



# ON TARGET

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*The price of Freedom is eternal vigilance—*

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Thought for the Week: "Water-pollution and air-pollution are now quantitatively measurable facts of life, but it also appears that an insidious psychological poison is permeating the modern consciousness, destroying man's mind and moral fibre".

- D. Williams, in "Trousered Apes" - quoted by Dr. John Court, in "Law, Light, and Liberty".

INFLATION TOLLS KNEEL FOR SMALL BUSINESSES: "Up to 60,000 small businesses throughout Australia could fail in the next year, according to research results presented to the Melbourne Chamber of Commerce".

- The Age, (Melbourne) October 4th.

The reason can be given in **one** word - "costs". Small businesses are invariably under-capitalised and do not have the financial flexibility to withstand the strain of the escalating costs of the seventies.

Along with the expected factors presented to the Chamber by the researchers, there was the some-what surprising "syphoning effect" of colour television. Apparently there are plenty of people who still like to keep up with the Joneses, and if one doesn't have a colour T.V., then one's social standing dips. We would have thought that, as at least 90% of T.V. programmes are utter rubbish, that Mr. Average Australian would not pay out up to a thousand dollars, or even more, for the "privilege" of seeing rubbish in colour.

Colour T.V. was mentioned in the research study because it is soaking up cash which would normally be spent on the more common household appliances; hence the "syphoning effect".

Other factors are the escalating unemployment; and this could top half a million by February 1976, when all the school-leavers are dumped on to the labour market. Quarterly tax payments will slash "liquidity" etc., etc. In all, not a pleasant aspect. But one that is inevitable as the finance-economic system spins off its integral inflation, as a spider spins its web.

THE KELSO PLAN: We have yet another American expert, on this or that, in our midst. We have had economic experts to tell us everything about inflation, except the means to halt it. Professors Paul Samuelson, John Kenneth Galbraith, Milton Friedman have expounded and expatiated on the Inflation theme, but we still have inflation. So has America, where they all come from. And it's getting worse!

Now Louis O. Kelso is paying us a visit, to wheel his barrow. He is not an economist, thank heavens, but a lawyer, of whom we have more than a surfeit at Canberra.

Quite apart from the fact that this Kelso "Plan" would come into immediate conflict with Australian

taxation law, the theoretical "second income" would be largely scooped up by the Commission of Taxation. Financial credit, to finance the "worker participant" into part ownership of the industrial enterprises, must come from the traditional source - the banks. First of all, will the banks "oblige" by making credit available for some unproven, pie-in-the-sky, common-ownership plan? We think not. And fundamentally, will the policy of the Central Bank (the Australian Reserve Bank) be any different, in any way because a few business enterprises might wish to experiment with a worker-participation plan? Of course not. This is the key to it. ~~A~~ Kelso Plans, and Mickey Mouse Plans still have to operate in the current world of finance-economics, with the spun-off, escalating inflation: punitive taxation and the Socialist attack on small business enterprises. It all sounds good; and somebody is making a quid out of it - but the answer's a lemon!

SOUTH AUSTRALIAN ANNUAL DINNER: A reminder for South Australian supporters. Mr. Donald Martin, National Director of the British League of Rights will address the S.A. Annual Dinner, Saturday, October 18th, and also the Annual Seminar. Venue: Room 4, Y.M.C.A., 76 Flinders St., Adelaide. Action Conference - Sunday, October 19th, at same venue. Tariff: Dinner \$7.00...Seminar \$2.00. Full details from Mr. Frank Bawden, G.P.O. Box 1297, Adelaide, S.A. 5001. Mr. Eric Butler, National Director of the Australian League of Rights, will be present at these functions.

MR. DONALD MARTIN IN WESTERN AUSTRALIA.

The Greenough Regional Council (W.A.) holds its Third Annual Dinner on Sat., 25th October, at Ampol Roadhouse, Carnamah, commencing 6.00 p.m. The Guest Speaker is Mr. Donald Martin, National Director of the British League of Rights. Tariff: \$5.00 single \$10.00 double. R.S.V.P. 23rd October, Mr. Geoff Broad, Three Springs.

Perth Conservative Speakers' Club holds its next Dinner on Wed., the 22nd October at the Rivervale Hotel, Rivervale. Tariff: \$3.20 per person. Guest Speaker, Mr. Donald Martin. Enquiries and R.S.V.P. - Mr. H. Farrar, on (Perth) 86 4107 .

QUEENSLAND ACADEMIC SCRUTINISES PUBLIC SERVICE: "The Public Service in Australia could still function at an acceptable level if its numbers were cut by a third, a Queensland University lecturer in Public Administration said yesterday". - The Age, (Melbourne) October 2nd.

Mr. Kenneth Wiltshire, of course, wasn't telling us anything. Anyone who has witnessed the workings of the Public Service at close hand knows that the inefficiency therein is most serious. We would not be over-ready to blame individuals: the system itself stifles energy, enterprise, initiative, imagination, and all those other qualities that, if allowed a free rein, set the machinery of organization rolling along at a fast clip. Big Business suffers to a lesser extent from the same choking inefficiency: the larger a private enterprise becomes, in general, the less efficient it is. The overall reason, and this is being a little "simplistic" (the word which sets all the trendies a-quiver) is that the efficiency of an organization deteriorates in proportion to the "gap" between decision making and implementation. The greater the "gap", the greater the inefficiency.

This is the basic reason that the whole economic systems of Communist countries are so abysmally inefficient. The individual is afraid to accept responsibility - anyway, he is just a little cog, there is really

no reason to work strenuously. There is a vast bureaucracy between the management and the plant floor - the assembly line, if you like. Decisions are held up, held up, held up, **awaiting** approval from higher up; from Moscow, from Leningrad, from the Kremlin - from this, from that: Big Business in the West is growing like this; it could never be anywhere as bad, for one reason alone; staff can be hired and fired with rapidity. To the Americans, an inefficient executive is a financial catastrophe. If he can be given the "golden handshake", and pensioned off somewhere else, then that is good business: money well spent. This sort of thing doesn't happen in Socialist countries, where the emphasis is on security and irremovability. Efficiency plummets, as could be expected. Mr. Wiltshire says that most Australian public servants are grossly overpaid - think of Gough Whitlam's supergirls on their \$15,000-\$20,000 a year. Think of "Ms" Elizabeth Reid, and some of the riff-raff she brought out for the recent Women and Politics Conference. Think of Mr. Al Grassby on his \$32,000 to make racial mischief where none has traditionally existed. A further glaring example of public service inefficiency was given by Mr. Wiltshire. He said: - "Federal Governments leaned on Departments to expand recruitment to mop up the unemployed, especially during the embarrassment of large numbers of jobless school leavers". We doubt whether Government Departments will be doing this during early 1976.

INSURANCE INDUSTRY ON THE RECEIVING END: "The non-life insurance industry made an overall underwriting loss of \$156 million in 1973-74, according to the first report of the Insurance Commissioner (Mr. M.A. Bassett)."

- The Age, (Melbourne) October 2nd.

The heavy insurance losses were suffered in the fields of **Workers'** Compensation Insurance, and compulsory Third Party motor insurance. Then there were the large claims as a result of the Brisbane flood (\$36 million). Here is something to warm the hearts of business enterprises. Mr. Bassett warned that **the provision for claims on workers compensation was in the region of \$100 million less than the amount needed.** Commerce and industry are reeling now under the just recent increases in premiums for Workers' Compensation Insurance, and this **will be** a significant factor in the steady escalation of Australia's inflation. A further increase in this particular overhead will be the straw **that breaks the camel's back**, as far as very many small **businesses** are concerned. As regards the life sector of the insurance industry, the picture there isn't rosy. According to the 1974 report of the Life Insurance Commissioner, cancellations of life policies rose substantially - 407 thousand in 1974, as against 255 thousand in 1973. There was an upsurge of complaints about the surrender value of life policies.

The basic reason for the growing disenchantment with life insurance is, of course, inflation. As an investment, life insurance is for the birds: one could do better by placing one's money with a **Building Society** at 10-11% interest. As just emergency cover, it isn't all that good any more. One has to have it, unless Lady Luck smiles down with the major prize in a lottery; but with inflation running at 17%, and soon to be way beyond that, life cover has had its value stripped from it. Some of the Life Houses are coming up with a few schemes to "cushion" the **effects** of inflation on a policy, but generally there's no way round the problem. The next step which the **Socialists** are working up to is "free insurance" for all; at a price, like "free national health" for all. **Medibank** hasn't got off the ground yet - the cost of it will be fantastic.

It's the same old, old story. The individual is having his economic sovereignty stripped from him to such an extent that he is no longer capable of managing his own affairs in the fields of Health, Education: Welfare - and Big Brother, always watching you, will tender to your needs in return for your freedom. "All these things are yours, if you but fall down and worship me". Have we read, or heard those words before?!

