

Can Government Assist Small Business?

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CAN GOVERNMENT REALLY ASSIST SMALL BUSINESS?

Having been put out of one small business myself, by the State Government in August 1980, it was with some fascination that I accepted the same State Government's invitation in the same month to become a Director of "SMALL BUSINESS ADVISORY SERVICE LIMITED".

One of the roles of that organization is to 'advise the Minister on how best the State Government may assist small business'.

My being put out of business by the government, was the culmination of several years of philosophical debate, over the acceptability of "occupational licensing", ie: whether one's right to a livelihood should be the subject of government licensing or not.

My contention, was that competence, technical qualifications and client acceptance should decide one's degree of success and not a government licence. This reasoning was based on two premises:

1. A study of economics will show that government licensing does not protect the consumer. Licensing only protects well established businesses from up-and-coming smaller ones. (Free competition and the common law are the most effective safeguards for the consumer).
2. Government licensing is incompatible with free-enterprise as it restricts the consumers' freedom of choice.

Government Occupational Licensing achieves little else other than to stifle free competition and achieves the Communist Manifesto aim of 'controlling the means of production'.

This bureaucratic debate was stimulating at first, but, to be brief, it became tiring toward the end when my suppliers were threatened, by the State bureaucracy, with legal action if they continued to supply my orders. I was left in a position of having a business with a good clientele but no product to supply.

Perhaps my experience with bureaucracy can be of benefit to others placed similarly.

Incidentally, it should be noted that my views on small business are not necessarily those of all the Small Business Advisory Service Limited Directors. They have all been successful in different walks of life with many different views to contribute.

For instance, at a recent meeting I learnt two interesting facts dealing with our education system. In WA we have 8 separate bodies involved in teacher training, giving us a surplus of teachers. The other point was that school funding is based on enrolments, whereas in private enterprise we would be more goal oriented and funded on the basis of the numbers actually completing the course.

WHAT'S SO SPECIAL ABOUT SMALL BUSINESS?

Firstly, what is small business? The internationally accepted "Wiltshire definition" in summary, states that "a small business is one in which the business is independently owned and managed by the people who have contributed the capital, manufacturers employing up to 100 people and retail and service industries employing around twenty, with the business having only a small share of the market and, perhaps most importantly, that the owners therefore, have a fairly close relationship with their employees".

There are more than three quarters of a million enterprises in Australia and more than 99% are private enterprise, out of these more than 99% employ less than 100 people. On an average they employ 8 people. There are more than 700,000 small enterprises in Australia employing less than 10 people. West Australia has the highest percentage of small businesses and naturally enough Canberra has the lowest.

Incidentally, that figure of 700,000 would be closer to one million if we included the rapidly growing underground cash economy which is encouraged by Australia's penal tax policies.

These small Australian businesses employ between 40-50% of our own work force and they certainly hold the key to our unemployment problem.

WHY ARE THEIR PROBLEMS DIFFERENT TO THE PROBLEMS OF BIG BUSINESS?

By its very definition, small business has only the owner/entrepreneur to respond to paper work and other bureaucratic demands. Whereas big business has a team of professional staff to take the burden off management. The growing army of officials devoted to restricting and regulating relations between business and consumers is of great concern to the whole business community, but the costs fall disproportionately on small business. Unlike big business, those of us in small business, are unable to pass these costs on to the consumer.

In small business our main asset is our personal energy and this is drawn off every time we are confronted with a government form, a tax query, a payroll tax or sales tax return, a statistical census form, an interstate trade return or a union official, a shops and factory inspector or someone from the Industrial Relations Bureau, when they decide to drop in and idle away an hour or two.

Another difference between big and small business is that small business often picks up the bill for much of the government "help" given to big business in the form of tariff protection, quotas and other forms of protection. On the one hand the so-called help given to big business is easy to see but the costs that come through the system and are paid for by all of us, are harder to see, being diffused among so many. They are non-the-less real; each time we buy a vehicle, a suit of clothes or a pair of shoes.

There is also another most important difference, in that treatment dished out to small and big business and it's described by John Gilmour, business columnist in 'Australian Business', November 6 1980:

“Governments and their minions go for the targets they can roll, not for the targets they should. Following the line of least resistance is everyday practice in government. Its discriminatory effects are common.

It is the line which treats the Kyriakos fish and chip shop so severely. It is the line which enables the Victorian government to abandon a proposed criminal prosecution of a railway employee under threat of union action. It is the same line that makes all sorts of government officers, inspectors and commissioners exercise their inquisitorial powers to the ultimate on small fry while letting the big sharks get away.

This the cause of much anti-government feeling among the small business sector, and it is at the heart of the antipathy to the Liberal party which is felt among the party's traditional supporters in this sector.

In the last few years we have the phenomenon of record profits for big business and record numbers of bankruptcies for small business.

All the help in the world for big business does not necessarily mean any assistance whatsoever for small business.

The requirement for provisional tax, payroll tax, lack of access to capital, and the insatiable demands of the bureaucracy all contribute to the poor economic condition of small business.

If State and Federal governments are serious about the unemployment problem they will act decisively to remove the burden imposed by them on small business in all these areas.

Winston Churchill with great perceptiveness once said:

“Some see businessmen and private enterprise as a predatory target to be shot, others as a cow to be milked, but few are those who see it as a sturdy horse pulling the wagon”.

WHAT DOES SMALL BUSINESS WANT FROM GOVERNMENT?

The answer is not simple as there are many examples of muddled thoughts leading to false trails.

One thing to remember however is called the “Iron Law of Government”. It states that:

“Whenever Government attempts to solve a problem it creates two or more problems of equal or even greater dimensions”.

For example, do our farmers really want superphosphate subsidies to compensate for their cost burden bought about by government policies of tariff protection on imported goods? Do our Asian neighbours really want our annual \$500 million in bribe-money (as foreign aid) to compensate for our refusal to allow them free-trading rights with Australia?

It's easy enough for small business to make similar demands along these lines but such anomalies serve only to divide one group of Australians against another. Instead of aid (with strings attached), surely what is really wanted is freedom to trade without artificial government-erected barriers.

Small business and farmers, and Australians generally should be demanding less government involvement and not more of the same medicine that caused our problems. The state, it is said, is the great fictitious entity by which everyone seeks to live at the expense of everyone else. It also specialises in erecting barriers prohibiting voluntary exchange. We should never forget that by virtue of unrestricted exchange, one man's prosperity is beneficial to all others. Once we recognise artificial impediments to the free

market, as being the problem, not the solution, it becomes clearer just what is needed for the healthy survival of small business.

SMALL BUSINESS IS AT LAST FINDING ITS VOICE

From a political point of view small businesses are extremely important. In aggregate they are likely to contribute more to income tax revenue than does big business: They employ more people than does big business; and in terms of sheer numbers they outweigh big business by about 180:1.

A recent press comment focuses attention on the growing political importance of small business, and articulate spokesmen are stepping forward to lead what could become a revolt:

*GEOFF HASSLER, publisher of the 'National Newsletter for Small Businessmen', "Making Money", comments on the recent federal election in his October '80 issue:

"It has been a particularly interesting campaign, in my view, in that the attention given to problems facing small business has received unprecedented attention by virtually all parties. There is no doubt that small businesses around Australia now constitute a major electoral force. Collectively, no party can afford to ignore us. I think that each of us should remember this in our daily business lives. For example, if you come across excessive government red tape, discourtesy, inefficiency, incompetence or other manifestations of big government – do something about it. See your federal or state member. Assert yourself. One of the reasons that small businesses now command such attention by politicians is simply because a few people have stood up to be counted. I firmly believe that what is good for small business is good for Australia.

Whenever anything happens to you in your business which you feel is less than beneficial, do something about it. All small business people will benefit from your actions".

*PETER McINTYRE, of the Perth Chamber of Commerce, and fellow director of Small Business Advisory Service Ltd, during his address to the 1980 Federated Chambers of Commerce Conference stated:

“Small business is starting to be heard and considered in this country and this is very encouraging. In the past governments have been forced to listen more to so called big business because small business does not, by its very nature, organise itself too easily into a lobby.

For some time now a momentum has been building up around the role played by small business in the various economies in the western world. Organization of small business men and women has certainly attracted the eyes of political parties to such an extent that the small business sector is now being cultivated by all political parties of all persuasions”.

*MR BERT KELLY, former liberal MHR, writing in his “Modest Farmer” column Bulletin, November 11, 1980, explains how “inside every tax moonlighter there is a small businessman trying to get out”:

“This old fashioned determination to keep what you have worked so hard to win, and have run uncomfortable risks in the process, this is the mainspring of the tax revolt. It is all very well for well-heeled civil servants, or academics living comfortably in ivory universities to sneer at those who are taking the risks that make the economy go round. I admit that we are not doing this to benefit our fellow men; we are trying to benefit ourselves”.

Of course, in the process, everyone benefits but the states’ regulatory hordes just don’t appear to understand ground level economics of this kind.

*VIV FORBES, National Secretary of the Progress Party wrote an impassioned open letter to all politicians in October 1980 which states, in part:

"Dear Government,

Please stop doing things to us – you have done too much already. You may start with good intentions, but it is time you were told we do not wish to be protected from discount petrol, cheap airfares, low cost imports or fresh eggs direct from the farm. As consumers we love to see more producers competing to serve us, not less. You say you are concerned about unemployment. Some concern. Almost every one of your policies ensure it will always be with us.

Firstly, you levy payroll tax on every person who provides a job. That results in fewer jobs.

Next, you levy income tax on every employer. So he has less money to expand or hire staff. Then you tax every worker; and you tax him harder if he works more. So he works less.

What really angers us is your gall. You run the most wasteful operation in the country. You employ more people to generate more paper and make more rules to harass working people than anyone else in our history. Then you set up a Department of Productivity to find out why we are producing less.

To cap it all, you talk about setting up another department to advise small business how to be efficient. How would you know anything about small business or efficiency?

Almost every enterprise you run is a huge, strike-prone government monopoly. No one may compete with them so who knows whether they are efficient?

You seem to think that anything doing is worth overdoing. Where the United States government can manage with 13 ministers, we have 26. Where the United Kingdom manages with 2 houses of Parliament, we have 13.

In summary, your performance has been a disaster. Your taxes are bleeding the current generation, your inflation has robbed the past generation and now are saddling the future generation with crippling debt.

You are surely the world's greatest busy body. Are you really smart enough to plan our businesses, run our transport systems and decide what our children must be taught at school?

Do you think you have the knowledge or the right to decide the price of milk, the time we should retire, and when our shops should open and close?

So give us a little less please. Once the ten commandments was a sufficient lawbook. Now we have the 10,000 commandments and the 100,000 regulations.

Start repealing laws instead of adding more. Stop treating us like children so we can learn to be adults. We can decide how to hang the door on our toilet and what books we should read. We prefer to choose our own art and culture.

You should limit yourself to essentials. Be a protector and defender, not an intruder. Give us a fair field and no favours”.

*CHARLES J CONNELLY, President of Small Business and Self-employed Association of Australia (Qld), GPO Box 1149, Brisbane, wrote in October 1980 to all Australian Chambers of Commerce pointing out that:

“The ALP’s track record, philosophy and policies would destroy thousands of small businesses already weakened by the high tax policies of the present government.

Small business employs two-thirds of our private workforce. It serves the consumer by providing competition for big business. It offers opportunities to succeed for those prepared to have a go. It is threatened with slow strangulation unless you join us in sending a message to Canberra”.

There is a message to be sent to Canberra, and we in WA, are fortunate in having a Minister of Barry MacKinnon's ability and understanding of small business. Interviewed in the December 6th, 1980 edition of 'Western Mail', Mr MacKinnon was described as follows:

"He firmly believes that governments can assist but not by simply throwing money at the problem.

Creating a necessary environment for business to thrive is the overall aim of his philosophy. More specific action includes an early introduction to basic business principles/starting in schools.

An expanded advisory service to guide potential business operators and direct approaches to federal ministers who are in charge of tax and business matters; are also part of the plan".

Mr MacKinnon's philosophy of "educate not regulate" is a worthy one for adoption by the Small Business Advisory Service Limited.

WHAT IS THE GOVERNMENT'S RESPONSIBILITY TOWARDS SMALL BUSINESS?

In March 1980, Nobel prize winning economist Milton Friedman, when asked a similar question gave a provocative answer by saying that "Government has no responsibility".

*PROFESSOR FRIEDMAN explained this by saying:

"Only people have responsibility and government is not a person. The notion that government has a responsibility gets you started in the wrong direction to answer the question. It makes you think of government as a collective entity, that there is something over and above the millions of individual people who constitute the society".

GOVERNMENT IS ONLY A MEANS

According to Professor Friedman, the right question is – “What do we want to do through government?”

He argued that government is only an instrumentality, a means to achieve our objectives. Our problem is, therefore, how to use it effectively, for what purposes, and how to keep it from becoming our master. The traditional functions of government are to establish law and order and a framework of rules, Friedman said. He emphasized how important these functions are:

“Economic progress is not possible anywhere in the world, or at any time, unless there is some relatively stable structure of law and rules and regulations, some security of person and property. If you have complete insecurity of person and property you cannot have economic growth and progress. That has been demonstrated over and over again”.

This lines up closely with Minister MacKinnon’s words:

“Creating the necessary environment for business to thrive, is the overall aim of my philosophy”.

It is in this context that the Small Business Advisory Service Ltd can be effective as well as in the educational role.

WA GOVERNMENT’S TIMING FOR ACTION IS UNIQUE, SO REQUIRES A UNIQUE APPROACH

What’s so different about today’s timing?

Right now there is a swing against ‘big government’ and its brother ‘big bureaucracy’.

Almost every publication one picks up, carries an indictment against the failed Keynesian economic prescription of; stimulation by throwing money at the problem.

*THE AUSTRALIAN (BUZ KENNEDY, Nov 10 '80) under the headline "Voters swing against big government" – relates to the Australian, UK, USA experience.

"There is a connecting thread between the British, Australian, New Zealand, Swedish and, now, American elections which leads to a more realistic and supportable identification of a voting trend: a voter reaction against too much intrusion by governments and bureaucracies into too many areas of daily life.

In simple terms, voters everywhere are registering their protests against big government and the cost and arrogance of bloated bureaucracies. The vote for Reagan was essentially not a vote for right-wing politics but a vote for the smaller government, lower taxes, freer enterprise and reduced bureaucratic activity which Mr Reagan promised America".

*PETER BOYCE of the University of WA, recently stated in 'The Australian', Nov 10 '80:

"People want strong government, from whatever political party is in power; but they don't want it breathing down their neck".

*THE INSTITUTE OF PUBLIC AFFAIRS (IPA "Review" April-June '80) analysed the problem:

The famous Austrian economist, Von Mises – and there can be no more severe critic of bureaucracy – points out that it is not the bureaucrats who are at fault but the system. The system which breeds the disease of bureaucracy is the system which emphasises Government rather than the market as the predominant motive power in the economy. 'Big Bureaucracy' is an inevitable accompaniment of 'Big Government'.

The greater the range of functions which Government attempts to perform, the more laws it will be compelled to bring down, and the more orders and regulations will its administrative arm be constrained to issue. Bureaucratic

interference with the lives and everyday activities of the people will inevitably increase.

All businesses have experienced the irritating burdensome task of complying with an excessive number of government regulations and the filling in of endless printed forms. The cost to the Nation is thus not merely the cost of running the huge bureaucratic mechanism, but the additional cost imposed on business by the necessity of compliance with government demands, difficult to estimate but certainly running into hundreds of millions of dollars a year. A Federal system of Government such as Australia's is particularly prone to bureaucracy. Not only is there an army of public servants ministering to the needs of the central Government, but each State must have its own, not insignificant battalions to cater for its functions. And, to cap it all, there are separate and distinct bureaucracies required for the multiplicity of local municipalities. Indeed 'Canberra', while representing by far, the most powerful section of the bureaucracy, may take second place in size to the combined public services of the States.

The giant size of Government is now an ominous feature of the structure of all the Western democracies. Even those political parties which have an ideological aversion to 'big government' have found it's continuing growth difficult to halt and almost impossible to reverse. There are a number of reasons why this is so, but certainly one of the most important is the powerful vested interest represented in the grossly swollen public service, what is now commonly called the 'bureaucracy'. The 'bureaucracy' almost automatically resists cuts in government expenditure, simply because that would mean a reduction of its own influence and authority.

Canberra, indeed, gives rise to a special and rather virulent form of the bureaucratic disease and, as such, is worth a few comments. (Again we warn that we are not criticizing the admirable people who reside in the national capital but rather the particular dangers to which its general environment almost inevitably leads). The term bureaucracy is, in Australia, usually associated with 'Canberra', simply because it is the set of the Australian Government and is a city

comprised of little other than public servants and their families, and of those, who cater for their everyday needs. (Many however, would claim that the most reprehensible examples of bureaucracy are to be found at the State and municipal levels).

In Canberra, we are breeding a race of bureaucrats who, through no fault of their own, must necessarily have a restricted view of the world. The first generation of Canberra public servants lived part of their lives in other parts of Australia, probably mainly in Melbourne and Sydney; but we are now getting into the second and even third generation of public servants, large numbers of whom have resided only in the rather queer, remote, artificial environment of the national capital. Yet these people are dealing with problems which are overwhelmingly concerned with people living under entirely different conditions in the State Capitals, and rural centres and areas of a gigantic and diverse continent. Now the Australian bureaucracy has gained for itself, superannuation and other benefits second to none – indeed little short of scandalous (A Report of the Australian Government Actuary has suggested that the cost of the Commonwealth Superannuation Scheme is of such magnitude that no enterprise could remain self-sufficient in a competitive industry environment with such a cost handicap.), - and a general pay structure little, if anything, below the best in private enterprise.

A vast amount of public money has been poured into the national capital to make Canberra a virtual paradise for the bureaucratic elite.

And today powerful public service unions don't hesitate to call strikes and make little attempt to conceal their political bias.

As Australia enters the 1980's the control of this huge 'vested interest' has become a problem of almost terrifying proportions. The bureaucracy, like the giant industrial unions, is one of the institutional 'monstrosities' of contemporary Australian society. What is the moral of all this? If we, the public who pay the bills, cannot hope for improvement, for better treatment and more responsible use of our money, what do we do about it? There is really only one thing we can

do: that is to throw our weight on the side of limited Government, to look with suspicion on any proposed extension of government activity or expansion of government expenditure. We must accept the fact that the Big Government is a disaster not only because it encroaches menacingly upon our personal freedoms, but because it simply doesn't work. The fault, as Von Mises insists, is not with the bureaucrats but with the system.

Probably no Government in recent times has been more dedicated to cutting back expenditure than the Fraser Government – indeed, as a result of the Whitlam Government inanities, it was expected to do just that. But after four years, (now five years) of office, it has barely made a dent in the Government monolith.

WHY IS ALL THIS RELEVANT TO SMALL BUSINESS IN WESTERN AUSTRALIA?

Because the October 18, 1980 Federal Election produced a severe warning to our Federal Government.

It must deliver the goods in areas such as tax cuts, reduced government spending, and economic management, if it hopes to win the next election.

The Federal Committee on Government Spending is due to report to cabinet shortly on ways of pruning government outlays. For five years the government has been talking without any action, and time is running out.

There are some tough decisions the Federal Government must make in the early days of 1981 and one, already foreshadowed, is a cut-back in finance for the States. WA has been reported as having one of Australia's highest state bureaucracy growth rates, and if this is correct, will be a self erected target for finance cuts.

SA has already made moves to set its house in order to cushion such impact. Last February SA's Premier, David Tonkin, told the Australian Administrative Staff College in Feb '80:

“No longer can we afford to sponsor statutory authorities which have outlived their usefulness, or automatically allocate to Government departments more money than was given last year.

Objectives must be established, priorities set, and programs fashioned to meet those objectives. Most importantly, programs must be regularly assessed in terms of performance, relevance and priority.

This criterion especially applies to statutory authorities. There is no doubt in my mind that some could either be abolished altogether or merged with others”.

The Libertarian concept of ‘Sunset Legislation’ features largely in Mr Tonkin’s armoury of weapons, by forcing Statutory Authorities to justify their existence or simply go out of business (the same as businesses must do, in our hard, cold commercial world of reality).

Mr Tonkin added:

“There is an urgent need for elucidating in straight-forward and comprehensible terms the activities of all departments in terms of objectives, finance, manpower and performance.

The reason for this, both simple and compelling, is that the community will no longer tolerate a constant expansion of the public service at ever-increasing cost to the taxpayer, and certainly now, where examples of Government wastage and imprudence have already been clearly demonstrated.”

Redeployment and zero-growth policies have meant that since taking office, the Tonkin Government has cut public service staff by about 15 percent, the only State Government to do so. It has also kept salaries lower than in equivalent grades in other State public services.

The relevance of all this to small business, and in fact, to the Small Business Advisory Service Ltd, is that, with its network of contacts, through Chambers of Commerce,

Confederation of Industry, Farmers organizations etc, it most certainly is the ideal channel to the State Government for input on priorities for cutting unnecessary and expensive deadwood that may have outlived its purpose.

Australia with its current development projects should not fear unemployment, rather we should regard this as re-allocating our precious resources of personnel where they will be more efficiently and productively employed. In fact private enterprise should declare open season on the public sector and tempt as many as possible out into the commercial world. It's a way of solving two problems simultaneously.

DANGERS IN ASKING FOR HELP

“When a politician tells you he has a solution to your problem, you know you have two problems.”

*By Richard Needham
(Toronto Globe & Mail)*

US politician, Henry Reuss recently quoted the constituent who told him; “Don’t do anything for me because I can’t afford it.”

This scepticism about government is widespread. The old incentives for parliaments to spend and spend have begun to break down, but new incentives, and political rewards to restrain that impulse have not become clear.

The tensions between the old incentives to spend more and the new recognition that we are entering an era of limited government and limited resources, creates a situation where the two main benefits of “the free unrestricted market place” are becoming more obvious. Firstly, it’s inbuilt wisdom is far superior and less rigid than the tried and failed planned economy (as Von Mises said “socialism’s planned economy simply does not work”). This, together with its newly emerged attraction of saving money by permitting government to withdraw from regulating and controlling, to their legitimate functions of protecting their people by maintaining internal defence (police force), external defence (armed services) and acting as referee (law courts).

Only by withdrawing to these functions, can government once again become effective, and simultaneously release this country's pent-up creative energies.

As businessmen we should ask only that governments untie our hands and leave us free to produce.

A great number of politicians and bureaucrats don't realise that the freedom to sell or exchange is crucial to the creation of wealth and abundance.

If I cannot exchange (or sell) my shirts or whatever, and you cannot exchange your wheat, is it likely that either of us will keep on producing?

The result is the same if a large and increasing proportion of our production is confiscated and exchanged for Opera Houses we don't use, laws we don't want, or public servants who only get in our way.

The freedom to exchange covers more than shirts and wheat. The most important thing that most of us have to sell is our skills and our labor.

The freedom to sell and produce is being restricted daily. In NSW building sub-contractors who sell only their labor have to pay \$100 for a licence from the Government before they are allowed to work.

Not many people realise the expensive and elaborate state licensing mechanism that has been established to grant you a licence from the state to sell your services as an auctioneer, bricklayer, chiropractor, doctor, dairy farmer, fruit hawker, fisherman, investment advisor, motor dealer, nurse, pie vendor, psychologist, roof tiler, real estate agent, store detective, taxi-driver, tow truck operator, tobacco seller, stone mason, share dealer or a teacher. You even require a permit to hold a lizard or frog race, and they're now talking about licensing babysitters.

About the only job for which no license is required, and for which no training or experience is considered necessary is that of a politician. Confirming our requests to government to assist only in fields such as expanding our economic freedom and

general deregulation of industry and commerce, will also assist the outcome of the battle between the established system of special interest group politics and the new recognition of the plight of the general taxpayer.

Whether the growing change of opinion will have any real effect on the position and prospects of small business and the self-employed will very much depend on the efforts of small businessmen themselves and their organizations. What we want is not a few “scraps” thrown to us in the form of extensions of various aid and special grants. What is required are fundamental changes, not special privileges and subsidies, but the eradication of the unjust privileges of others and the removal of bureaucratic burdens from our backs; not “gifts” from the government but the restoration of the right to keep what we earn.

“A fair field and no favor” was the slogan of radical capitalists in the last century. It should be ours today.

If you don’t think there are any unfair privileges around today, just look at how big business is bailed out when it goes bust:

*“People
who go broke in a
big way never miss
any meals. It is the
poor jerk who is shy
a half slug who
must tighten his belt.”* Anon

WHAT CAN SMALL BUSINESS DO TO HELP ITSELF?

“Property, the right to enjoy the fruits of one’s labor, the right to work, to develop, to exercise one’s faculties, according to one’s own understanding, without the state intervening otherwise than by its protective action – this is what is meant by liberty.”

By Federic Bastiat

With every law or regulation the government initiates, another freedom is lost, and political or physical freedom is always preceded by the loss of economic freedom.

For best results in helping ourselves, let's be radicals for economic freedom. Here are some suggestions:

1. Perceive public opinion as the root of the problem, not ignorant or malevolent legislators. Then educate and communicate.

The Rev Dr J K Williams (Chaplain and teacher of classics at St Leonard's College, Brighton, Victoria) makes some suggestions in his article "The Business Bogy" ('Freeman', Jan 1981) where he pinpoints the reason for the different public view between business and the other professions:

"What is there about business that gives Marx's rhetoric any degree of plausibility? What feature of business makes it a popular scapegoat? Why should a misperception of economic reality invariably result in business being cast as a 'villain'? The answer is the same to each question. Whereas most professions are perceived primarily in terms of a service rendered and only secondarily in terms of financial gain achieved, business is perceived primarily – perhaps totally – in terms of gain."

2. Discriminate in financial support between organizations, institutions, publications and individuals that are part of the problems, and those that have a potential for doing something about it.
3. Identify which government regulations are working against consumer's interests and your freedom to trade, and to take necessary steps to have such legislation repealed.
4. Increase your own awareness of the benefits, to all Australians, of business and industry taking a firm stand and rolling back some of the excesses of government, both State and Federal.

As Professor Hayek said *“What must be understood are the crippling effects of excessive government regulation and the vital but fragile link between economic freedom and personal liberty.”*

5. Survive and Prosper. This is most important as a healthy dog can always tolerate a few fleas.

Every man and woman in society has one big duty. That is, to take care of his or her own self. This is a social duty. Fortunately, the duty of making the most of one's self individuality is not a separate thing from the duty of filling one's place in society, but the two are one, and the latter is accomplished when the former is done.

WHAT IS THERE LEFT FOR GOVT. TO DO?

WA's Commerce Minister, Barry MacKinnon just about gave the complete answer in stating his aim of *“Creating the necessary environment for business to thrive.”*

Wise men, past and present have agonised over just what the legitimate role of government should be and what we should or should not ask governments to do:

“The first duty of government is to govern, that is to maintain law and order at all hazards and regardless of expense; only by doing this does it fulfil its legitimate function, which is the protection of life, liberty, and property.”

(George Wendell Maxey)

“The statesman who should attempt to direct private people in what manner they ought to employ their capitals would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.”

(Adam Smith)

"The very principle of capitalist entrepreneurship is to provide for the common man. In his capacity as consumer the common man is the sovereign whose buying or abstention from buying decides the fate of entrepreneurial activities. There is in the market economy no other means of acquiring and preserving wealth than by supplying the masses in the best and cheapest way with all the goods they ask for."

(Ludwig Von Mises)

"The natural effort of every individual to better his own condition is so powerful that it is alone, and without any assistance, not only capable of carrying on the society to wealth and prosperity, but of surmounting a hundred impertinent obstructions with which the folly of human laws too often incumbers its operations."

(Adam Smith)

"The only freedom which deserves the name, is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it."

(John Stuart Mill)

"I have never been able to conceive how any rational being could propose happiness to himself from the exercise of power over others."

(Thomas Jefferson)

"The government of itself never furthered any enterprise, but by the alacrity with which it got out of its way."

(Henry David Thoreau)

“Ideally, government would restrain license, not indulge in it; make it difficult, not easy; disgraceful, not popular. A government that does otherwise is licentious, not liberal.”

(Leonard E Read)

“The free market, and not its displacement by governmental controls, is the only route to the kind of personal security which makes for harmonious social relationships.”

(Paul L Poirot)

“Where there is a multitude of specific laws, it is a sign that the state is badly governed; for it is in the attempt to build up dikes against the spread of crime that men in such a state feel constrained to multiply the laws. Those who are rightly governed, on the other hand, do not need to fill their porticoes with written statutes, but only to cherish justice in their souls; for it is not by legislation, but by morals, that states are well directed.”

(Isocrates)

“Good laws make it easier to do right and harder to do wrong.”

(William E Gladstone)

*“With full competition
And freedom of trade,
Each dollar, as spent,
Votes what shall be made.
A thousand commissions,
Working daytime and night,
Could not guide production
So nearly aright.”*

(Wilford I King)

The question still confronts us *“Can government assist small business?”*

The answer must surely be *“Yes, but only if we exercise wisdom and caution whenever we request government involvement.”*

Government is said to be, in the final analysis, nothing more than organised force and whether it is used for harm or good depends entirely on us.

THE DANGER

The more numerous government instrumentalities become, the more is there generated in citizens the notion that everything is to be done for them, and nothing by them.

Every generation is made less familiar with the attainment of desired goals by individual actions or private agencies; until, eventually, governmental agencies come to be thought of as the only available agencies.

THE SOLUTION

Let us determine that we shall not allow the state to be our masters, but that we shall be the masters of the state. The long road of history is lined with the ruins of those governments which bought the souls and wills of their peoples by the lure of a granted security, and then led them to ruin by the same mirage.

The world does not need one more such ruin.

It needs a people who will be really secure and enduring, because each member of the society is a person who accepts his and her responsibilities as duties, and asks only that the government acts to keep the avenues of freedom open.