establishment of Australia's public corporations — adding that this exercise is useful "for a consideration of which functions are truly public sector ones and which might be capable of equally utilitarian private sector ownership or control".

While I don't believe the Left should be locked into a stance which says that every single part of the public sector must be retained on principle, it's a pity none of the contributors address the way the New Right's agenda, including privatisation, has been assisted onto the stage by the Hawke-Keating strategy for Labor.

A number of the contributors are fairly pedestrian in their critiques — something perhaps which is partly due to the method of basing a book on conference papers.

One of the best chapters is Dennis Altman's "Tilting the political globe" which goes beyond damning the New Right to attempt to understand why it has managed to shift the terms of the political agenda. Altman criticises the inadequacy of that form of leftwing analysis of the New Right which has limited itself to three themes: privatisation, attacks on the union movement and the emergence of New Right think-tanks.

The real success of the New Right, he argues, "has been its ability to tie together a number of not necessarily related programs, and through clever political campaigning, present them as offering a more attractive picture of society, as it is and as it could be, than we on the Left currently seem able to provide".

He points to the successful mix of the ideology of individual selfishness and moral conservatism which propelled Reagan into power, and notes that "in general the Australian Left does not regard issues such as abortion, homosexuality, pornography etc. as somehow being 'real politics' in the same way as is, say, industrial relations".

In this respect, John Howard's invocation of "the family" in his economic policies in the recent election campaign was instructive, although many on the Left tend to dismiss this as flummery to cover his "real" aims.

The left must recapture the notion of freedom and provide an alternative vision of society to meet the challenge of the New Right, Altman argues in his all too brief chapter.

Bernie Taft also makes a number of useful points, arguing that "the voices of the New Right strike a chord in the experience of ordinary people. They express some of the difficulties, dissatisfaction and alienation that many people feel in our society. The campaign against the public sector takes advantage of the fact that people have had negative experiences with inefficient, high-handed and uncaring bureaucracies in government departments".

The struggle against the New Right not only involves exposing its false, inhuman and irrational policies, but also putting our own house in order, he concludes.

Ken Coghill and his contributors have produced a useful book which, most importantly, takes the Right seriously and undermines their logic and policies. It's a great pity it stops short of discussing that dialectic between Labor and the New Right which may, ultimately, despite the recent election result, bring a version of Thatcherism to Australia.

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Eternally indebted


SUS ONE TRILLION: The total foreign debt contracted by the Third World at year-end 1984. Following the near "bankruptcy" of Mexico in August 1982 — and later Brazil, Argentina and the rest — Third World calls for moratoriums and outright default met stony-faced Western creditors.

During 1984 they forced 24 countries to reschedule loans amounting to 10 percent of the Third World total which, at year-end 1984, was up some 50 percent on the 1980 figure. Two-thirds of the debt was owing to private banks.

With talk of complete collapse of the international financial system, Western governments blamed the bankers, the bankers blamed the Western governments. Their forum and negotiating table: the International Monetary Fund (IMF).

Last year, Zed Books released an English translation of a work by four young social scientists published in their native German in 1984: The IMF and the Debt Crisis. It's one of a plethora spawned by the so-called debt crisis: no doubt seen in the Third World as a credit squeeze.

The highlight of this new edition is its simple, straightforward account of the IMF's contemporary role as "crisis manager" of Third World indebted economies. The text might appear, on the face of it, indefensibly biased, because the authors are highly critical of the IMF. But even Henry Kissinger has damned the terms of IMF stabilisation programs which "create instability", "lead to revolutionary conditions", and
prescribe "a cure that is worse than the disease". In fact, the accusations in this account are moderate and justified, and there is ample reliable evidence to support their claims from many other sources.

The book situates the IMF as linchpin of the international financial system's domination of indebted economies. And it's true that the IMF, as "honest broker" in rescheduling negotiations, invariably represents Western government's strategic interests to the detriment of continued lending by the international banks, are renowned indebted economies. And it's true in this account are moderate and that the IMF, as linchpin of the international

IMF stabilisation programs, the familiar starting point necessary for continued lending by the international banks, is to achieve balance of payments stability, through application of free market principles. The IMF binds the troubled government to a "letter of intent". This commitment to both broad and explicitly detailed monetary and social policies and targets, "conditionality", brings continued foreign capital as reward.

By devaluations, cuts in wages and public welfare, the removal of basic goods price ceilings and trade restrictions, and the encouragement of capital inflows, IMF officials seek to improve the economy. Their record, from their own standpoint, is poor, as this book testifies. More importantly, the draconian measures insisted on by the IMF officials, as representatives of the international bankers' interests, result in bleeding the poor.

The immediate results are political instability, often leading to rightwing coups, the installation of military governments and veritable civil war. Literally hundreds of people have died just in the riots prompted by the threatened erosion of subsistence living standards by inhuman economic policies demanded by IMF officials.

Instead, the authors suggest IMF officials should patronise socio-political reform and economic self-sufficiency programs in the Third World: enlightened conditionality for continued financial credit. It's clear that they fail to recognise that the IMF only has clout now because it represents the concerns of international bankers and Western strategic interests. If IMF officials developed a social conscience, the authors suggest, they would no longer maintain the crucial support of the world's lenders. As such, the IMF would have no role at all. This is a fatal flaw in their thesis.

In the long term, a conditionality oriented towards development should promote low-debt development strategies which help to mobilise internal resources and reduce developing countries' traditional dependence on world markets.

The reformed IMF officials would commit countries to "stabilisation" programs with new performance criteria: food self-sufficiency, labor-intensive production of mass consumer goods ("ploughs being preferred to tractors"), greater taxation of the wealthy, "uncoupling from the world market", export diversification, promotion of indigenous technology and the "democratisation of society".

The political naivety of the authors — and one, Rainer Tetzlaff, is Professor of Political Science at the University of Hamburg — is rivalled only by their inconsistency. At the start, they call for "a reformed, development-oriented conditionality — if necessary over the heads of the ruling classes". By the final chapter they admit "A state-class cannot be expected to introduce reforms which deprive them of their power-base overnight", so gradually reforms will be brought in. Do we have to experience any more Chiles, Jamaicas, Polands, Whitlams or Fijis to recognise that ruling classes do not appreciate gradual reforms any more than they tolerate immediate ones?

While the authors castigate Allende's Chile and Manley's Jamaica for economic carelessness in wasting foreign exchange on "ambitious social and consumption-oriented goals", their very own "expansionist stabilisation strategy" requires deficit financing of budgets. But surely this IMF with a new face could "insist" on private banks offering medium-term loans at reduced interest rates, delayed payment, and favourable rescheduling conditions, even "if necessary partial remission of debts"! And, in case you're wondering, "the interests of the creditors would not be ignored: the Fund would help them to overcome their short-sighted individual interest in rapid repayment and thus educate them to realise that their common interest is in the long-term stabilisation and thus capacity to repay of developing countries' economies".

Another hurdle is to incorporate the now marginalised masses into a "political consensus" on stabilisation programs agreed to with the IMF officials:

The marginalised urban and rural classes on whom the burdens of stabilisation policies have to date mostly been unloaded will scarcely be able to speak out even if the structure of the IMF is reformed. The only conceivable corrective here would be world public opinion, which could name the victims and the beneficiaries of these measures, denounce the self-privileging tendencies of the politically dominant classes and discuss the effects which the IMF's conditions would have on development ..."

The imagination boggles at this international "capitalism without capitalists". The IMF has always been dominated by the USA, as leader of the industrialised countries and promoter of their interests. You must read the book to find out how the IMF will be reformed without a squeal and, in fact, with increased funds from those powers that be ...

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CORRECTIONS
• In ALR 99, in David Rowe's article "Striking a Chord", the first two paragraphs on p22 were laid out incorrectly. Our apologies to David Rowe and to readers.
• In ALR 100 we incorrectly foreshadowed an article by Hester Eisenstein for this issue. The article may appear at a later date.