Australian miners union calls strike against coal price cuts

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The national executive of the mining union called a 48-hour national strike this week, involving 15,000 members employed at 250 mines across the country. The directive was issued following reports last week that three of the country's major hard coking coal exporters--MIM, Shell Coal and North Goonyella--had negotiated a deal with Japanese steel producers slashing the price of coal to $US41 per tonne, $US9 per tonne below last year's price.

The price cuts will mean another round of job cuts and mine closures involving the destruction of up to 2,000 jobs.

The new price will set a benchmark to be matched by all other coal companies. This week BHP Coal, one of the country's major producers, struck its own deal with Japanese steel makers to supply coal at the same cut price. Next year's negotiations for the supply of thermal coal to Japan's power stations will produce similar price reductions.

The strike action was declared 'illegal' under the Howard government's Workplace Relations Act that requires a 72-hour notice of industrial action. The strike also cuts across no-strike provisions in many enterprise work agreements previously negotiated by the union.

When, in the early hours of the strike, Rio Tinto gained a NSW Supreme Court injunction ordering the return to work of 600 miners at its three open cut mines in the Hunter Valley, the union immediately complied. Other companies are now discussing legal action that could result in fines and claims for financial damages.

The union's president Tony Maher said the strike was a 'political protest' aimed at forcing the Liberal government to intervene to regulate coal prices. Union leaders are demanding that the government oversee the formation of a cartel of Australian coal producers that they claim would act to stop companies undercutting each other.

This is not the first time that the union bureaucracy has used national strike action in a futile attempt to force the introduction of regulatory measures. On at least three other occasions, falling coal prices have provoked national strikes.

In September 1993 the union called a five-day national strike to pressure the then Labor government to set up a single national coal marketing board to undertake the negotiations for the sale of Australian coal. Despite unprecedented attacks on the conditions of mine workers, the five-day stoppage was the first national strike called in five years.

Then, as now, the action had nothing to do with defending wages, conditions or jobs but was about ensuring the profitability of the coal companies. Both the present and past strikes reflect the bankruptcy of the union's nationalist perspective.

It is ludicrous to suggest that world coal prices can be regulated by any national body. Under the capitalist system the price of coal, or any other commodity, is determined by the international market.

World capitalism is being ravaged by a crisis marked by a massive decline in world production and over-capacity on the global market. World commodity prices have fallen to their lowest level in two decades.

Industrial output in Japan and in particular the steel industry--a major buyer of Australian coal--has fallen sharply. According to Japan's Iron and Steel Federation, steel production will fall to its lowest level in 27 years over the next four months due to 'capital spending cuts, sagging sales of automobiles and declining exports to Asia'.

Recent figures show that Japan's steel output fell 13.6 percent in November from a year earlier--the twelfth straight monthly decline, while production declined by

11 percent in October to 7.49 million metric tons.

Under the conditions of a growing glut on the world market coal buyers can obtain their supplies from any number of sources. These include low-wage operations in places like South Africa and Indonesia, which are often owned and run by the very same transnational coal companies that operate in Australia.

Over the past decade union leaders have worked to convince miners that their interests were bound up with the fortunes of the national employers. They have overseen draconian cuts in working conditions and manning to lower costs and drive up production to allow Australian coal companies to capture an increased market share.

The unions argued that the resultant increase in profits would be reinvested in the industry thereby creating jobs for the future.

Quite the opposite has been the case. The companies have continued to slash hundreds of jobs. In under a decade, the number of coal mining jobs has dropped by one third with over 4,000 jobs axed in the last 12 months alone.

Ironically, one of the union demands in this week's strike was that the government stop new mines coming on line by refusing to grant further mining leases. This proposition, which will cut job opportunities even further, is advanced as a measure to 'cut down over-supply and cut-throat pricing'.

The truth is the 'cut-throat competition', aimed at eliminating rivals and grabbing markets, is intrinsic to the working of the capitalist system--the coal industry is no exception.