

Labor Super Earnings Tax

Don Wilson. May 2010

Rudds proposed super tax on the mining companies and State Governments should be supported. The tax is a small payment for the Billions of dollars of commodities ripped from Australia. It is interesting to see 'labor' state governments supporting the mining multinationals.

The Labor Party must be seen not as a monolithic whole. We must see the great division between the leaders and the rank and file and the division among the leaders themselves. This issue over the mining companies Super Tax show where the Right pro- imperialist leaders separate themselves from the working class members of the ALP.

Another factor of importance is what has been referred to as the greater national outlook of the Labor Party.

As a Party it is freer of sectional influences than the Liberal-National Party. It is not nearly as much committed to foreign penetration as the Liberal-National Party. The dismissal of Whitlam by the US-backed Governor-General Kerr, undoubtedly contained as one factor US objection to the Whitlam government's independent national Australian stand, weak though it may have been. It has always been more far-sighted than the Liberal-National Party in international affairs and in the development of Australia as one nation.

Also the Federal Government with the money extracted from the mining companies could feed it into Finance Capital to bolster Superannuation. The finance organizations love the idea as much as the mining industry hates it.

According to the Australian constitution even the mining companies and the State Governments KNOW that Royalties paid to the States are ILLEGAL as these items are Excise items and should be taxed by the National Government. It has suited the mining companies and the States to keep things as they are.

The ATO states

Excise duty is a tax on certain types of goods produced or manufactured in Australia. These excisable goods include alcohol, tobacco and petroleum and alternative fuels.

The ATO also goes on to say that

Inevitably, the boundaries between manufacturing and other sectors are sometimes blurred, as they may also involve significant transformation of goods. For example:

- *a mining plant may transform raw ore by crushing and sorting it...*

The states would not give the Federal Government the reduction in GST to fund the hospital service so they can do even better now by rightfully taking

the Federal Governments excise and even challenging the rights to Mining Royalties.

As 'excise' taxes are an exclusive Commonwealth power in section 90 of the constitution, the interpretation of excise became a critical issue.

The High Court has interpreted 'excise' to mean any tax imposed up to and including the point of sale.

The states could lose their little bribes from the mining companies and have to accurately account for all the billions of dollars they have been handed over for the Health Service.

The Federal Government has another item on their side as the Constitution states...

Section 53, in part, prevents the Senate from introducing or amending taxation bills (section 53 also applies to revenue and appropriation bills). Any State Bill such as royalties collapses if there is also a Federal Bill covering the same area.

From the point of view of Communists, we know that **the Labor Party will not adversely affect the fundamentals of capitalism in Australia.** However many Australian workers have not come to that decision and continue to support the ALP. We support the working class, we respect their beliefs in the Labor party but we support the workers when it attacks the working class. It has historically served capitalism and the strengthening of capitalism. We know how the Labor Party, under pressure from its working class members, has also introduced reforms, built up government enterprises, resisted foreign encroachments and created a more liberal democratic atmosphere, it has served Australia's development. Its weaknesses and vacillation flow from its capitalist nature, the weakness of the national bourgeoisie whom it also strives to serve and its instability because of capitalist and working class conflicting interests within it.