Economic Strategy and the 1975/76 Budget

Mr. Hayden's Budget is an improvement on the Crean (Cairns) Budget of last year. This would not be difficult. The 1974/75 Budget was probably the most irresponsible ever introduced to an Australian Parliament — to make matters worse, the Government actually spent some $2000 million more than its budgeted figure. We wrote of this Budget at the time "...it is a kind of madness, a massive flight from commonsense that will push the economy closer to the brink of chaos and perhaps even destroy the Government". It is doing just that.

This does not mean that the Hayden Budget is a good Budget. It is not. Indeed, it is a budget of despair. It really pretends to do little more than not to make the current situation worse. It does not aim to materially reduce inflation or unemployment in 1975/76 or, for that matter, for a long time ahead. In a post-Budget interview, the Treasurer himself said, "...it could be as much as three years, certainly two years, before we see a rather heartening lowering of the inflation rate". Three years! Australia could sink into the sea by then. No one could conceivably have any confidence in a strategy which goes close to accepting 15 per cent inflation for another three years. This is not attacking the forces in the economy
which are giving rise to rapid inflation; it is surrendering to them. This crucial point about the Budget has been generally overlooked.

Until there is clear evidence that inflation is being brought under control, none of our problems will be solved — unemployment, the revival of business confidence and investment, the renewal of economic growth and expansion, rising living standards for all instead of only for the powerful, or the lucky, the return to stability and security and certainty about the future. The solution of inflation is the pre-condition of curing all the other ills which beset us.

In numerous places in his Budget speech, Mr. Hayden paid recognition to this truth.

"On the economic front, inflation is this nation’s most menacing enemy. We aim to curb it. Unless this aim is achieved, the nation’s productive capacity will run down and job opportunities will diminish".

"Our present level of unemployment is too high. If we fail to control inflation, unemployment will get worse".

"It is inflation itself which is the central policy problem. More inflation simply leads to more unemployment".

The Treasurer’s diagnosis is impeccable. The same cannot be said for his budgetary strategy. The Budget is over-concerned with the danger of the re-emergence of excess demand, when the urgent, immediate need is to break the back of the cost spiral.

Near the conclusion of his speech Mr. Hayden said, "If inflation is to be curbed, there are no soft options". That is transparently true, but no Government, in recent times, Labor or Liberal, has been prepared to tell the public the harsh truth or to administer the tough measures that are inescapable if the inflation Monster is to be caged, and then destroyed. The 1975/76 Budget is in this tradition; it offers stern warnings, but soothing syrup instead of surgery.

Admittedly, a national Budget cannot, by itself, provide a cure for the chronic disease of inflation with which all the modern economics are afflicted, in greater or lesser degree. The Budget is only one — and not by any means the most lethal — in the armoury of weapons which must be used if the Monster
is to be brought to its knees. Even so, the Treasurer could and should have wielded the Budget weapon with much more telling effect.

The great difficulty in dealing with inflation stems from the fact that inflation feeds on itself and thus acquires an almost irresistible, self-perpetuating momentum. That is the nature of the beast. Thus, if for any reason prices rise, costs also rise — then prices rise again and so on. The prices of one industry are the costs of another. The prices of essential public services such as electricity, gas, transport, postal and telephone charges, are costs affecting virtually all industries. To put up the price of petrol by increasing excise duty is to increase costs throughout the economy. Also, if prices go up, living costs go up and consequently the pressure for wage and other income increases intensifies. And, if wage costs rise, prices rise once more. The situation is of course seriously aggravated in the present context where wages, and really most other incomes as well, are hitched to prices.

The present cost prospect is quite frightening. Huge increases have been made in postal and telephone charges. Charges for gas, electricity and public transport seem certain to go up. State taxes and Council rates are likely to rise steeply. The 10 per cent increase in steel prices will be reflected in higher costs for many industries and, in any case, is certain to be the forerunner of increases in prices for other industries through the Prices Justification Tribunal. A further general wage increase has recently been effected through the indexation mechanism. To exacerbate this general situation to soaring costs by increasing indirect taxes (on beer, spirits, tobacco and petrol, not to mention the massive rise in postal and telephone charges) is surely the height of folly.

There is no escape from the fact that commodity taxes add, directly and almost certainly indirectly, to prices and costs — and this at the precise time when the whole emphasis of policy should lean in the opposite direction. It remains to be seen how the people will react to the increased prices for their beer, tobacco and petrol. The rise in petrol prices (and in postal and telephone charges) will, of course, radiate
throughout the economy and increase the costs of goods and services. This is not the way to achieve support for wage restraint or even for wage indexation.

Instead of concentrating on restraining demand, Budget policy should have been directed at curbing the cost spiral. This could be done by temporarily subsidising public utilities which will otherwise be compelled to increase their charges. This would act as a circuit breaker. While it may be desirable that some public utilities, such as the Post Office, should be required to pay their way, this is a policy for normal times. The present times are abnormal and the whole weight of policy should be concentrated on preventing further cost increases for public services through the payment of subsidies from the public purse. State Government utilities which would otherwise have to raise prices could be subsidised by means of Federal grants.

To provide funds for subsidising public instrumentalities, in order to contain costs, the Government should have cut traditional avenues of spending and perhaps postponed Medicare until the economy is strong enough to digest it.

The Treasurer justifies the lift in indirect taxes on the grounds that the Government had simply no alternative. Otherwise, he argues, we would have had to forgo the concessions in personal and company tax or accept a larger Budget deficit with all its inflationary consequences. Cuts in Government spending below the levels provided are, Mr. Hayden says, "impracticable". Presumably he means "impracticable" from a political standpoint. If that is so, then one of the main avenues for the control of inflation is closed off. (See Appendix).

As a result of the insane Budget of last year the total expenditure of the Australian Government jumped from less than 25 per cent of GDP to over 30 per cent. Many of the troubles from which the economy has suffered in the last 12 months can be traced to that unprecedented increase. The effect of Mr. Hayden's Budget will very likely be to further increase the Government's 30 per cent share reached in the last financial year. Once additional ground has been gained, there is clearly
to be no withdrawal — at least not by the present Government.

The inescapable fact about the whole matter is that the Australian people are simply not prepared to relinquish (through taxes and charges) a sufficient proportion of their earnings to finance the 30 per cent share which the Government regards as sacrosanct. It must therefore be financed partly out of inflation. And this is precisely, of course, what the Budget does. The revenue estimates are based on an anticipated increase in average earnings of some 20 to 22 per cent, compared with 26 per cent in 1974/75. Thus, we face the grim prospect that the current financial year will see little, if any, reduction in the rate of inflation below the record level of 1974/75 — and this, notwithstanding the fact that the Treasurer himself regards inflation as the root of all evil.

The Budget Speech claims that the Government has exercised restraint (as if that were some kind of virtue on its part). But expenditure is to increase by 23 per cent over last year’s spending spree — some small increase in real terms. How that can be called “restraint” at a time of rampant inflation defies the imagination! “Little change”, says the Treasurer, “is expected in the proportion of Budget outlays to GDP”.

There then follows a most extraordinary statement. “This offers a challenge to the private sector to respond with robust attitudes towards expansion which should serve well those who adopt them”. Tell that to hundreds of thousands of small businessmen; tell that to thousands of hard-pressed farmers who have failed to gain one concession; tell that even to large companies with another 16 or 17 per cent inflation in prospect. In the light of all the talk about the urgent need for the restoration of profitability and investment in the private sector, the incentives offered to business are pitifully meagre — a minor reduction in company tax, the extension of the double depreciation allowance and little else. This is hardly calculated to set the spirits of businessmen soaring. Indeed, the Budget has understandably given rise to bitter disappointment throughout business circles.

Mr. Hayden stated that the Government’s objective is to bring inflation down gradually over perhaps two or three
Economic strategy and the 1975/76 Budget (continued)

years. "It can hardly be more than a slow winding down within that time-frame (1975/76); but our time-frame must extend beyond the immediate confines of this financial year". This approach is not good enough. Indeed, it reads rather like an acceptance of inflation, a willingness to live with rather than eradicate inflation. It simply does not measure up with the Treasurer's strong words about inflation (quoted at the beginning of this article).

We will never rid our system of the disease by this kind of gentle, gradual treatment. The truth is that something much more forthright, more drastic will be required: economic surgery not just pain-killing drugs. There is no escape from this eventually, and the longer we refuse to submit to the operation, the more painful it is going to be.

The crux of our whole economic dilemma is contained in the following sentence in the Budget Speech — "It is not possible to provide more and more government services or transfer payments from the Budget without ultimately having to pay for them through cutting back after-tax earnings via increased taxes". We can have either more and more elaborate government services and cash benefits or higher and higher real wages and salaries. We cannot have both. The fact that we are trying to have both, an ambition which has been encouraged by the Government, is the root cause of all our difficulties — inflation, the undermining of business profitability and investment, the decline of economic growth and, for many, of real living standards.

It is staggering to read in the Budget Speech that in 1974/75 the total real income of the average employee rose by 9.5 per cent — 7 per cent through real increases in after-tax earnings, and 2.5 per cent in improved Government benefits by way of education, health, social security and so on; and this in a year when real GDP declined by 2 per cent! Someone must have gone without. No wonder we had rampant inflation, no wonder business profits declined to vanishing point, no wonder business investment virtually ceased, no wonder unemployment soared!

The scaling down of public sector spending is an unavoidable part of the treatment, however much it may hurt parti-
cular sections of the community. The Budget should have made a start on this part of the surgery. It failed to do so.

The other part of the operation is to bring annual wage and other increases back to a non-inflationary level. We are deluding ourselves if we imagine that wage indexation will do this. Wage indexation is destined to be a tragic failure and will, sooner or later, have to be abandoned.

In the kind of crisis we face there is really no alternative to Government itself taking control of incomes if cost inflation is to be quelled. What the Commonwealth Government should do is to set a figure (say $10 a week) for permissible increases in incomes for the next 12 months. This would mean, of course, the rejection of wage indexation. It will be argued that the Government has no power to enforce an incomes policy of this kind. The Commonwealth should therefore seek the full co-operation of the States, which they could hardly refuse.

We believe that such a policy could be “sold” to the people because of the universal fear of continued rapid inflation. The Government should emphasise that we face a crisis of great gravity in which our living standards, the stability of our society, indeed our democratic way of life, are at risk. All Australians must recognise this, and must unite to ensure that these fearful eventualities do not occur. Every section must make its contribution and all must share equally in bearing the burden of whatever “sacrifices” are involved. If all share equally, no one should have any reason to “kick”. If we don’t act in this way, the “sacrifices”, in the end, will be infinitely greater. In other words, the policy would have to be “sold” by courageous, strong leadership that doesn’t pretend to offer an easy way out: in any case, there is no easy way out.

In the present critical situation, the Government must make clear to the people precisely what is causing inflation, what must be done if inflation is to be hobbled, and the dire consequences for us all if it is not. The Government has a Department of the Media. It should use it to issue a simple educational pamphlet to every Australian household in order to gain public understanding, and support for the measures which are unavoidable.
Wrong as it would be, on strictly economic grounds, the Prices Justification Tribunal should be continued for another year. This would be necessary in order to gain public support for "the control of incomes plan". The Prices Justification Tribunal could be instructed to refuse any price claims based on wage increases above the nominated figure. After 12 months, the incomes policy could be reviewed.

Some may say that if incomes' controls were lifted after, say, 12 months, the wage-cost spiral will take off again. But there are some good reasons for hoping that this will not happen. In the last few years, both people and Governments have learned a bitter lesson from which they should profit. Governments must now surely realise that excessive taxes will set in motion demands for excessive wages: that excessive taxes are, in turn, the consequences of levels of Government spending, which the people may demand but for which they are not really prepared to pay. The people may have learned that wage and salary increases which are far and away above productivity improvements mean steep inflationary price rises. People now fear inflation in a way they did not three or four years ago.

The prevention of inflation will always depend on responsible, intelligent, realistic leadership by Governments, and their advisers, and on a widespread sense of responsibility and moderation on the part of the people.

There should be a much better chance of both in the future, now that we have experienced what rapid inflation means, and have begun to realise what it could mean if not arrested.
Appendix — Note on Inflation

Diseases can be cured only by removing the causes. Inflation is no exception. The causes of Australia's serious bout of inflation are two.

1) Excess public expenditure. This simply means that governments are spending more than the community is willing to pay for. (This is Keynes' "inflationary gap").

2) The spread throughout the community of a cynical "grab as much as you can for yourself" mentality.

(1) Imagine the reaction of the people if the Budget, instead of raising indirect taxes, had increased rates of personal income tax in order to obtain the target revenue figure. Income tax, instead of being reduced by some $395 million in 1975/76, would have been increased by $327 million. Such an increase would have provoked an angry public outcry.

In that case Mr. Hayden might have found that it was not "impracticable" to cut spending by $500 million or $600 million (as he claimed in his Budget Speech). He would probably have found that it was "impracticable" not to do so.

We are not suggesting that such a system of taxation — in which, say, 80 or more per cent of total revenues was raised from personal income tax — would be desirable. We are merely using it to illustrate and substantiate our contention that the Government is spending much more than the people are really prepared to pay for. Faced with high taxes, they try to avoid meeting the bills by demanding higher incomes.

Governments would not dare to spend as much as they do if the people were accurately aware of how much they had to pay. On the other side, the people would not place such heavy demands on Governments if they knew precisely how much of their earnings they would need to give up.

The gap between what Government spends and what the people are prepared to pay for is really the root cause of inflation.

(2) Once a cynical "grab" mentality takes hold in a community, it becomes a major cause of inflation. Such a habit of mind can be triggered off by high taxes — arising from "excess" government spending as defined above. Or it can be triggered off by the success of some section of the community in gaining an exceptionally large increase in its incomes. When this happens, it is not long before every other section tries to jump aboard "the gravy train" — other wage and salary earners, professional men, businessmen and the rest.

Soon the habit of demanding, and expecting, absurdly large increases in incomes becomes ingrained in community psychology. As the competition mounts, the increases demanded become greater and greater. Good sense and moderation are thrown to the four winds. Inflation runs riot, and the community becomes entangled in the coils of its own competitive greed.
How far can we plan?
An excursion into economics

by

STEPHENV LEACOCK

Stephen Leacock, who died in 1944, was Professor of Political Economy at the McGill University in Montreal. Although he achieved eminence in this field — at least one of his books became a standard work in many Universities — Stephen Leacock perhaps became even more famous for his humorous writings.

He was a man of wisdom and he used his great humorous gifts to convey, with telling effect, his mature and penetrating observations on the human scene.

The paper reprinted here was published in a book of essays in 1939. It gives the writer's viewpoint on socialism and is even more relevant today than to the pre-World War II era.

I remember many years ago on a Sunday morning, meeting an old-time Presbyterian friend of mine, just emerging from his church and drawing on his gloves with an air of great satisfaction. "Our minister," he said, "preached a great sermon this morning."

"What was it about?" I asked. "About the poor."

"And what did he say about them?" "He gave them hell."

That, I repeat, was many years ago. We can't solve our social problems quite so simply now. The time has gone by when we can believe that the poor are poor because they deserve to be poor, and the rich enjoy their wealth because they created it themselves, or inherited it from those who did.

Yet this was, in the main, the simple creed that was good enough for George Washington and George III, for John Adams and Adam Smith. Leaving out a few uncomfortable people like Thomas Paine — and crazy people like the French — it was, a hundred years or more ago, the general theory of society entertained by a gentleman. It could be reduced to a few simple ideas. Here first was property — especially property in land — a thing so obviously admirable that no property-owner ever questioned it. With this was free contract in buying and selling, with a guardian government and law to keep it all straight and prevent fraud and violence. Labour, both in England and America, was equally free, that is, leaving out plantation slavery, a domestic institution, existing under both flags and concerning negroes not men. Labour had been emancipated from the old restrictions about moving from place to place. It had full liberty to go where it would, like the liberty granted to Mr. Pickwick by the Pickwick Club on the proviso that he paid his own expenses. This system was undoubtedly capitalism though they didn't know it as such at the time, and called it common sense, natural law, or the workings of providence. In England there was supposed to be something not only moral about it, but peculiarly hearty and British. In America, with land free and opportunity wide open, it fitted like a glove. Who cared if George Washington owned...
150,000 acres? There were lots more. In the old world the fit was better at the top: at the bottom the poor got badly squeezed. But they could be explained away, first on the ground that they were always with us, and secondly that theirs was the Kingdom of Heaven. With all that in sight they had no right to kick.

A few had qualms. Adam Smith, who owned no land, was not quite sure about landlords, and Bentham, who had no children, felt uncertain about inheritance; and John Stuart Mill was poor for so long that he grew doubtful about the rich. But mainly the social system of the earlier nineteenth century appeared to those who prospered under it as the natural and only order of society.

More than that, it had in it, in the form of its new and wonderful machinery, the prospect of continual betterment, increasing happiness. Hence even the misery of the slums seemed only a dark corner waiting for the light. People lived in the sunrise. It was always morning.

* * * * *

A hundred years has clouded it all over. The sky is darkening into night, and livid with hidden lightings. The air has fallen hot, stifling. Something is coming — we cannot tell what — and far off perhaps in the darkness our ears seem to catch the roaring of a great sea.

What is coming? Where can we stand! Is the old basis gone on which we build our foundation, and must we look for higher ground or perish in the gathering flood? . . .

* * * * *

Let us pace over again, in broad strides down a hundred years of history, the ground that has been traversed. This age of Hope, what happened to it?

Well, in the first place poverty, that should have disappeared, showed no signs of doing so. It seemed that the poor couldn't, or wouldn't, get rich, and they wouldn't go to Heaven, all lit up and waiting for them. It isn't true that the poor got poorer. It is only that the aspect of poverty grew worse. A slum is more appalling than a desert. The Hottentots were poor and never knew it. A Hottentot thought he was rich because he had two wives. We know better than that.

Of course, as long as there was America to go to, it wasn't so bad. If the poor wouldn't go to Heaven they could go to Pittsburgh. Then America filled up and the "free world" was all finished.

At the same time "free competitions" began to be all grown over with a web of monopoly. Machinery and company organization seemed to create monopolies, and monopoly prices were not the same as "free" prices. It is not true that a monopolist can "ask what he likes" — or rather he can ask it, but he can't get it — but a monopoly price differs from a "free" price in that it is based on the interest of the seller — "what the traffic will bear." "Leave the consumer to us," said a great monopoly-sugar magnate forty years ago. But the consumer said, "Please don't."

With monopoly prices came all kinds of queer prices of which Adam Smith, who slept well, never dreamed, and John Stuart Mill, a light sleeper, only caught a vision in a nightmare. There were prices specially made for competition's sake, temporary prices of business strategy to kill the "little man" (meaning perhaps a huge local butcher or a heavy drayman); prices as by-products, or prices under a cost so multiple and divided, that no one could measure it.
All of this simply overwhelmed John Stuart Mill's world. All that he said about it was true, but there ceased to be any such place.

On the other hand, the only effective thing to raise wages and shorten hours turned out to be the thing that the economists of a hundred years ago called futile. Ricardo said that wage laws couldn't possibly lift wages, neither could strikes. The economists approved of labour unions only in the form of burial societies, those for mutual improvement or recreation. "Oh, what a world of profit and delight is open to the studious artisan!" So sang some dead jackass of the period. The workers could improve themselves (with such things as algebra), have a good time and then bury themselves.

But it turned out that Labour organization could and did raise wages: not by making the social cake bigger but by making other people’s slices smaller.

But there was worse than that. As the machine production system widened over national industry, it developed a habit of going alternately fast and slow, and every now and then coming nearly to a full stop. This was the familiar "cycle" which the world tried to ignore and which is now the world's bogey, the world's ghost, the assassin behind the arras. The economists tried to pooh-pooh it. They said it always righted itself; so does human life — at the end. The famous economist Jevons said it came from periodical over-brightening of the spots on the sun, which affected the Indian rice crop, which affected English investment in India, which affected the London market, and so on. It was like the house that Jack built, whose causation got longer and longer. Perhaps it's not the spots, exactly, but Jevons was right about the causation idea, and of the notion of one thing knocking down another and so on. We do live in a house that Jack built; it's like a card house that's fine as long as it stands up. When it falls then Brazil coffee knocks down cotton and cotton knocks down wheat and away it all goes.

What a place! What a world! After all the bright hopes that gave it birth.

So can we wonder that very early in the day a lot of people began to think that the only thing to do was to sweep it all away and build up another kind of society. They forgot that there's only one kind of society that we can build, a society made up of men and women — as they are. Give me saints and angels — and I'll build a fine one . . . . But even at that it would be dull. Women, as they are, are better for the purpose than angels; saints and women could be a fine combination but you couldn't keep it. The women would corrupt the saints. What I mean is that we have got to deal with people as they are, not with people as they might be — the dream-people of the academic socialist.

Modern socialism came in with the middle of the nineteenth century. It had nothing to do with the earlier medieval socialisms of the inner light — the socialism of friars and monks, or of Rappites and Oneida Shakers. These, as economics, succeeded — because they aimed at renouncing the world. A man in a hair-shirt is easy to please. But new socialism aimed at achieving the world. That's different.

It spoke through such epoch books as Louis Blanc's "Organization of Labour" and Karl Marx's "Capital" and Edward Bellamy's "Looking Backward". It has spoken through a thousand tongues since, but the voice, though in a thousand
tones, is still the same. Academic people with long ears and loose ties now pooh-pooh all connection with the older socialism. They said it is replaced by guild socialism, or gradualism, or syndicalist-socialism, or by the peculiar Tom Tiddler's ground beginning to be called totalitarianism. Not so: as they say in French, "the more it changes the more it's the same thing." The central idea is wonderful, simple — and utterly hopeless.

A British Prime Minister once said that he could write out "free trade" on half a sheet of notepaper. I am sure I could write out socialism on the space left at the bottom of the page.

Socialism merely means everybody working along with everybody else for everybody’s good, in cheerful cooperation and equality, instead of each selfishly working for himself in a world of inequality and injustice. The idea is grand. I'm all for it. But I'm not fit for it. At least I might be, but I doubt you other people. I'd hate to give up my house and my shares in my latest get-rich-quick gold mine (over the counter, tenpence a share) — till I am a little more sure of the rest of you.

* * * * * *

Consider how socialism is supposed to work, by a real socialist or communist. Never mind the difference between the two: it’s only that a socialist shares the workroom and a communist shares the bathroom. For the present purpose they are all the same. There isn’t, of course, any such thing as real socialism in existence, and never has been and never will be. But you will find it existing as a vision in the mind of any enthusiastic second-year student, bright with light and iridescent as a soap-bubble. It is part of his native endowment of generous imagination which the college will presently remove in fitting him for life.

This is what he sees.

In his happy world a group of awfully decent old men (many of them as old as forty) sit together as a sort of board of directors and arrange how much of everything ought to be produced so that everybody will have conveniently enough of it. How do the old fellows know it? Oh, they think it out — or no, perhaps they calculate it from graphs and curves that indicate what is called "saturation". The old men are supposed to know when they are saturated. Not all men do, but that doesn't matter. These are supposed to, and anyway these old men are so decent and so public-minded that they don’t mind how long they sit there and saturate. Real old men (I am one) might want to have a whisky and soda brought in, and a box of cigars — or perhaps want to know what there was in it for themselves; and crooked old men (I’m not one, but a lot of my friends are) would start to fix up the plan of production all crooked.

But anyway pass on from the old men. The idea then is that all the “comrades” are allotted to various tasks. One says, "Please may I be a policeman?" and the board says, “certainly!” And another says, “Can’t I have a hat like his?” and the board says, “Why, of course.” Because, you see, they’re all so kind and so considerate. They’re just dream people, not real at all. And so the dream people drift off into all their jobs — and some are butchers, or bakers, or tinkers, or tailors — my, it’s fun! — they all love it! — and some are engineers on trains and go “Toot! toot!” Don't you remember when you were a child and had no economic ideas and thought that a policeman was a police-

IPA Review—July-September, 1975
man because he liked being a policeman, and an engineer was on a train because he liked to make the whistle toot? Well, that dream world that you lived in was the socialist’s world: and if you grow old enough and silly enough you can get back into it, and think of it over a bowl of gruel.

It just can’t be. The motive is wrong. We are not like that. We don’t, we can’t care enough for one another’s welfare. I’ll look after my grandmother, but I won’t look after yours. She’s not worth it. I’ll pay for the education of my own children because they are bright little fellows and it’s well worth while, but you’ve only to look at yours to see the difference.

The modern communist worker has the loom on the left and the jail on the right. Work or get punished. And those who direct it are the bosses — elected, selected, or forcing their way to the top. The strongest rules.

What a picture, this world of iron rule with the worker called, and if need be driven, to his task. This is no pleasant hay field in the morning sun. But if you know of any state where this cap fits, put it on. There is no escape from the dilemma. Freedom in a socialist state means idleness and confusion: order and authority means economic slavery.

Nor is there any solution to be found in the half-way house called a totalitarian state: in this the workers are ordered and grouped in huge economic divisions with wages and profits unified in the same dilemma as described: the moment it passes a certain line it turns to economic slavery. In it, or in any other state, political and national enthusiasm can render tolerable for a time an economic system impossible in the long run. But this is just the hair shirt of the mediaeval socialist. A similar devotion for a time can carry a nation, or at least many of its people, into the sacrifice of individuality, the consciousness of mass welfare, that goes with war. But this is the agony of mankind, its martyrdom, not its life.

* * * * * * *

What is left? We must go on as we are, with our every-man-for-himself individualist state, patching it, fixing it, somehow making it go. Call it capitalism if you like and kick it, but it is all we’ve got.

But observe that after all we are at least getting on a little. We won’t let one another starve: doles, and pensions, and relief, and all that goes with it take the place, for the poor, of the Kingdom of Heaven. We try to regulate our industrial system by wage laws, welfare laws, school laws, and all that goes with parks, playgrounds and libraries and community life. We give more and more collectively from the rich towards the collective enjoyment of the poor. We seem slowly to be devising not a new society but a better regulation of the old, not a new game, but a new set of rules.

Such a conclusion seems perhaps dispirited and discouraging. As I see it, it’s the only one. What we have is all we are fit for. Change us and you change it. The two go together, spirit first, body after.
A few years ago, one would have been justified in thinking that the bogey of public ownership of industry had been finally laid to rest. While the nationalisation objective still remained in the platform of the Labor Party, it was kept well under covers during, and indeed between, elections. The overwhelming rejection of bank nationalisation — in the election of 1949 — had suggested that a policy of public ownership was not the way to win friends and influence people.

The nationalisation concept has now been revived, at least tentatively, by the formation of the Petroleum and Minerals Authority, (recently declared unconstitutional) the Australian Industries Development Corporation, and the intention to form an Australian Government Insurance Office. In the controversy over foreign ownership, the Minister for Minerals and Energy, Mr. Connor, has threatened that overseas interests will be bought out, on behalf of the Australian people, by the Government, with or if necessary without the co-operation of Australian investors.

The advocates of nationalisation have always maintained that a government enterprise is one owned, by and operated on behalf of the people, whereas a private corporation is one owned by a few capitalists and operated exclusively for personal gain. Both propositions are, in these days at any rate, manifestly absurd.

The first identifies “the people” with “the Government”, notwithstanding the fact that, at any one point of time, the majority of the people may be strongly opposed to the Government. Also, do Australians really feel a greater sense of proprietorship in say, the P.M.G., the Victorian Railways or the Sydney Water Board than they may feel in The Broken Hill Pty. Company or The Western Mining Corporation? They probably feel far less.

The ownership of B.H.P. is not concentrated in a few hands but is spread over some 200,000 shareholders. Moreover, the largest shareholders in B.H.P., as in most of the big companies, are institutions — life assurance societies and pension funds, for instance, the members of which would cover a majority of the Australian community and share in the profits through bonuses on their policies.

No one receives any “dividends” from the P.M.G. Indeed the people’s participation in the P.M.G. takes place through the excessive charges they have to pay for telephones and mail, because of the renowned inefficiency of the enterprise. Australians are thus incurring a high price for the privilege of so-called “ownership”. Moreover, in view of the slowness and frequent interruption of the mails, the people might be surprised to learn that the P.M.G. is being operated in “the public interest”.

The real test of “the public interest” is whether the enterprise, public or private, is being efficiently conducted, whether it is keeping abreast of new technologies and is growing in accordance with the demands of an ever-expanding and increasingly sophisticated community. By comparison with private enterprise, publicly owned industries have a lamentable record in this respect. The British Steel Corporation, to take one notable example of a nationalised concern, is a monument of inefficiency. A recent issue of “The Economist” said that the German worker was producing more steel in one and a half days than the British worker did in a week.
Why is this so? Are the managers of a government instrumentality necessarily any less able, less enterprising, less dedicated than their opposite numbers in a large public company? If they are, then it would seem that the deficiency could be easily remedied by recruiting top-grade men from the private sector of the economy. There are numerous instances where this has been done, usually without the spectacular consequences which might have been expected. The reason is not hard to find. The managers of a nationalised industry operate in an utterly different environment from those in control of a large private enterprise, even one enjoying a monopoly position.

Take the top business executive! He is under constant pressure to get results. His performance is ultimately assessed by the balance sheet and profit and loss account and by the prospective long-term viability of the enterprise for which he is responsible. If he cannot achieve what would be regarded as a reasonable return on the capital invested, he will come under fire from the Board of Directors, and the Board will come under fire from the shareholders. This means that the management of a large company must administer the enterprise with a strict regard to costs. It must also have an eye on the development of new technologies, and of new ventures which offer the prospect of a lucrative return. It must be constantly weighing income against out-go and be prepared to abandon those ventures which fail, for one reason or another, to provide an adequate return on capital.

In the publicly owned monopoly, these constraints and incentives are absent. There is no compulsion to show a profit; losses do not matter that much because they can be made good by the simple expedient of an infusion of taxpayers' money, or a huge lift in their charges (as with the P.M.G.). They do not have to face the Prices Justification Tribunal. Not only do public utilities lack the spur of competition, they are also free from the rigid financial disciplines to which private enterprise is subject. Admittedly, there may on occasions be reasons why a public utility should be run at a loss, but, in these cases, efficiency factors are likely to count for even less than in enterprises trying to achieve financial balance.

Moreover, since there may be no direct personal gain involved, the managers of a government instrumentality are not disposed to take the risks which are inseparable from economic progress. They prefer to play safe and stay on familiar ground.

Finally, the controlling authority of a government utility is constantly aware of its masters, the politicians, who are invariably more interested in votes than efficiency. The Board of a nationalised railways system, may wish, for instance, to close down an uneconomic line. But the politicians, looking to the next election, may have quite other ideas. Many people could be disadvantaged, and this would not be good politics. The Chairman of the Board of the Victorian Railways, Mr. A. G. Gibbs, recently complained of the tardiness of the Government in acting on the Board's recommendations to withdraw 18 uneconomic rail services. So far, he said, the Government had cancelled none.

The nationalised industry unavoidably operates in a political environment and such an environment is the very reverse of what is required for efficiency, enterprise and progress. In an article in "Review" some years ago, Sir Oscar Hobson, the then doyen of British
financial journalists, writing of British experience, said: "Nationalisation of industry has, by and large, been a failure". "The greatest difficulty of all is the inability of Governments to refrain from interfering with the nationalised Boards when votes are involved".

The concept of "public control", so often extolled by the proponents of nationalisation, is a myth. The people, in fact, are able to exert far less influence over government monopolies than over the large private enterprise. Does the ordinary Australian feel he has any control whatever over the operations, for instance, of the postal system or a State electricity enterprise? With a private concern, he may at least be able to transfer his custom somewhere else. If he finds reason to object to the activities of, say, a large brewery, he can try another brand of beer. Or, if the company is a monopoly, he has the opportunity of buying a few shares and of making his presence felt at meetings of shareholders. Moreover, Governments, quite inconsistently, seem reluctant to apply to their own enterprises the same tax provisions and regulations (such as those inherent in trade practices laws) which they impose on the private sector — presumably in the public interest.

The advocates of nationalisation always claim that the workers in a publicly owned industry will work better and more happily than their counterparts in a private, profit-making concern. Experience hardly supports such a claim. The managements' of nationalised industries find it hard to establish those personal links, that mutual trust and confidence, on which good industrial relations depend. Nothing can be so remote to the worker as the Board of a huge public utility and worker morale is usually poor. It is no coincidence that some of the most catastrophic strikes in Australia occur in Government utilities, which have an extraordinarily poor record in industrial relations.

* * * * *

What is at stake, however, in the issue between private and public ownership is not just economics — in this regard the advantages of the private organisation are overwhelming — but the question of power. In the past, one of the main arguments of the socialist advocates of nationalisation has been that private enterprise leads to an ever greater concentration of ownership and of economic and thus political power; that this is an anti-democratic tendency which can only be curbed by the expedient of public ownership.

For technical and other reasons, economics of scale for instance, there is an undeniable tendency for big business to get bigger. But, in the modern world, big business has come under increasing public supervision through rigorous company legislation, price and export controls, and through action to prevent practices regarded as detrimental to the public interest. Moreover, the large private enterprise is, today, constantly in the national spotlight and is required to justify its policies and actions before the bar of public opinion which, because of its distrust of "bigness" and political propaganda, is only too ready to believe the worst. Big companies must be ever aware of their "public image" through fear of retributory action by Governments.

The powers of large corporations are undeniably considerable, but in these days the economic destinies of the people are, in fact, much more directly influenced by the big industrial unions. These powers, indeed, are so great, that
in numerous cases, some unions seek to usurp the role of Government itself.

In a recent and startling article, a leading British socialist, Mr. Paul Johnson (former Editor of "The New Statesman") stated that trade union insistence on "over-manning" in British industry meant that two workers out of every five were doing jobs which were really "fictitious". The consequences of this policy, he affirmed, had been to reduce Britain to a second-class economic and military power.

In Australia, who determines, for instance, the rate at which ships are loaded and unloaded, the rate at which homes are built, indeed the general productivity throughout the community and thus the prices that businesses are compelled to charge in order to remain afloat? The question has only to be asked to be answered. Every thinking person knows that the most threatening and undemocratic concentration of economic and political power today is to be found in left-wing unions, not in the larger companies.

Nationalisation of industry replaces one form of power by a far more dangerous and pervasive power. It concentrates more authority in the hands of the State. The fact that the people can change their governments every so often gives them no real control over the manner in which the nationalised industry is conducted. Indeed, the most effective means by which the mass of the people can exercise some control over their economic destinies is through the time-honoured device of the market which is part and parcel of the free enterprise system. If dissatisfied with the goods or services they buy, they can take their custom elsewhere. They have a freedom of choice which would largely be denied them if a big proportion of industry were publicly owned. In that case the people would have to take what they were given — which, on present experience, would not be much to cheer about.
Hamersley — friend or foe?
A personal impression

by Marjory McKay

Marjory McKay is the wife of the late Cecil McKay, a leading industrialist, who helped to found the I.P.A. She wrote a biography of her husband Cecil, "All Was Not Sunshine", which was published last year.

Mrs. McKay recently spent three weeks at Karratha in Western Australia at the invitation of the Australian Inland Mission. She has written this graphic description of her impressions which we are pleased to publish in "Review".

Perth's civilized green timber and cultivated land flowed astern; a flat wilderness, reddish-brown, lay beneath the plane, its surface scarred and seamed by the writhing forms of deceased rivers, while away on the left the Indian Ocean ceaselessly inscribed its signature on the edge of the land, the continent's western seaboard.

With a sense of awe the ancient years drew closer; fantasy faintly yielded ghostly ships — Portuguese, English, French and Dutch — under sail upon those waters, but as Time blemishes all surfaces save those of the ocean, of their passage there was no trace.

Karratha, my goal was coming up; the sun was going down. That day, for the first time, I saw sunrise in the East, and sunset in the West! Had I set out from London that morning I would then have been knocking on the gate-way of Damascus! And thus, without an axe to grind, and in innocent ignorance, I was embraced by the heat, and soothed by the air-conditioned air-port.

Through the dusk I was driven to the Australian Inland Mission Staff House in Karratha.

For the next three weeks it was a case of walking into History — History in the making beneath one's very feet and before one's eyes!

Karratha's impact was shocking in its reality.

Any previous existence was recalled with difficulty; even family faces required deliberate effort, and for some time after my return to Melbourne I moved in a 'Karratha' trance.

For it is another world; stitched firmly into the iron-ore land, hemmed by blue-metalled roads, and savagely anchored to the red, red rocks which upon the hills resemble rugs of sleeping Santa Gertrudis.

My mental shock was due entirely to the media's insidious brain-washing
about the villainous multi-nationals, and left me unprepared for the dramatic magnitude of the iron-ore industry. I now desire nothing so much as the words to spell out the injustices done these pioneering companies.

Children are told, and History relates, the tale of the Miser, dead as dead from malnutrition while still clutching to his scrawny bosom the treasure which could have saved him. Were it not for companies such as Hamersley, Mt Goldsworthy and Mt Newman, this description could sadly and accurately represent Australia today.

Australia of Yesterday was so different, for perspective proves that Hamersley treads where the pearlers black-birded the young aboriginal men to dive (and die) for shell off the coast of Cossack; where one never inquired the real names of men in the ports of Dampier, Port Hedland or Broome, for they were the ports of missing men; where white women were as rare as roses with not one of the prospectors on the hills of the Pilbara a family man.

I am sad indeed that circumstances prevented me from exploring the Pilbara in depth and from visiting the operations of the other large mining companies in the area; that such names as Pannawonica, Millstream, Wittenoom, and Marble Bar will only sing in my heart. However, that I did gain more than a nodding acquaintance with Karratha, Dampier and Hedland stirs my mind.

This vivid introduction into the brand new world of the press-styled multi-nationals made me determined to discover what makes companies like Hamersley tick.

Gold was the first lure that drew men into the harsh loneliness: gold. Man's reliance was then upon himself: benefit of technological and scientific know-how minus quantity. Camel teams; donkey teams; man-power behind a wheelbarrow; heat; hostile environment — hostile people — greed. With all such and more he contended; sometimes succeeded; often died.

Miners are true pioneers; original explorers; beginners of enterprise, free enterprise.

I made a cup of tea for my first miner in 1961 in the AIM Hostel at Hall's Creek in the Kimberleys. He had just completed a solitary 2 years' stint at the Granites, working over the abandoned gold mine, and had 'broken even'! 360 miles north-west of Alice Springs he had had to travel over 100 miles for fresh meat and water, and he was still sane . . . .

Two mines I remember, abandoned mines, being worked over by incredible optimists (one a stateless person from Soviet-torn Europe) in unbelievable environmental hostility and isolation. We descended into raw darkness, and along a rocky tunnel, no shoring up, and once, just once, an infinitesimal wink of light was caught by the torch; 'That's gold', he said, 'that's gold' . . . . What shimmering dreams held them there? What El Dorado visions?

In this year of our Lord, 1975, Hamersley and other such companies battle through similar environmental problems as did those other-century pioneers. There is, however, a monumental difference. The antithesis of Don Quixote they come armed to the teeth with every known technique, and relentlessly are winning the struggle against the wilderness.

Not for them the lure of gold as such, but that of thousands of millions of tonnes of iron ore in the Pilbara in the far North-West of Western Australia.
Behind every discovery there is a man or a woman. History, Hamersley and a recent Herald article give the glory of the discovery of iron ore to one, Lang Hancock, who in turn hands it to Ken McCamey; there is also a voice from the last century — Government Geologist H. P. Woodward in his Annual Report of 1888-9 stated ‘this is essentially an iron-ore country .... there is enough to supply the whole world should present sources be worked out’.

No ‘milk and honey’ prognostication, but surely deserving the hoisting of our flag to full mast. For this was the promise of hidden wealth in Australia, an opportunity to compete in world markets, to develop and extend our secondary industries, surely a matter for joy for all Australians, governments included.

That this is not so can be clearly seen. It is a pity that success so often stirs jealousy; not universal jealousy, but the variety which lurks in the minds of ‘chip-on-the-shoulder’ citizens; or of greedy people, or just plain lazy ones. Tragically it motivates the present Federal Government with its myopic penchant for socialistic, bureaucratic control, which literally changes “free enterprise” into “an undertaking”. Strange indeed that a government will obstruct and penalise through burdensome taxation one of its best assets! The commodity known as ‘risk capital’ requires encouragement rather than a climate of uncertainty, for companies need to be sure of their ground to go ahead with exploration and high endeavour.

No sooner had the magic utterance sounded — ‘That’s iron ore’ than 13 companies took out mineral rights, of which 4 actually produce iron ore, hold mineral leases and have ratified Agreements with the State of W.A.

These four are Goldsworthy Mining, Hamersley Iron, Mt. Newman Mining Company, and Cliffs Western Australian Mining Company.

Hamersley came into being in 1962, taking its name from the Hamersley Range; it is wholly owned by Hamersley Holdings Ltd. with major shareholders Conzinc Riotinto of Australia Ltd. (54%), and Kaiser Steel Corporation (28.3%), with the balance of the capital held by the public (11.5%), and Japanese Steel and Trading companies (6.2%). Surely this bears out the importance of ‘world’ people becoming more closely involved. It is satisfactory that Australians control and manage the company, with the majority of the directors being Australian.

I found the visual proof that Hamersley are winning their battle overwhelmingly. Australians should be aware of what is taking place; it is their country, and affects their future. Hereewith are stark facts.

Thanks entirely to Hamersley the brand new Company towns of Dampier with its deep-sea port, Tom Price and Paraburdoo have risen from the wilderness of the Pilbara, as also has more recently the State town of Karratha with the company carrying the major investment burden.

How many could comprehend that pregnant phrase, ‘Carrying the major investment burden’? Within little more than a decade, complete facilities of modern life and industry have been developed distant from the nearest major population centre by 1,000 kilometres!

To itemise, there are 4 towns, 2,261 homes, 7 schools including a Senior High School, 2 District Schools, 4 Shopping Centres, 3 Hospitals, and Kindergartens and Day-care Centres.

Such form the ingredients of a superb de-centralization achievement with
2,000 children enrolled from a population of 11,000. In 1961 when I worked in the Kimberleys this was a wilderness area!

That this has not been a fervent enticement of people for what can be got out of them at any cost is proved by the manner in which the Company has practically ‘fallen over backwards’ to provide an acceptable environment of permanence and variety. To drive over a curving hill in the port of Dampier, unable to ignore that everything has been hewn from the living red rock, and BANG! one’s eyes pop with disbelief — there lies a vivid oasis — an incredible bowling green! That type of amenity is reproduced many times; tennis courts, golf courses, sports grounds, swimming pools.

Each employee, with the exception of the single men, has a high quality home, fully furnished and with all modern amenities: washing machine, refrigerator, T.V., electric stove, air-conditioning; water for house and garden piped 130 km from Millstream, paved roads, and all for a weekly rental of $7 per week, the only other expenses being food and clothing. In such a salubrious climate summer clothes are worn all the year, with slacks and a cardigan for a short time in the winter when two blankets are also welcome.

All of which adds up to a breathtaking vision of History in our time, and in which Hamersley has invested $750 million, the benefits of which largely remain in Australia. Obviously most of this capital had to be raised from overseas resources or financed from export sales, but let us never overlook what an enormous proportion of this sum has been spent on materials and services obtained from local contractors and suppliers, and to what degree the economy benefits through payments to employees, governments, shareholders and local enterprises.

Naturally, Hamersley is after the treasure of the Pilbara. It travels in ore cars pulled by powerful diesel electric locomotives. I saw the treasure curving into and through the outer hills of Dampier; it resembled an endless, segmented red-brown worm; I tried to count the cars behind the three locomotives — 2, 4, 6, 8, 10 — 14, 20 — 34, 60 . . . . the cars ran away from me and I ran out of digits, but possibly there were 234 hauling approximately 30,000 tonnes. (I had fondly imagined that I might have a ride on one of the ore trains, but discovered it is a problem even more difficult than gaining a flight in an F111.)

Driving between Dampier and Karratha the eye is caught and mesmerized by the astonishing beauty of the railway line. Constructed athwart the flatness, the superb precision of those twin lines, their blue-blackness; the arresting transverse pattern and regularity of solid red sleepers; the yellow-green screenings on which the sleepers rest, and which run beside them as a cambered wave; and ALL those infinite, diminishing-into-the-distance lines, straight as any Euclid could produce, are hemmed on either flank by the red-gold of the pulverised rock, and the feathery grey-white of the Kapoc plant.

I hope the construction gangs took time to regard the labour of their hands, and see that it was good.

I am curious as to the range of mental occupation available to the driver and observer of an ore train during the long straight sections. They have a journey of 3½ hours between Paraburdoo and Tom Price with difficult adverse gradings requiring two rear locomotives; on to Dampier consumes 7½ more hours at a speed of 60 km per hour. I hope they get their sixty seconds worth of distance
run, and do not sit like breathing robots.

Dampier is the end of the journey. On one quarter it receives the snake-like ore trains, and on the other the colossal ore carriers come and go. Into them, after a baffling complexity of mechanical arrangements, the ore is loaded.

In my language, a rotary car dumper takes only 100 seconds to turn 2 rail cars upside down dumping their 200 tonnes of ore, which is eventually stock-piled into pyramids resembling, at a distance, cones of chocolate face powder, but in fact are lumps or fines or pellets. All ore is screened and is hosed with water to control emissions; finally, after a further multitude of processes, the ship-loader goes into action.

Two loading berths, Parker Point and East Intercourse Island, can accommodate carriers of up to 160,000 dwt. Should there be any signs of high winds or the dreaded cyclone, the ships make for the open sea. I vividly recall standing on the dunes of Port Hedland at the hour of departing day: sitting, silhouetted against the sun-set glow on the horizon, were 10 cardboard shapes twinkling with coloured lights; monster ships placidly awaiting port entry to fill their iron stomachs with the ore of the land.

John Ruskin, wrote:—

“Take care that in every town the little roofs are built before the large ones, and that everybody who wants one has got one. And we must try to make everybody want one.”

Ruskin would undoubtedly commend the efforts of Hamersley in the Pilbara.

It is obvious that Karratha has an imbalanced society; the supermarket on Saturday mornings was swamped with young married couples, and swarms of glorious, healthy children, skipping unconcerned in the heat, or pedalling swiftly and soundlessly on their shining bicycles. Elderly people were rare.

The highway encircles the town, but none of the house roads are through roads, thus the safety of children from car traffic is assured; the houses are in groups, and between each group is a large natural growth area intersected by concrete paths, ideal for the young on their bikes.

As the North-west is subject to cyclone activity, the roofs are metal and pinned through to the foundations; this construction has been successfully tested.

Karratha has many angles. Such a brief encounter as mine rules out conclusions, rather is my mind a riot of queries.

How much do the residents appreciate the presence of the Australian Inland Mission, the heart-vision of John Flynn 60 years ago? Opportunities for tertiary education in conjunction with Murdoch University is the latest venture of the Inland Mission for the Pilbara.

Why is Hamersley plagued by a labour shortage when the cities are plagued by unemployment? Why do young men accept costly training from the company, only to throw up their jobs after a few years? Are the women bored, and if so, why? Are they mentally incapable of identifying with the challenge of the Pilbara?

That there is a missing factor seems clear. The heat was not a concern; immediate revulsion was at the mere idea of winter. Surely they miss their mothers, and the children their grandparents, but this is also a condition of married life in the cities. I consider they are living soft; they sleep cool, have all amenities. Do this generation, having little experience of adversity, lack the pioneering spirit? Perhaps they still believe in Father Christmas, and fail to
realize that there is no convenience without inconvenience.

Quite sorrowfully I consider they are blind to a rich experience — that of involvement in the ground-roots of their country’s history. Why do human relationships constitute such a heart-breaking problem?

A quiet industrialist once used these words:

"Full production cannot be realized without a proper basis of employer-employee relationship. Amenities and conditions have obscured the all-important factor of human relations. The latter cannot be the subject of awards or legislation. We must have the Golden Rule in our hearts."

It can be misleading to reduce a matter to simple terms, but basically minerals, to be of value, must be extracted and developed efficiently and competitively. Three forces are essential; men, money and know-how, or Labour, Capital and Management. Government insists on making a fourth. Ideally, when sanity prevails, and the forces combine with mutual respect and appreciation of their mutual problems, harmony will result, and all would benefit. It makes sense.

The companies would also benefit by educating the public. How many are aware of that illuminating fact attributed to Mr. Frank Espie, Chairman of Bougainville Copper, that ‘of Australia’s land mass the area occupied by mining is 0.0035 per cent — less than the area covered by Canberra’!

Unfortunately many Australians have a nasty, spiteful attitude towards success stories involving huge sums of money. Information would help break some of this down.

After all we are 200 years old.

**New Booklet — “Free Enterprise”**

The I.P.A.’s educational illustrated booklet “Free Enterprise”, published in August, has now sold over 65,000 copies. 16 companies have ordered 1,000 or more copies for distribution among staff and employees. Two of Australia’s largest companies intend to re-produce the booklet in their employee journals which reach over 20,000 people. We believe this to be a most important way of obtaining a wide coverage for the message contained in the booklet.

In these difficult days for business enterprise, it is vital that this message be broadcast as widely as possible among office and factory employees, in schools and among people in all walks of life.

Class sets will be sent free of charge to teachers, schools and universities. The I.P.A. is indebted to the Companies which have made this free distribution possible.

We believe many companies could profitably consider the distribution of the booklet to their shareholders along with their annual or periodical reports.

**PRICES:**

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 2,500 copies</td>
<td>25 cents per copy</td>
</tr>
<tr>
<td>2,500-5,000 copies</td>
<td>20 cents per copy</td>
</tr>
<tr>
<td>Over 5,000 copies</td>
<td>17.5 cents per copy</td>
</tr>
</tbody>
</table>

IPA Review—July-September, 1975