CHILE

1983 marks the tenth anniversary of the brutal military coup in Chile. On the 11th of September 1973 the democratically elected "Popular Unity" Government was overthrown and Chile's President Dr. Salvador Allende was murdered.

The world was horrified by the savage repression which followed. 40,000 of Allende's supporters and sympathisers were killed. Sports stadiums, abandoned mines and holiday camps became the sites of concentration camps. Those arrested by the secret police DINA, and its successor, the CNI, have been brutally mutilated and tortured.

Today in Chile, as the United Nations Human Rights Commission reports, torture is used routinely by the security forces. Opponents of the regime continue to be murdered, as in the case of trade union leader Tucapel Jimenez, or expelled from the country as was Hector Cuevas, Building Workers' Union President, and Manuel Bustos, National President of the Central Trade Union Confederation.

Rudolfo Sequel, President of the Copper Workers' Confederation remains in prison following his arrest on June 15th, despite international protests.

Chile's monetarist economic model imposed by the Junta under the advice of Chicago economist Milton Friedman, has brought mass unemployment, poverty and destitution to large sections of the population.

The sustained economic crisis has greatly weakened General Pinochet (self-appointed President until 1996) and has strengthened the determination of the Chilean people to resist the junta by confronting its repressive forces in the streets.

BUDGET

The substance of the first Hawke Budget has no doubt, by now, been accepted (albeit grudgingly) by Australians well accustomed to the perennial "cigs, beer, fuel hit" headlines.

For some, Hawke's Budget answered all their fears and suspicions. However, for many socialists, it poses serious questions. It highlights Labor's lack of a clear alternative to the conservative "austerity" approach of the corporate sector and its loyal servants in the public bureaucracy.

Pre-budget speculation (fostered by dire warnings from various Cabinet ministers) that the Budget would simply be "Fraserism with a human face" were not borne out. At least, not borne out fully.

New increases in indirect taxes (via indexed excises) and large increases in defence and secret police services (ASIO & ASIS etc) clash head-on with Labor's pre-election commitment to undo Fraserism and to redistribute the burden of the crisis away from its victims.

By the government's calculations, the excise increases will raise $1.05 billion in 1983-84 — a hike of 31.7% and equivalent to a three percent increase in personal income tax.

These increases will mean that lower income earners will pay out a higher proportion of their money in taxes. In that indirect taxes also fuel inflation, they particularly affect those on fixed incomes — pensioners, unemployed and welfare recipients.

The absence of any real capital gains tax (despite widespread support even from business!) and the failure to increase com-
pany tax or tax on higher income brackets indicated, at best, a terminal timidity.

Without tax changes, one starts to suspect that the government could intend taking, with one hand the wage increases it passes on with the other, through indexation.

There have already been several detailed breakdowns showing both the selectivity and timidity of several of the Budget's "innovations".

One of the more ominous indications in the Budget is the 22.4 percent increase in public debt interest payments — from $3,378 million to $4,133 million. When this increase is coupled with increasing debt interest payments from the states arising from the "consensus" reached at the Premiers' Conference, the actual costs of the current recession on the State will be starkly clear.

It seems extremely likely that the relaxation of Loans Council controls over state borrowing will see various state governments "putting their money where their mouth is" and going into debt to finance job creation. The decision to "deregulate" state borrowings was probably the most significant single phase in Fraser's "New Federalism" policy and will prove a severe handicap in developing co-ordinated national economic policies between states.

Nevertheless, it cannot be said that Keating's Budget is simply a product of the Treasury camarrilla.

In some areas, such as housing, student allowances and the environment some increases represent a real boost to funds beyond the scope of a non-electioneering Fraser Budget. About 30 percent of the increase in Labor's budget deficit has been estimated as "stimulatory", while 70 percent was necessitated by the costs of the crisis. Clearly, the Budget represents a typical Hawke compromise between the rigid line pushed by Treasury and the corporate sector, and that more expansionary "Keynesian" approach emanating from sections of the manufacturing industry, state governments and from some unions.

Perhaps, as some say, it is still "too early" to expect substantial reforms from the government. However, labor's long-standing opposition to the effects of Fraser's class war on the poor imposed a moral (if not economic) obligation to begin, at least, redressing the worst inequalities. This Budget did nothing like that.

But the real failure of the Budget concerns its failure to arrest sackings and stimulate new socially-useful jobs. The Budget itself admits that, despite the "recovery" being watched in the USA, unemployment here will increase to around 11 percent next year.

The government's limp response to the high-handed sackings announced by GMH during Budget week itself would indicate little prospect for decisive government intervention directly to prevent sackings.

Labor's Budget forces socialists to ask how seriously the government views the ALP/ACTU Accord? Or perhaps, more importantly, we could ask how serious were the unions in their commitment to those sections of the Accord which went beyond centralised wage-fixing and indexation?

Despite the rhetoric, too many unions still see their work in getting better retrenchment deals. Some are even justifying the rationalisation schemes of their former members' employers.

No one on the Left believed that the Accord guaranteed the reforms it hinted around. Rather, it was seen as a platform for further action, a framework for building mass campaigns and intervening in the areas of economic policy.

However, for many unions, the central tenet of the Accord — if not its raison d'être — was its line on wages.

Government support for indexation, full CPI rises and the arbitration system have, for many unions, been the essence of the Accord's fulfilment. In practice, Neville Wran's three objectives of "Jobs, jobs, jobs" run a pretty poor second to the old stagers of "cash, cash, cash".

There has been little consultation (remember superannuation?) and even less progress on many of the planning processes foreshadowed by the Accord; every day EPAC appears more cosmetic; while the "Price end of the Prices and Incomes Accord" seems to have dropped off somewhere.

If the Accord is to be more than the "social contract" imposed on British unions in the early '70s, the document's interventionist scope must be considered an integral part.

Union initiatives around taxation policy, industry programs and job creation are all legitimate areas of concern under the Accord. Surely, the alleged inequities of the "superannuation swindle" which prompted such a vehement union reaction are comparable with the regressive nature of indirect tax increases.

As the Accord itself testified, an alternative economic policy involves creating jobs, expanding the social wage, improving the quality of life, and fulfilling social needs. Or is it, like many socialists fear, that the government's current lack of a coherent alternative economic strategy simply reflects a corresponding lack within the labor movement?

— Peter Ormonde.

False Consciousness?

There has been some concern expressed that the graph used on page 7 of ALR number 83 to illustrate John Alford's article, "The Myth of False Consciousness", could easily create the wrong impression in the minds of readers as to the approach used by Tribune.

The ALR collective recognises the unique role which Tribune plays in providing news, information, analysis and commentary to assist people in the socialist, labor and progressive social movements. By the use of the caption and graphic, no criticism of Tribune was intended.

In recent years, Tribune has consciously moved away from a crudely "propagandist" approach typified by many other Left publications.