

Rubbery figures

So it turns out that the NSW budget deficit is likely to be at least as great as that of Victoria. And still, the NSW Labor Party runs an election bumper sticker that slags John Cain. Not Brian Burke, mind you. Nor John Bannon. But John Cain, whose real sin is that he doesn't play with the big boys.

My friends in Sydney have been astounded by the revelation. Mostly, I gather, because Cain and Victoria provided a reassuring joke when conversations about Sydney real estate turned teary. And the editor of this august journal assures me that Sydneysiders have taken extraordinary comfort from the fact that the NSW economy is genuinely superior to that of Victoria. While St Petersburg is besieged, Tinseltown bustles on heroically.



Well, people, I have to tell you: the party is over. The very plain, simple fact is that the NSW economy is travelling every bit as uncomfortably as Victoria's. State government revenues are a fairly good guide to these things, and what they show in both places is that things are crook. Stamp duty on property sales and payroll tax collections - two basics - indicate that both states will have deficits this year of more than \$1 billion.

Personally, I can't understand the fuss. Anyone with a hint of how budgets work would have known that the weakening trend in Victoria was likely to appear elsewhere, and certainly in NSW. But somehow Premier Nick Greiner managed to keep people believing that NSW was immune. Well, good luck to him.

The tedious detail is, to some extent, revealing. Still, it says more about the falsity of recent claims to managerial excellence of certain politicians than it does about economics. I suspect, actually, that NSW Opposition leader Bob Carr has no one who can add up. Either that, or Labor is more keen to rubbish its internal dissidents than it is to pursue its political task of opposition.

On 1 May, Nick Greiner had a memo from the deputy secretary of the NSW Treasury, Michael Lambert. The stated issue was an assertion by Professor Bob Walker of the University of NSW that, properly compared, the NSW and Victorian budget deficits were roughly the same. Lambert told Greiner that they weren't, because of the State Bank Victoria (SBV) fiasco. But I'll come to that later. He did (almost) confirm Walker's estimate of a budget deficit of \$1178 million. Lambert forecast \$1175 million. And that, apparently, is news to NSW.

The reason for this is that the comparisons people have used are quite different. On face value, the original NSW budget had a surplus of \$34 million. Victoria's had a deficit of about \$600 million. The trouble is that the original NSW budget actually had a deficit of \$635 million; it was just expressed differently to that of Victoria.

As things got worse, NSW did what Victoria had done. It borrowed more. The Lambert memo notes \$100 million of transport borrowings and \$40 million for housing. And it slipped another \$400 million in for the collapse in revenue since the budget was framed. So, it seems, the emperor's new clothes have been revealed to be a touch out of date. Victorian even.

Really, you can't blame Greiner for that. Sure, he's made the most of the camouflage. But what do people ex-



pect? And what was the Opposition doing? Plainly, they weren't talking to any Victorians. If they had spoken to Victorians, Bob Carr and his mates might have gleaned a few useful facts. Like the budget difference. But, of course, there was the titanic disaster of Pyramid and the SBV. And that, really, is what has Victorians down.

Michael Lambert told Nick Greiner that Victoria's deficit was actually around \$2555 million, not the \$1103 million calculated by Professor Walker. Lambert added in \$1455 million, which he calculated to be the net debt added by selling SBV and keeping the "assets" of the failed Tricontinental merchant bank.

Now Lambert's numbers might well be right. And no one doubts that the SBV has cost Victorians a lot more than ownership of their one-time piggybank. But this is not a fair cop on a number of counts. First, if you compare like with like, the deficit on normal budget outcomes is likely in fact

Serb Apart

Like most of Belgrade's nightspots, the Jazz and Blues Club usually comes to life around midnight. But this evening the dimly-lit bar is packed by 7 pm. Through a haze of cigarette smoke the young people crowd into the tiny room.

to be worse in NSW than in Victoria. Time will tell. But that is how it looks. Second, the failure of SBV is an issue subject to a royal commission. Without wanting to pre-empt anything it might find, the evidence before the royal commission has, so far, tended to finger poor management, weak directors, doubtful audit practices and curious business. No one has said that Cain or his colleagues knew of, or did anything to support, the practices that led to SBV's sinking.

On the contrary, every witness who has been asked - and they often would have found comfort in blaming anyone else - has said that the government did nothing at all to affect bank policies. Maybe they should have. But that's another question.

Now, to get back on the track, it is true that SBV will add a huge debt that will push up the budget's interest costs. So will the underwriting of Pyramid building society deposits. Yet neither arose from government mismanagement.

Still, Nick Greiner can say fairly that his budget is clean of that sort of thing. And while, from this distance, it is hard to read events in NSW, there are a few signs that things might not stay that way. Broadly, it is true that Victoria slumped first. The signs are that NSW has followed. We also know that a lot of the 80s problems take time to emerge. So Greiner should be on guard. Then there is the State Bank of NSW.

Cynical people have put about rumours that SBNSW is not in quite the crack shape that is presented. And I hear whispers that the balance date for its annual report has been moved, curiously, from June to September. And there are bankers who will tell you that the troubled Chase-AMP bank would like SBNSW as a merger partner. Straws in the wind, of course.

All of this is largely secondary. The recession has come. It has revealed facts of life amid fantasies of wealth and crumbled ambitions. All of us will pay for it. It is unwise of politicians, especially in this climate, to make too much fun of those who hit the wall first.

MICHAEL GILL is a Melbourne finance journalist on the *Financial Review*.

Since the March anti-government demonstrations here in Serbia, the night club has functioned as the Serbian student movement's de facto headquarters. One bespectacled student breaks the silence: "The situation in Serbia is a catastrophe. Over a year after every other country in eastern Europe overthrew Communism, only Serbia doesn't have real democracy. We've become isolated from Europe".

On this point the students all concur. The goal of the Forum of the Terazije parliament, as the students call themselves, is authentic democracy in Serbia, Yugoslavia's biggest republic. At the same time, the Forum must remain true to its original principles: no formal structures, leaders or political ideology. "We see our movement as something like what New Forum was in Germany or Civic Forum in Czechoslovakia", says Zoran, a 23-year old biology student. Though led by Belgrade university students, the Forum includes intellectuals, actors, journalists and high school pupils.

The nascent democracy movement has set itself clearly against the ruling Serbian Socialist Party (SPS), the renamed Communists, and its autocratic leader, Serb president Slobodan Milosevic. Their main demands: an end to media censorship and the resignation of the Interior Minister, responsible for the crack-down which ended in the army's occupation of central Belgrade in March.

During the day, students staff petition tables in front of the fountain on Terazije Square, conveniently across the street from the new McDonalds. The sea of chic outdoor cafes and posh boutiques in central Belgrade attests to a society which was never part of the Soviet bloc. A Serbia so politically out of step with even its Balkan neigh-

bours is for the proud Serbs a source of acute embarrassment.

During the March demonstrations, the students awakened a critical consciousness in Serbia that the conventional opposition parties had left dormant. "The student protests marked the onset of democracy in Serbia", notes civil rights lawyer Sergei Popovic. "Politics in Serbia has finally begun. Until now public discourse more resembled a battle between warring tribes."

In contrast to the frenzied nationalism which had already brought the Yugoslav peoples to the brink of civil war, the students' common sense politics sounds eminently reasonable. "The nationalism has begun to lose its effect", says Mina between mouthfuls of her Big Mac and fries. "The government has hidden from real democracy by blaming our countless enemies -- the Croats, the Slovenes, the CIA. People have stopped buying it."

At the same time, the nationalism that won Milosevic the students' hearts three years ago has left its mark. The same worn cliches about Serbia's great suffering, its lost glory and legendary military prowess continue to reinforce an identity that implicitly works against supra-national reconciliation.

"We aren't openly driving for the government's overthrow", says Alexander, a medical student. "But opposition will grow naturally if we can open the space for a new political culture in Serbia." It is the blocked channels of information and dialogue which maintain Milosevic's rule, he says. "With those channels free, Milosevic's fall would be inevitable."

PAUL HOCKENOS writes for *ALR* from central Europe.

Killjoys

Hearts of darkness come two a penny these days. 'The horror, the horror' that both Conrad and Coppola strove to suggest has now become 'the hype, the hype'. So you want to delve deeply into the putrid imaginings of murderers, rapists and torturers? You want to rip open the fleshy underbelly of 'the way we live now' and watch the blood and guts slowly ooze out? Well, feel free. After all, as good old Jim Morrison sang way back when, "This is the end, My friend".

If it's dismembered bodies you are after, forget the Gulf. Get yourself to the movies. Curl up with a novel. Watch *Twin Peaks*. The new psycho-killers are everywhere and they make Norman Bates look adorable. After the air-brushed whimsies of last year—*Ghost* and *Pretty Woman*—Hollywood has got horrible. But the slasher at a teenage slumber party has grown up. The 90s villains are slick, sexy and sophisticated. What more could a girl want than a serial killer? Anthony Hopkins as Hannibal 'the Cannibal' Lecter in Jonathan Demme's *The Silence of the Lambs* is "witty, charismatic, artistic and, in a twisted way, a little gallant". It's a pity that he also happens to eat people.

Patrick Bateman, hero of Brett Easton Ellis' *American Psycho*, is also described as "handsome, sophisticated, charming and intelligent". He just gets kicks out of sex with severed heads and putting rats in women's vaginas. Patrick Bergin, recently seen beating up Julia Roberts in *Sleeping With The Enemy*, also stars as a serial killer in *Love Crimes*. And in case you should think that this is a peculiarly male or even American psychosis, you will be glad to know that David Lynch's daughter Jennifer is directing *Boxing Helena*, which stars Kim Basinger as a woman who is cut into pieces and put into boxes by another loony man.

Helen Zahavi's radical feminist/radical revenge novel, *Dirty Weekend*, in which the much put upon Bella spends a couple of days killing men,

is to be made into a film by that well known radical feminist director Michael (Death Wish) Winner. The novel, endorsed by Andrea Dworkin and Julie Burchill, was described in *The Observer* as "more offensive than pornography".

So what are we to make of all this? Is it all some terrible fin-de-siecle decadence, a sign of immoral times, proof that we have become so desensitised that anything goes? Probably not, though the 'ban it and burn it' brigade would like to have us think so. Yet I do think that the lack of critical debate, never mind critical terms in which to discuss these things, is

severely limited. For a start the attention paid to these films and books reflects an enormous critical snobbery. There are and always have been far worse novels and films around whether you call them exploitation movies, trash novels or genre fiction. It's just that they don't get reviewed in the pages of the newspaper supplements.

We know *American Psycho* is Literature with a big L because Norman Mailer has publicly defended it. The *Silence of the Lambs* is not some teen horror flick, it's an artful film by an arty director. In other words, it is only when these things enter middle-brow culture that we begin to make a fuss about them.

But the fuss we make often boils down to little more than an argument over good and bad art. If *American Psycho* works as a novel, is well written, then maybe its scenes of sadism are excusable. Defenders of Ellis offer us aesthetics over politics - the right of the artist to force us to look at intolerable material in whatever way he or she pleases. Those who would ban the book, such as the American National Organisation for Women, care



Bobby and Mike brood violence in *Twin Peaks*.

little for the aesthetics of mutilation. Ellis himself speaks of his generation's "need to be terrified" after an adolescence spent watching every kind of violence on the news and at the movies.

What bothers Mailer about the novel is the tone. It is a monotone. The details of dying are described in exactly the same way as the details of dinner. Mailer longs for some revelation about Bateman's inner life, his motivation. This is little more than nostalgia for the familiar characteristics of the bourgeois novel. Any point that *American Psycho* might be making is precisely about the meaninglessness of the 'spiritually disgusting' 80s.

What disturbs me, however, is the laziness of the metaphors of murder and rape. Is there really no other way to reflect the breakdown of society

than by breaking up - literally - the bodies of women? However cleverly this is done, it still seems to indicate a poverty of imagination, never mind a problem for the women who watch and read this stuff. The argument that artists and writers are simply reflecting what they see around them still doesn't explain so many male writers' fascination with these themes. Nor does it explain why we continue to conjure up evil in such a purely individualistic way - locating it in the disturbed minds of a few alien creatures who are somehow both inside and outside of society.

It is remarkable isn't it, that the expression of all these 'one-off' psychopathic minds should result in acts of a desperately similar nature. And as unglamorous as it may be to say so, this is culturally determined. Focusing on these skewed individuals, however, is

far more interesting than asking about their anonymous victims or looking at the everyday and collective violence that surrounds us. Yet, as Ellis says, we are prone "toward fantasy, but it's often a mean-spirited horror-show fantasy", and such fantasies have little time for real moral conflict or ambiguity of any kind. How we regard such fantasies, though, does not have to be so simple. The choice is not between aesthetics or politics - any judgment we make, for we are all critics here, has to include both. Because this stuff isn't going to go away - never mind Safe Sex, welcome to Safe Death.

SUZANNE MOORE is a British freelance writer and film critic. This piece was originally published in the May issue of *Marxism Today*, and is reproduced here by arrangement.

Cambodia's Saddam?

The Vietnam war is over. Relocated to the Gulf, America's 'Vietnam syndrome' has finally been vanquished.

But the Cambodian War seems never-ending. The remnants of three previous Cambodian regimes have combined forces to oppose the current one, Hun Sen's State of Cambodia. Its main opponents are Pol Pot's Khmer Rouge forces, backed by China. Pol Pot's two non-communist allies, Prince Sihanouk and Son Sann, are backed by the US.

Last year the USA and other members of the United Nations Security Council proposed the latest peace plan involving disarmament of all parties and free elections. But it is not close to implementation, for two reasons. Firstly, it insists on a 'comprehensive solution' of all issues and with the agreement of all parties. These include the Khmer Rouge, who killed 1.5 million urban and rural Cambodians before Vietnamese troops drove them

from power in 1979. The UN plan seeks to give Pol Pot's forces "the same rights, freedoms and opportunities to take part in the electoral process" as any other Cambodians.

By contrast, the Hun Sen regime refuses to drop the charge of genocide against the Khmer Rouge. Further, it would disarm its own forces only if the Khmer Rouge do so. Pol Pot's forces could take advantage of the UN plan by caching their weapons and hiding their troops. Pol Pot foreshadowed this in 1988 when he told his commanders that, in the event of a settlement, "our forces will remain in the jungle for self-defence".

The Khmer Rouge were defeated by the Vietnamese army in 1979. But since then they have staged what is being called a "remarkable comeback", especially since Vietnamese

forces withdrew in 1989. Their key asset has been the continuing international recognition of the Khmer Rouge as Cambodia's "legitimate government". Pol Pot's ambassador still runs Cambodia's Permanent Mission to the UN, in New York. This brings massive UN aid to Khmer Rouge forces on the Thai-Cambodian border.

They also get \$100 million a year from China, and \$50 million from sales of Cambodian rubies in Thailand. Though they could expect at best 20% of a popular vote, the Khmer Rouge have rebuilt a powerful army. Two superpowers' support for their return to Cambodia enables them to wage civil war there. A new military regime in Thailand now looks set to help them some more. This 'Lebanonisation' of Cambodia is an international creation.

Meanwhile, the Khmer Rouge's only Cambodian opponent, the Hun Sen regime, is denied international aid. A decade of US and UN embargoes has limited the Western aid presence to

agencies like Church World Service and Oxfam America. That presence is now more precious than ever, with Soviet aid cut by 80% this year.

Despite calling for a "comprehensive solution", Washington embargoes only one side. It is aiding the allies of Pol Pot to the tune of \$20 million this year. They are now building their own little 'liberated zone', a slice of Lebanon on the Thai border. They recently attacked a civilian refugee camp in Cambodia, murdering nine people, including a pregnant woman and an elderly man, according to the International Committee of the Red Cross' representative there.

Meanwhile in Thailand, 300,000 Cambodian refugees wait in hopelessness. They are not allowed to leave the camps of the opposition factions who control them. A proposal by Thailand's last elected prime minister for 'neutral camps' to which the refugees would be free to move and to choose their future, was opposed by the US. More of Lebanon in the making.

It is high time to bite the bullet. Peace in Cambodia should not have to wait until Hanoi is prepared to force Cambodians to have the Khmer Rouge back, or until Hun Sen is obliged to drop the charge of genocide, or until those responsible for the genocide feel ready for a ceasefire. The Khmer Rouge must be brought to justice, not to power. Expecting Cambodians to ignore Khmer Rouge crimes is a recipe for unending civil war.

Instead of deferring a ceasefire, the US should insist on one. The West should move to expel the Khmer Rouge from the UN, end US aid to Pol Pot's allies, and resume aid to Cambodia's long-suffering population. Washington's current policy winks at the Khmer Rouge.

And if Saddam Hussein deserves a war crimes trial, Pol Pot should go before the International Court of Justice for breaches of the 1948 Genocide Convention.

BEN KIERNAN is Associate Professor of History at Yale University, and author of *How Pol Pot Came to Power*.

Into the Void

Whichever direction the current wages debate, and the general thrust of industrial relations in Australia heads, there is one certain outcome. And it is not a very happy one for low-paid workers.

The union movement had no choice but to reject the recent National Wage Case decision but there will be little or no joy for low-paid workers out of the coming industrial battles in the field. In the current environment, even the traditionally strong unions will find it difficult going.

And, of course, this is why the Industrial Relations Commission (IRC) made such a rotten decision. Believing the shackles of a recession would hold the union movement in line, they felt able to toss the Accord into the face of the unions and the federal ALP.

As the ACTU's response has indicated, they may have overestimated what the unions would swallow - yet in one sense their assessment was correct. Most workers are just happy to have a job when so many of their kind are consigned to the dole queue. Achieving the aims of the Accord package in the field will be a difficult and drawn-out exercise for many unions who have been itching for such an opportunity since the boom times of the 80s. And the longer it takes the strong unions in the metals, building and transport sectors to achieve their package, the longer low-paid workers will wait for any flow-on pay rises.

One of the major reasons why the ACTU was so keen to reject this IRC decision is that it flew directly in the face of its strategy for Accord Mark VI. A central motivation of the package negotiated in the boom period of early 1990 was the need to satisfy a widespread demand in the union movement for "a good old fashioned pay rise". That's the one where you put your hand up, say "me too", and your members receive a flat increase to compensate for the previous year's inflation.

Accord Mark VI was designed to provide just this and, in addition, allow scope for the strong unions to

negotiate more for productivity increases. At the time of its negotiation Accord Mark VI delicately juggled all the major concerns. The low-paid would be protected, the strong would have scope for more but without the threat of a wholesale wages breakout, and the federal ALP could claim to be the only party capable of running a coherent wages policy.

By bringing down a decision which is percentage based, and therefore directly hits the low-paid--and, more importantly, is tied to further award restructuring upon application on an award-by-award basis, and only for those workers who have finalised their second phase 3% increase--the IRC was saying loud and clear that the low-paid were not its concern.

The reason why the low-paid are already low-paid is precisely because of their lack of bargaining power. Under the IRC decision the low-paid were only to receive a pay increase (equivalent to less than the flat \$12) if they had received the previous one. Submissions to the National Wage Case from the federal government showed that, in August last year, only 54% of workers had received the 3% from the second tier of Accord Mark V. Even if that number has increased since, a large proportion of workers would still be totally ineligible to receive anything from this decision. And, of course, the low-paid, without industrial muscle will be disproportionately represented among those who haven't received the second 3%.

In addition, payment of the 2.5% across-the-board increase proposed by the IRC would only be considered for low-paid workers when what amounted to further trade-offs were agreed. And, significantly, the current round of trade-offs specifically includes modes of employment. In effect, the IRC is proposing that if unions

agree to greater part-time, casual and temporary work, and trade on award conditions, their members can receive the minimal 2.5% increase.

For those unions such a wage rise was not based on any concept of genuine productivity improvements; no member would be better trained as a result; rather, it was a question of what hard-won conditions they were willing to trade.

The award restructuring process is an important one, and it must continue. However, there is a difference between award restructuring and straight trade-offs where employers are too narrow-minded to seek mutual benefits and instead simply aim to reduce the price of labour rather than help create and foster a trained and effective full-time workforce.

The ACTU's rejection of the IRC decision will mean forgoing any pay increase this calendar year for many low-paid workers. For the unions in this area, however, this is seen as the lesser of two evils.

On an historical analysis it is most likely that the union movement will move back under the IRC umbrella when this current wages round is over (the pilots will most likely opt out at this stage). While there has been harsh criticism of the IRC from the labour movement, there have not been calls for the complete abandonment of a centralised wages system from the union movement.

The federal ALP has been very careful in its criticism of the IRC. It had no option but to reject this decision because not to do so would mean the end of the Accord process and the destruc-



Bill Kelty, ACTU Secretary

tion in one swoop of what it believes is a key policy difference with the Liberals. But the waterfront agreement and comments from Hawke and other ministers clearly indicate that they view this rejection of the IRC decision as confined to this National Wage Case.

Nevertheless, whether unions return to, or remain outside, the centralised system, the next few years could be very bleak for the industrially weak, as indeed for the whole union movement.

If the Coalition wins the next election—as seems highly likely—the trend towards enterprise bargaining will accelerate. John Howard has claimed that they will call a double dissolution if their industrial agenda is blocked by the Senate.

And, of course, Howard's conception of enterprise bargaining is radically different from anything the ACTU or the IRC currently talk about. It is designed so that unions will have only a minor role to play—preferably none at all. It is aimed at ensuring that 100% of the workforce don't receive a union-won pay rise when only 40% are unionised.

By dismantling the award system and leaving in place a token minimum wage, the vast majority of the workforce, and especially those without a strong bargaining position, will be significantly worse off. For employers it will, in most cases, be enterprise bargain-hunting.

Of course, John Howard argues that workers will be better off under the Liberals' enterprise bargaining—even in the context of the current recessionary environment. Yet how could unskilled workers conceivably negotiate a better package for themselves when there are hundreds willing to take their place? Without award protection, workers would be forced to accept jobs with low wages, without penalty rates, long service leave, superannuation, reductions in annual leave, sick leave and so on. And if one worker decides to fight for better conditions, the next (who will not be entitled to any unemployment relief after nine months) may gladly accept the position on the conditions laid down by the employer.

Skilled workers who are members of strong unions will survive any radical change like this in better shape than the low-paid because market forces will persuade employers of the logic of granting pay rises. Even under Thatcher's industrial relations regime in Britain in the 80s, well organised, skilled workers managed to win good pay rises. As long as their bargaining power is maintained they always will.

However, as standards of living continue to decline, it will be those who are in the worst position to cope and respond who will bear the full brunt of any conservative onslaught.

GERRY KITCHENER is an industrial officer with the No. 2 Branch of the Victorian Health Services Union.

ALR HAS MOVED

ALR's Sydney editorial offices have moved premises. Please note our new street address and phone numbers as follows:

Address: 1st Floor, 6A Nelson St, Annandale 2038.

Phones: 02-565-1855, 02-550-3831.

Fax: to be advised.

Please note that our postal address remains unchanged: PO Box A247 Sydney South NSW 2000.