What is a Deficit? What is Fiscal Policy? Who are the Wets and Dries? What’s the Prime Lending Rate? What is the OECD?

These are the kind of questions being asked in a series of discussion groups or study circles on the Economy, that have recently been initiated by the AMFSU.

Late last year a number of stewards posed the problem of how to respond when members on the job ask them what is going on in the economy. After a well attended meeting to discuss this, it was decided that we ought to try and establish discussion groups in various suburban areas to assist people in understanding the new economic crisis.

A further meeting was called of a number of activists in the political economy movement, to seek their help in acting as tutors. This has been readily provided and the groups began operating in March, and most have continued and expanded since then.

The Metal Workers Union is acting as the organiser of the groups and each one has a metal worker activist as its convenor. However, anybody is welcome to attend, especially spouse, other family members and activists from other unions and this is seen as important because it broadens the scope of the discussions.

Far from understanding the major economic theories and the worldwide strategies of the multi-nationals, at the level which most of labour movement material is pitched, we found that the main concern was to simply understand the debate taking place in the daily press. Definitions of terms were regarded as an important starting point for those participating. As issues were discussed in the media such as the Summit and the ALP-ACTU Accord we were able to provide an effective discussion for those interested in these topical points.

Being a union-based education program, it was noticeable that people wanted to learn things which would help them handle problems of immediate concern at their place of work. Already we have the situation where some groups are looking specifically at topics like retrenchment agreements, technological change and early retirement and some are planning to take their learning out into the streets in the form of local action around prices.

Already some very positive effects are being shown as a result of these discussions. At least two groups report members going off to their local ALP branches and in one country area to their local trades and labor council. By putting up motions on the economy, in particular criticising the government’s approach to the deficit, the study circles had immediate impact in the local community. Other reports show that group members have begun to read economics material in the daily press, particularly people such as Kenneth Davidson of the Age.

While we certainly don’t discourage action flowing from the group discussion, we are making a point that this is not expected nor necessary, and if people learn from being able to sit down quietly in somebody’s lounge room and have a discussion over a convivial glass, then that is what is important.

There is nothing particularly new in developing such localised learning groups, as it has been a feature in various forms of the left movement over many years. We have sought to base our activities on the model of the Swedish Study Circle which involves about 10% of the Swedish population every year. In particular the objective is that these groups will become centres of self-learning, with a minimal use of tutors, and a maximising of the use of the talents in the group itself. Each group starts with the problems as the group perceives them.

Already two groups have opted to develop in this way, and have asked members to prepare the introductory material for the next meeting.

There are ten groups already operating successfully in various suburbs and provincial centers, involving approximately 100 people, and there are several more to be set up in the coming period. As each group develops discussion on the problems that are of concern to them the resource people at the union centre have to look for reading material and other sources to use. It has also become necessary to constantly update the address lists as each group grows, and therefore the administrative work becomes rather daunting. To assist with this process we are seeking funds from TAFE in order to employ a person a couple of days a week to handle this increasing workload.

The view of the existing groups is that they should not grow larger than 10 or 12 people, with 7 or 8 being the ideal. An effective learning atmosphere requires that people be able to participate in the discussion and not be intimidated by the size of the group. When groups become too big they will divide. It is our aim to develop more groups, so that they will be operating
in about 16 different areas of Victoria.

Our biggest concern now is to strengthen the work of the resource people in order that we can adequately service each group with the required information and reading material precisely, to enable them to be as self-active and independent as possible. The key is that the groups are learning things which they feel are relevant, and at least in the initial stages, of immediate benefit, and this will mean quite a diversity of topics.

Nevertheless, having started on the overall question of the economy, it has opened up 'Pandora's' box, and leaves nothing that cannot be discussed within that context. The development of mass consciousness about the economy and how it works, both at its micro and macro level, a grasp of the kind of things that concretely can begin to change the process, for example, resolutions at local labor party branches and local action of various kinds, and a deeper understanding of the positive aspects of the Prices and Incomes Accord, will be necessary if we are to develop the most positive potential out of the election of the Hawke Government.

Moving from the known to the unknown, is perhaps the most classic commandment of education. These discussion groups, or study circles, are an attempt to practise that principle, and although the starting point mightn't be at the level of what many of us believe, or want to believe, it would appear to be somewhat more useful than expounding great theories which most people cannot relate to anyway.

Max Ogden

WOMEN FIRST

Most of the speeches made by those members of parliament elected for the first time last March have not been widely reported. Many of the new members are women and some took the opportunity of an inaugural speech to comment on the need to take initiatives for nuclear disarmament. During the first sitting of parliament during May most women MPs held their own demonstration on parlament house steps to mark international women's peace day (May 24). To suggest something of the flavour of their concerns we print from Hansard an excerpt from the speech of Jeanette McHugh, the member for Phillip.

I want to thank the women of New South Wales for their support and joy in the result in Phillip, a joy which crossed all party lines. Not once before since Federation has a woman from New South Wales been elected to the national parliament. We have waited so long and so many should have been here before. I am very proud to have on my desk a pair of scissors and a paper knife that belonged to the magnificent Jessie Street. They were given to me. Among the many paths that the great Jessie Street trod bravely for us was, first, the path that could have led to this place. She stood for the seat of Phillip when it was first created in 1949.

The fact that at this time this particular woman entered Parliament is part of an evolutionary process. I am a link between the older women of the Labor Leagues and today's younger feminists. The older women fought the first battles for women's rights in the workplace and for equal pay. I love and honour those women. Today's younger women have taken on, as well as the old continuing struggles, the demands to meet new circumstances and new expectations in areas such as childcare and women's refuges. Women from all generations fought against the forces of oppression and intolerance which would not allow a woman to make her own decision, no matter how painful or distressing, in relation to childbirth. I am glad that, thanks to the courage and common sense of generations of responsible women, the single issue campaigns of the intolerant have become irrelevant and ineffective.

By chance, I have become that inevitable link between the all male representation from New South Wales of the last 80-odd years and the many women from that state who will from now on take their places in this parliament, both here and in the other place, with their male colleagues. But by far the most important thing for me is that I will be, I hope, a link between those generations of full time housewives and mothers whose 'duties' kept them isolated at home, politically either unaware or uninvolved, and those full time housewives and mothers who from now on, I hope, will become active participants in the decision-making process.

I have never thought that I have never thought that the entry of individual women into the parliament would, of itself, necessarily better the condition of women in Australia. I must admit, though, that it is not a bad job for the individual woman who come into parliament. After my 23 years outside the paid workforce, I think it is perhaps one of the few jobs available for which I am still qualified. However, as individuals in parliament I think we can be swallowed up in the system. There are other women whom we must think of. Society depends to a very large extent on the unpaid work of women at home. I want those women to start asking back from society a fair return for the contribution they make to it — a fair return by way of better education, better housing, better health care, better transport, etc. Women must use their political potential to gain these better conditions.

The issue that is politicising women at present more than any other is that of disarmament and the nuclear arms race. It reminds me of how we were politicised nearly 20 years ago by the Vietnam war. Now, as then, women particularly have joined so many others and decided to show their concern and they are called dupes, just as we were then, by those who refuse to acknowledge that we care about human suffering caused by war. I am reminded that in the last election the Vietnam veterans, when asking both parties for an independent inquiry into the problems that had occurred as a result of their serving in Vietnam, were quite clear in the recognition of where we stood. One burly soldier said to me: "I couldn't understand you, love, when you marched down the street in the moratorium years, but I certainly understand you now. The government has sent us to Vietnam and has dumped us. You care".

I am reminded of the misunderstanding and misinterpretations implicit in the advice given to us not to talk about things like disarmament, because we might get into trouble, and certainly not to mention a word like "peace", which has become a bit of a dirty word. In this parliament I would like to rehabilitate three words that mean a lot to me. "Peace", "unions" and "socialism". I resent
good concepts being besmirched through misrepresentation. I am tired of being called naive because I join those who want to prevent war. I think it is more likely that those who do not realise they are being manipulated by the arms merchants are the naive ones. More and more Australians are becoming aware of the dangers to world peace because of the increase in nuclear weapons. On March 27 last, 200,000 Australians took to the streets to show their concerns.

A Labor government, as our policy sets out, must reject the escalation of nuclear weapons and work to bring about positive disarmament negotiations. Our government has the responsibility to call on all nuclear powers to reduce their nuclear arsenals and to declare that we will not be part of a nuclear war machine. It is wrong, in my view, to allow Australia's uranium to circulate in such a way that it will inevitably enter the world nuclear weapons chains. I have long opposed the use of nuclear energy in any form and I have long been convinced that Australia should not mine or export its uranium.

The other disgraceful situation that comes about by the world's preoccupation with war is the huge expense involved. Perhaps more people would be better employed in growing food rather than growing it for the armed forces. In the industrialised world, the majority of the money spent on arms is not going to the workers or, as with most things, we will have to buy from overseas. To meet the demands of Australian society, the economy must generate more wealth. There is no guarantee of success of course, but there is the guarantee of further economic regression if industry and government fail to take up the challenge of the new, high technology industries. Finally I wish to talk about the reason for which this government was elected and the task ahead of us. The problem of unemployment in Australia was one of the key factors in the election campaign. The unemployment rate rose from 5 per cent to 10 per cent under the previous government. For the young it rose to 28 per cent. Of course, it was worse for women and girls. The Fraser government promised more of the same policies — that is, it promised more unemployment — and it lost office. Labor is committed to addressing the unemployment problem. We carry no illusion that it will be easy. Governments in other industrialised countries with socialist objectives such as our own have been elected with similar mandates and clearly have been unable to make any but very slow progress. But socialist parties have advantages over conservative parties in addressing the problem of unemployment.

We are prepared to acknowledge one of the key aspects of the long-term unemployment problem throughout the industrialised world, that is, that the economic system as it has evolved, motivated by profit, increasingly dominated by monopolies and integrated on a world-wide basis, is no longer able to provide full employment and a reasonable standard of living for all. We cannot accept the philosophy that says to working people "You can have a job, if you are prepared to work at the internationally going rate of pay". We are not prepared to undertake such a massive drop in the standard of living of Australians. In this approach we are joined by many of the small business, merchant and professional groups. We are prepared to look honestly at the causes of unemployment. We are prepared to take the far-reaching steps necessary to provide jobs and decent living standards for all. We are prepared to intervene in the economic system to stimulate employment through both the public and private sectors, a slow but sure process. We are prepared to consult and to plan for the longer term.

Mavis Robertson

DEFICIT FETISH

The Senate's rejection of Labor's attempt to recoup tax income lost by avoidance schemes, highlights again the issue of the deficit. Finance Minister John Dawkins rightly nailed the Liberals by demanding that they suggest how the $500 million lost by the defeat of the measure could be made up.

But behind Labor's effective blaming of the burgeoning deficit on their predecessors, incompetence and dishonesty, lies Treasury's monetarist phobia about deficit budgeting itself. Treasury head, John Stone, who was a contemporary of Bob Hawke in the Economics Faculty at University of WA in the late 1940s, has shifted the emphasis from wages to the deficit but his essentially restrictive approach remains. Stone's survival has dismayed many people... particularly since his minister is hardly able to counter with any alternative strategy.

Different lines were evident at the Summit, where the Victorian Government, and to a lesser degree South and West Australia, argued a case best articulated by the Council of Social Services for spending, and recovery based on that, in areas of greatest need. Conflicts in Cabinet over the content of the mini-budget are also reported to have resulted in a victory of the Treasury-liners over Ministers arguing for a less restrictive approach.

The size of the deficit is obviously a function of both sides of the equation — the level of income as well as spending. The defeat of the Dawkins tax bill is an invitation for Labor to proceed with its commitment in the ALP-ACTU Accord for a more equitable tax system including moving on tax avoidance by multinational corporations' transfer pricing arrangements.
The furore over relatively minor changes to the superannuation arrangements left unquestioned the massive tax subsidy going to people who are largely in higher income brackets. The need for a universal, portable national scheme is the way through the morass of thresholds and percentages that tended to dominate the debate. Control of the enormous capital in such a fund would give a progressive government much greater leverage in the area of job creation than is the case today where workers-owned funds are used by their own employers often against their interests.

The burden on employed people of high unemployment is often forgotten, not just because of dole payments which are too low anyway, but in revenue forgone. Even quite large subsidies, or relatively unproductive work in the public sector, make economic sense to sustain tax revenue. For example, for every $100 million spent in the building industry, $40 million is "clawed back" in taxes and cheques at various stages of construction.

The traditional Keynesian techniques have proved inadequate, as did monetarism, in tackling the depth of the current crisis. More fundamental measures, such as those hinted at in the Accord's job creation and planning provisions, are required to reverse de-industrialisation and develop the productive and service sectors. This cannot be left private capital which will further distort the goal of a diverse capacity on the basis of labour-displacing technology. The public sector, or decisive public equity, in private firms, will be central to this planning.

Development of this kind also needs the accountability to those who fund the public sector... the mass of average taxpayers...and the democratic input of those who work there. This is only the way to avoid the creation of new bureaucratic nightmares which serve as infrastructure for private capital and are the domain of petty authoritarian management. The focus of economic policy could thereby be shifted from the deficit to social need in conjunction with practical and popular measures for funding and management.