justice Murray Wilcox. Upholding the previous decision by Justice North, that the Patrick's workers should be reinstated while the MUA conspiracy case against the company went ahead, he declared that the court did not oppose "waterfront reform" itself, but the dubious legality of the procedures employed. "Just as it is not unknown in human affairs for a noble objective to be pursued by ignoble means, so it sometimes happens that desirable ends are pursued by unlawful means."

In other words, in a situation where the reckless actions of Patrick's and the government amounted to an "arguable case" that a conspiracy had been undertaken to break the law, the courts had to step in. Their decisions had nothing to do with protecting workers' rights, as subsequent events have made clear. When the Federal Court decision was embraced by the MUA leadership, the High Court decided it could go one step further.

Its Full Bench ruling on May 4 required the administrators of the labour hire companies to be guided solely by considerations of profitability. In effect, the judiciary called in the union bureaucrats and assigned to them the task of executing job cuts and scrapping existing conditions.

The waterfront conflict has revealed the depth of the crisis of political perspective in the workers' movement, a crisis characterised by the general absence of a critical appraisal of what has taken place and the lack of an alternative outlook.

This crisis has its roots in the break-up of the political conditions and class relations that have prevailed over the past 50 years. The post-war

order was characterised by the national regulation of economic and social life -- the organisation of a series of compromises and concessions, through the initiatives of national governments, the Labor Party, the trade unions and the various institutions of the social welfare state.

This system, in which the class struggle was, to a great extent, regulated by a series of bureaucratic apparatuses, inevitably led to the suppression of an independent outlook in the working class.

The more advanced and politically conscious workers ceased to define their goal as being the overturn of the profit system and the construction of a new society, based on entirely different foundations. Instead their concerns became increasingly confined to securing limited material concessions within the framework of the capitalist nation-state.

In short, an opportunist outlook came to dominate the workers' movement -- one in which its long-term historical interests as an international class were subordinated to nationally-defined short-term considerations.

The economic arrangements underpinning the post-war order have now been shattered by the vast changes sweeping world capitalism. The globalisation of all aspects of capitalist production and financial organisation has rendered completely unviable the old reformist programs, and with them, all the past social relations based on compromises and concessions to the working class.

The imperatives of "international competitiveness" drive every national government, of whatever political colouration, into continuous attacks on jobs, wages and social conditions.

But while objective economic conditions have undergone a fundamental transformation, the political implications of this vast change have yet to be consciously grasped. The political conceptions of broad sections of workers lag well behind the social reality.

This has given rise to the truly extraordinary scenes witnessed in the waterfront conflict, where a "reinstatement" -- in which wharfies work for no pay, under the threat of instant dismissal and with no redress against continual intimidation and provocations by management -- is applauded as a "victory".

Contained here is a false identification, on the part of wharfies and other workers, of the interests of the union and its apparatus, with their own class interests.

Through the court decisions, the MUA has won the right to continue imposing the ever-increasing demands of global capital on its members. And this is simply a particularly graphic expression of a more general process. Over the past decade and a half the unions have become one of the central mechanisms for enforcing the dictates of the employers and banks.

The trade union form of organisation, rooted since its inception within the framework of wage labour, has become the means for blocking any independent struggle by the working class to advance its historic interests.

Under the private profit system, the demand for ever higher productivity means expanding corporate profit at the expense of jobs, living conditions and social services. The interests of the working class are diametrically opposed. They can only be realised by freeing the immense potential of modern technology from the grip of big business so that it can be used to shorten working hours, end back-breaking labour and lift the living standards of all.

If no challenge is mounted to the conception that workers must remain confined to trade union forms of struggle, and to the legal and political framework of the capitalist nation state, then the workers' movement will continue to suffer bitter defeats.

Likewise, the perspective of bringing down the Liberal government and replacing it with Labor is simply a political deadend.

The time to make an assessment of the political experiences through which the working class has passed, not only in Australia but internationally, is well overdue. Nowhere is the program of social

democratic parties and governments any different from that of their conservative counterparts.

The issue is not which of the parliamentary parties of the capitalist class -- Labor or Liberal -- is to rule, but that the working class must take political power into its own hands through the establishment of a workers' government.

To assert its own interests and re-enter the political arena as an independent social force, the working class must embrace an alternative socialist and internationalist perspective and program.

Such a program must aim at uniting all workers in the struggle for the complete reorganisation of society, on the basis of genuine social equality and utilising the vast economic and technological resources created by working people themselves to meet the needs of the majority, not the profit demands of the few.

The Socialist Equality Party is being built as the new revolutionary party of the working class to advance this task. We urge all workers to draw the strategic lessons of the waterfront conflict and begin a serious study of our program and perspective.



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