

# Australian union calls for auto funding switch to military spending

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The Australian Manufacturing Workers Union (AMWU) last month submitted a so-called auto jobs rescue plan to Prime Minister Tony Abbott's government. The trade union urged the government to seize on the closure of GM Holden's Australian operations in 2017, on top of Ford's exit in 2016, as an opportunity to channel billions of dollars in subsidies to military industries and other manufacturing companies.

The union's "A Prosperous Australia" blueprint advocates the creation of a new manufacturing base to provide the support and skills needed to expand the defence industries—in other words, to meet the military requirements of Australian imperialism demanded by the Obama administration's "pivot" to Asia and its war preparations against China. The document underscores the trade union movement's commitment to the unconditional alignment behind Washington's military and strategic drive against China, initiated by the former Labor government and continued under Abbott's Liberal-National government.

The AMWU, which covers the car industry, cynically professes concern for the thousands of working people who will be affected by the auto closures. It declares that "very significant funding from the Federal Government" is needed to "minimise the dislocation Holden's closure will cause to already disadvantaged communities." At the same time, it demands that manufacturing employers be provided with "access to capital to invest ... so that the manufacturing base can transition to a situation where it does not rely on automotive manufacturing."

Thus, from the outset, the AMWU plan presents the GM and Ford closures, along with whole sections of the automotive parts industry, as a *fait accompli*. This dovetails with what is happening on the ground. The car unions are working overtime to block any

opposition by auto industry workers and prevent any broader industrial and political campaign in defence of jobs.

To cover up its own role, the AMWU condemns the Abbott government—which took office in September—declaring it "has stood idly by and let automotive manufacturing in Australia cease due to ideological aversion to the global reality of industry support." In reality, the union has worked closely with successive Labor and Coalition governments, backing the car companies' restructuring and massive destruction of jobs over three decades.

Labor governments, along with the unions, previously justified continuous multi-million dollar subsidies to the auto industry by pointing to what they termed "the broader strategic considerations" for Australian capitalism.

In January 2012, Labor's industry minister Kim Carr made more explicit the military content of such considerations. Backing a further round of auto industry handouts, Carr declared that maintaining a skills base in car production "was necessary for other industries, including instrument making, aluminium, glass and military production."

Making clear that these "broader strategic considerations" are central to the AMWU plan, a recent article on the union's web site insisted that "the skills at Holden are transferrable to defence."

The AMWU's plan calls on the government to "immediately order additional Air Warfare Destroyers and link these builds into the future frigate project so a continuous build program can be developed that supports our Navy and our manufacturing industry."

In addition, "the projects to replace the Armidale Class patrol boats and supply ships HMAS Success and Sirius should be bought forward with a commitment to

build replacements in Australia ... with as much local content as possible to support the economies of South Australia and Victoria and build Australia's shipbuilding capacity.”

This demand for increased military production is fully in line with the former Labor government's Defence White Paper, which outlined arms procurements to allow for the greater integration of the Australian armed forces into the operations of the US military.

This involved a commitment to spend tens of billions of dollars over the next two decades to acquire amphibious troop carriers, new destroyers, 12 new long-range submarines, three squadrons of US-built Joint Strike Fighters and an array of other aircraft and equipment that would complement US forces in a clash with China.

In other words, the very future of thousands of workers is now to be tied directly to the war aims of Australian and US imperialism. Even so, the expansion of the defence industry proposed by the union, while providing lucrative contracts for big business, will not replace the estimated 50,000 jobs to be eliminated in the car and car parts industries.

Moreover, any increase in military expenditure will be paid for by the wholesale gutting of the social services and welfare payments on which millions of ordinary people rely. At the same time, the profit margins of corporations that bid for defence contracts under globally-driven competitive conditions will be assured by the slashing of workers' conditions to drive up productivity and slash costs—a process in which the unions will collaborate, as they have done in the auto industry.

Despite the scheduled closures of Holden and Ford, even after at least \$10 billion has been pumped into the auto industry by Australian governments over the past ten years, the AMWU plan calls for further immediate subsidies of \$3.8 billion to big business. It advocates expanding existing handouts, such as the Automotive New Markets Program, Manufacturing Export Market Development Grants and Manufacturing Transition Grants, as well as payments “to allow manufacturing businesses to invest in new capital, products and processes” and access to “co-funding” and funding guarantees.

The AMWU's blueprint is also designed to further

integrate the unions into the corporate establishment, so they remain central in policing the needs of big business against their members, while providing lucrative positions for union bureaucrats. The plan calls for a new government-owned Manufacturing Finance Corporation “endowed with at least \$2.5 billion” and overseen by “a board comprising business leaders, experts in financing and union representatives” to “ensure it is providing the necessary support to the [manufacturing] sector.”

The body would be modelled on the Export Finance Insurance Corporation, the export credit agency set up to funnel money to Australian-based businesses “to win and finance export, offshore investment and onshore export-related opportunities when their bank is unable to provide all the support they need.”

Undoubtedly a significant proportion of the proposed \$2.5 billion endowment would be used to finance generous directors' fees and extensive perks for the board members—business executives and union officials alike.



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