Let's Create Real Jobs This Time

By Ron Manners AMEC Councilor 22nd January, 1992

Four suggestions to restart the Australian economy - Input for Association of Mining Exploration Companies (AMEC) - Submission to the Prime Minister.

Executive Summary

- There is a natural reluctance for politicians to take actions that run the risk of losing votes, perhaps we should call this the "popularity before principles syndrome".
- Our Federal Government is now calling for positive input so they may be in a more receptive mode to adopt
 policies that will "allow" many of Australia's "stalled" projects to proceed.
- I am involved in the front-line of Australia's mining and exploration industry which brings me into direct contact with many, very capable people in their search for employment so I may feel a little stronger about the need for policy changes, than the average city dwelling Australian.
- My four suggestions are:
 - 1. Focus Government involvement on fewer activities.
 - 2. Seek a better understanding of what "free-enterprise" can do for Australia.
 - 3. Overcome the distortions caused by our current "selective deregulation".
 - **4.** Remove the "obstructions" to enterprise.

In response to Prime Minister Keating's request for positive input to reactivate our economy, let us briefly touch on four causes for the serious position confronting Australia and our one million unemployed as we start 1992. Suggested solutions then follow.

1. Vote Buying

The divisive result of successive governments buying favors from various special interest groups (with the high and concentrated benefit to those groups, explaining the extensive lobby pressures) at the expense of the general taxpayers (costs diffused through a large number, thus causing unease and disheartenment rather than organised revolt).

Succeeding socialist governments (Whitlam, Fraser, Hawke) have not solved the problem, they've only made it worse.

Thomas Jefferson said:

"That government which governs least, governs best: - a simple but profound statement.

Jefferson also warned us that:

"The natural tendency of things is for liberty to yield and government to gain ground."

To overcome the danger and temptation of "vote buying" we must limit (by constitutional limits) government activity, to their few legitimate functions and ensure that they do not step outside these boundaries, no matter what interest group pressure is brought to bear (in exactly the same way that we detail by specification, any work to be carried out by a plumber, electrician or contractor).

2. Why Not Support The "Good Guys" This Time?

Also exacerbating the problem has been Australia's thousands of economically illiterate businessmen who won't risk offending our political masters and who set their goals to simply seek special political favors for their own industry, at great cost to other industries

and Australia in general.

These same business champions that pour funds into political campaigns expecting some "pay back" will run for cover when asked to contribute to Australia's free-enterprise policy groups and their defence of voluntary arrangements, as opposed to government-coercion "solutions".

Government coercion has failed in Eastern Europe and the Soviet Union in a big way.

Australia's major domestic interventions - education, welfare, health care, business regulation - are failing for precisely the same reasons.

That these interventions came about through a theoretically democratic process, rather than dictatorial order, is ultimately beside the point. Regardless of their origin, denying competition, undermining private property rights (an example is the W.A. Mining Act's requirement for the "Minister's consent" to any tenement transaction), and so inhibiting the market process, do not enhance the well-being of our society.

If our captains of commerce and industry spent some thought and energy analysing the absurdity and the difference between the stated intent and actual results of government rules and regulations, we would not find ourselves throttled with counter-productive legislation.

Some excellent free-market "think tanks" have emerged in Australia and they are worthy of support, for reasons explained by economist Von Mises,

"Everyone, in his own interest, must thrust himself vigorously into the intellectual battle... the interest of everyone hangs on the result."

3. Why Promote Economic Myths?

These same captains of industry, so skilled in their particular fields, start by silently allowing economic myths to be promoted.

One being that the trade unions are entirely responsible for "liberating working men from the early horrors of the industrial revolution."

It was capital and profits, providing a steady improvement in the tools of their trades, and so increasing output, which liberated working men from their earlier drudgery.

Unions may have had the opportunity to hasten the process but unfortunately they were placed outside the law by politicians bidding against each other for the vote of the newly enfranchised workers.

Whilst the Western Australian Goldfields area has had a record of responsible unionism, Australians at large have suffered considerable economic vandalism at the hands of several union bosses with acute megalomania.

I have nothing against unions. Any other group of men would similarly indulge in "rorts" and restrictive work practices if granted a legislated monopoly over their fellow man (refer Appendix 3).

It is only when we have completely voluntary unionism that we will see how many workers actually believe in the current union agendas (which sometimes can only be seen when unions "drop their mask").

Industry organisations such as AMEC operate successfully on a voluntary basis. This forces us to maintain certain standards, otherwise run the risk of disappearing.

Only through performance, will we convince those who expect to reap the benefits of economic freedom, that they should contribute to its continued preservation.

Union bosses would have us believe that a strike is merely a collective withholding of labor services in the face of unacceptable terms of employment offered by an employer. But that is not all there is to it. A strike is a collective withholding of labor services, but it is also an

attempt to shutdown an employer by cutting off his access to replacement workers, suppliers and customers. It is one thing for a group of like-minded workers to withhold their own labor services from an employer. It is quite another thing for them to attempt to force other workers, suppliers and customers to refuse to do business with the "struck" firm. Such attempts are acts of trespass - in broad terms, acts of violence - against the voluntary exchange rights of non-strikers and the strike target.

The picket line's only purpose is to interfere with exchange activities between non-strikers and the strike target.

If "peaceful" acts of interference with the exchange activities of non-strikers are permissible, then strikers cannot be blamed if they feel that recalcitrant non-strikers must be convinced of the "folly of their ways" by using more "persuasive" tactics.

The problem is not the right to strike, but the right - by intimidation or violence - to force other people to strike, and the further right to prevent anyone from working in a place in which the union has called a strike.

Today, most people recognise that the employment relationship is not one of exploitation, it is one of contract. In today's competitive environment, if mutually acceptable collective bargaining contracts cannot be implemented, mutually acceptable individual contracts, i.e.: union-free operation - will take their place.

Alexander Solzhenitsyn, when fleeing from communism said:

"The task must be to banish from mankind's thought the idea that anybody has the right to use force against righteousness, against justice, against mutual agreements."

4. Stifled by Taxes and Regulations

Put into simple language, it should be no surprise that our economy is collapsing because if you tax something, you get less of it. If you subsidise something, you get more of it. In Australia today we are taxing work, growth, investment, employment, savings, productivity, initiative and ability, whilst we subsidise non-work, consumption, welfare and debt.

The kind of spending to which our governments are devoted, along with the power that spending confers on them, results only in a lowered standard of living - less disposable income for clothes, food and other consumable goods - but also a greatly diminished sphere of personal freedom for the average Australian. Instead of government working for us, we work for the government.

Isn't it time to reverse the equation and get back into the game with a winning formula?

We have seen how federal and state governments have tried to balance their budgets by widening the tax wedge and have driven us into recession and further deficits.

The way to reduce existing government spending on the "welfare safety net" (in the Kalgoorlie Goldfields area we already have 9,500 people receiving welfare) is not to remove the net that protects the poor and weak, but to reduce the number of people "trapped" in it, by providing an expansion of economic opportunity through real non-inflationary growth.

We do not want more "government created jobs", as we already are paying too many people to explain to our fellow Australians how to "fill in the forms to obtain their 'entitlements'".

As economic conditions have deteriorated, we have seen the standard government attitude to mining and resources change from hostility, to mild tolerance.

Only when our politicians fully appreciate the delicate link between our country's welfare and our resource industry will we see their tolerance turn to uninhibited enthusiasm.

In Western Australia alone, there are 450,000 new jobs "on hold" because various approvals have not been granted (Appendix 5).

The mining industry can provide real jobs if it can be given economic "space" to operate and expand.

Conclusion

At this vital pivot point of Australia's history there needs to be some significant philosophical and political changes so that our elected leaders stop penalising the producers and instead, encourage investment.

If our leaders, both in industry and politics can thoughtfully reflect on the current state of the Australian economy, they will see the simple and inseparable link between all the various taxes on production, and unemployment. There are plenty of such taxes. These range through Payroll Tax, Training Tax, Fringe Benefits Tax, Superannuation Tax and the list goes on, but as we get more of these taxes, we unfortunately get more unemployment.

I have detailed in Appendix 1 the damage already being done by the Training Tax and similar comments apply to all the other taxes on production.

Our "minimum wage laws" also represent another example of unintended damage to our economy. These widely approved labor market controls discriminate against their supposed beneficiaries, the least preferred workers, by raising their cost and thus reducing the demand for their labor.

All these regulations and taxes on production, at a time when our mining industry really should be let loose to generate those jobs and excitement for the nation.

Summary

- 1. Let us restrict government to their few legitimate activities and ensure that they do these well.
- **2.** Support educational activities that explain how effectively, responsible free-enterprise can reactivate our economy and benefit our society.
- **3.** Overcome the distortions caused by the current "selective deregulation" and extend deregulation right through to the work place.
- **4.** Remove the shackles to production caused by over-regulation and taxes on production.

There is no magic formula for shifting painlessly from a highly government regulated economy to a voluntary exchange economy. However, the potential rewards are so great that, if the shift can be achieved, transitional costs will pale into insignificance.

Attachments

- Appendix 1 Critique of the "Job Training Tax"
- Appendix 2 Training Tax Collection Act 1990
- Appendix 3 The Role of Unions
- Appendix 4 Fringe Benefits Tax
- Appendix 5 "450,000 New Jobs Missed"

Appendix 1
The Job Training Tax - Yet Another Government Stuff-Up

Comments - 23rd May 1991 By Ron Manners Chairman, Croesus Mining NL

One of my hobbies is collecting examples of how Government policies, usually achieve the opposite, to their possibly

good intentions.

The Training Tax is yet another example.

Despite the enormously increased expenditure of tax payer's money on so many Government identified targets, from the 1960s to the 1980s the problems of these particular target populations became worse.

One area is WELFARE, where it is now becoming obvious that the politician's idea of helping the poor to become helpless, is no act of kindness.

Another area is ABORIGINAL PEOPLE, where the Government decided to spend more money in order to elevate the Aboriginal people into a special class with special privileges, this is creating so many new problems and breeding a new wave of resentment.

Another area is CRIME CONTROL, where Governments are building bigger prisons and bigger police stations to cater for this new expanded market.

And the latest one is the TRAINING TAX, which is specifically designed to shift the responsibility for training away from the individuals concerned, and loading it onto the employers.

Everyone concerned with these issues should think them through, seeking new solutions.

If the problems have been caused by bad policies, doesn't it make sense to reverse these policies rather than burden us with yet another layer or rubbish.

Minister John Dawkins in promoting this legislation seems to lay the whole blame for this alleged inadequate skill formation, on the stupidity of some enterprise management in not investing sufficiently in "structured" training.

Despite the huge range of differences in training requirements from one industry to another, and of different occupations within one industry, the Government is simply assuming that "structured" training is the answer for all.

The absolute nonsense spoken by proponents of this scheme, namely Minister Dawkins when he says that "an Australian Bureau of Statistics survey of training in 1989...indicated that 60% of businesses surveyed spent nothing on training."

I agree that this would be a remarkable state of affairs if it were true. But it is not true.

The A.B.S. survey covered one quarter of 1989 and a sample of 2,000 employers, of whom 58% reported no expenditure in that quarter on structured training.

Bear in mind that the training tax legislation has a tightly defined distinction between "structured" training and all other forms of training, and as Barry Maley of the Centre for Independent Studies has pointed out; "non-structured" methods of training predominate throughout industry. It is therefore obvious that Mr Dawkins' statement is extremely misleading.

Resources Are Scarce

Resources are scarce, and employers are now forced to use some of these scarce resources to keep new records of training expenses for the purpose of meeting a possible Tax Department audit.

This is another example of the way in which Governments set out with supposedly good intentions but the result is simply to create unnecessary costs and counterproductive drag on the economy.

Who Else Is In Favor of the Legislation?

It has appealed to a whole range of educational institutions and accounting firms, who have in a sense, been granted semi-exclusive franchises for what they see as a potential growth area. This has fired them with zeal to provide a service that may not be the right medicine for the illusory disease.

Why Be Skeptical?

Many successful employers are asking themselves why they should be forced to tamper with success?

John Maguire, Managing Director of Driza-Bone, one of Australia's success stories in clothing export, has a most effective staff training system that does not meet the "structured" requirement and he is not going to risk modifying his winning

formula simply to satisfy the bureaucracy.

The Australian public service has been promoting training rorts on an open-slather basis for some time so I am fearful of the results of this new legislative encouragement in their hands.

An example is that the Department of Social Security spent \$73 million to train almost half its staff during 1990-91 and spent more than \$2 million on staff travel allowances.

It is obvious that the Public Service are already misusing this training focus to grant fringe benefit rackets to their ever increasing numbers. Much of this is little more than subsidised recreational breaks and tax free travel allowances.

Australian has too much of this already and now they have enshrined in legislation even more of the same.

The Result

Before the training tax legislation the courses offered by the educators had to be good, and if their content was at a level where it appealed to employers and attendees, the course would be well attended, further refined and presented again next year (e.g.: the Kalgoorlie School of Mines Mill Operators course at the Kalgoorlie School of Mines, which has, on its own merit, been run on 16 occasions).

Now, as a result of the Training Tax, I receive a mountain of junk mail across my desk, promoting structured training courses, purporting to be good only because it is "structured" and suggesting that anything is better than paying tax.

In that sense the intention may have been to train the workforce, but the result has been to decrease the average quality of the courses available.

The Solution

1. Responsibility

Put the onus of education and training right back where it belongs; on the individual and the parents. On those responsible for self-improvement.

Almost everyone I speak to are trained and educated in their different fields because of some conscious decision to exercise some responsibility for their own lives.

How many of you received your qualifications just because someone was forced to burn up a few dollars?

The responsibility for you to be effective is yours, not your employers, not the Government's. It is your responsibility and we are kidding ourselves if we tell the next generation that they are someone else's responsibility.

2. Competition

Sweden, the country that invented the training tax is swinging away from it as they are now seeing it to be a mistake.

They see it attacking the symptom not the cause of low training; the aim should be to create competitive markets.

If companies have to compete they will recognise that human capital gives them a competitive advantage.

They will then focus on how to give training a priority at the enterprise level and design their operations to maximise their human capital.

Training-taxes will never do that.

3. Quality

We need to improve the quality and the relevance of courses for youth and adult retraining. The courses should be designed to hit the target and not to comply with some bureaucratic nonsense.

Summary

If I'm saying that this training tax is unwelcome as it diverts management attention away from clearly defined goals, then why am I spending time thinking about it and discussing it?

If you see a problem adversely affecting your business, it is your responsibility to deal with it.

Likewise, there is a training responsibility, but the responsibility for job training is not a responsibility that should be off-loaded on to Governments or employers. It is far too personal for that.

Investment in one's career on a personal level, may win no votes for politicians at election time, but it is more effective if kept out of the hands of the politicians.

Investment in one's career involves commitment, ambition, system and awareness of prerequisites and alternatives.

Such investment has a pay-off also to the community, by making the person "investing in himself" more productive.

Employers can play a part by enthusiastically encouraging and rewarding people if they are striving for self-improvement, continued education and further qualifications. Employers can voluntarily provide facilities and staff within practical limits where appropriate, but not on a compulsory basis.

For us to regard the responsibility of educating the population as being either the Government's or employer's, is to sidestep our individual responsibility in this, far too vital a matter.

January 1992 Example of the Absurdity of the 'Training Tax at Work'

In time for the 1993 Kalgoorlie Centenary Celebrations, our company costed an extensive refurbishing to the exterior of our three storey Kalgoorlie office (the historic home of the "Kalgoorlie Road Board").

From the Council letter (copy attached as Appendix 2), it can be seen that this productive action would attract a "fine" as a penalty. This penalty applies to all building and construction work.

The only way to avoid the "fine" is to cancel our refurbishment program, which we have done.

Do disincentives of this nature make sense at a time of high unemployment? Would they ever make sense?

Appendix 2 Copy Letter from the City of Kalgoorlie-Boulder

15th January 1992 Mr R. Manners Croesus Mining NL 39 Porter Street KALGOORLIE WA 6430

Dear Sir

RE: BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND LEVY

I acknowledge receipt of your facsimile of 13 January 1992, seeking information regarding the building tax.

I advise that this is a Government Levy and the Local Authority is only a Collection Agent for the Government.

Council is not permitted to issue a Building Licence until the Levy is paid.

Enclosed is a copy of the Building and Construction Industry Training Fund and Levy Collection Act 1990 for your information.

I would suggest that if you disagree with this Government imposed Levy you take the matter up with the Local Member of Parliament.

Yours faithfully

L. P. Strugnell

TOWN CLERK

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Appendix 3
Justice - By Ron Manners

As Published in the Free Market - Issue Number 4 November 1979

"In a court of justice I would have won, but in a court of law, I lost."

May 2, 1979 in Kalgoorlie, started like any ordinary day. The phone at home rang at 4.00am. As the caller explained "I know Kalgoorlie has 2 or 3 hours time difference on Sydney, not sure which way, so thought I would catch you before you go to lunch."

Later at the office, two of our three girls were off sick and the remaining one, my secretary, was coping with their phone calls as well as aiding my departure to Perth, by lunchtime.

In walked a union 'heavy' and demanded of my secretary "I have come to inspect the books."

His request was relayed to me and my only comment was "Some other time! Please pick a time mutually convenient."

Much later my secretary again came into my office and advised that he wouldn't leave as "Only now is convenient."

I met him and explained the deadlines controlling our day and mentioned that in a civilised society it is customary to make an appointment before consuming another's time unproductively.

His suggestion was "Why don't you write that into the Industrial Award."

Court Appearance

At my suggestion that he was bouncing me he asked if I would like to "Explain that to the magistrate."

Several weeks later the summons arrived and the court appearance followed.

The magistrate probably found our court confrontation entertaining, if not enlightening. I gained the impression that he would be delighted to have dismissed the union's charges but feared an avalanche of small businessmen querying the often heavy-handed demands made by unions and various bureaucrats.

I was never even convinced that I should be bound by an award to which I was not a signatory, especially as I found that none of my staff were union members and did not welcome such 'compulsory assistance'.

Technically the union's summons was imperfect as it quoted the incorrect date for my 'alleged offence'.

In finding against me (and imposing a minimum fine \$15) the magistrate apologised that the law unfortunately did not specifically state that the union representative has to be polite and make an appointment in pursuit of his inspections.

Assurance

An encouraging point was that after hearing the lengthy evidence, the magistrate obtained from the union representative an assurance that in future, he would behave in a civilised fashion and make an appointment before calling.

Not a momentous or surprising decision but let's look at the implications of how far we have surrendered our economic and individual freedoms.

Personal Comment

I find enough challenge in surviving in business these days, without people like union heavies crawling all over me.

I have nothing against unions. If unions were voluntary organisations it would restrict them to operating in the best interests of their members. Members would desert them if they went out of bounds.

If unions can produce the results they say they can, people will join. If they demand compulsion, what are they saying about their union? Chambers of Commerce and many other professional bodies operate successfully on a voluntary basis.

I am aware that it wasn't me versus the unions in court, it was me, versus the State Laws that gave the unions the powers that can be abused.

Law and Justice: Different?

In a court of 'justice' I would have won but in our court of 'law' I lost. The reason? How can you use a socialist law, to oppose socialism?

Frederick Bastiat (French Statesman and Economist) almost 130 years ago in his small, but potent book 'The Law' explained how it is upon the law that socialism itself relies.

"And when once the law is on the side of socialism, how can it be used against socialism? Socialists desire to practice legal plunder, not illegal plunder. Socialists, like all other monopolists, desire to make the law their own weapon."

Choices

He explained the three choices before society, as being:

- **1.** The few plunder the many (limited legal plunder)
- 2. Everybody plunders everybody (universal legal plunder)
- **3.** Nobody plunders anybody (no legal plunder: this is the principle of justice, peace, order, stability, harmony and logic)

Frederick Bastiat's further quotation from 'The Law' perceptively predicted how the law could be perverted and used against justice.

The Proper Function of the Law

And, in all sincerity, can anything more than the absence of plunder be required of the law? Can the law - which necessarily requires the use of force - this excludes the idea of using law (force) to organise any human activity whatever, whether it be labor, charity, agriculture, commerce, industry, education, art of religion.

The organising by law of any one of these would inevitably destroy the essential organisation - justice. For truly, how can we imagine force being used against the liberty of citizens without it also being used against justice, and thus acting against its proper purpose?

The Seductive Lure of Socialism

Here I encounter the most popular fallacy of our times. It is not considered sufficient that the law should be just; it must be philanthropic. Nor is it sufficient that the law should guarantee to every citizen the free and inoffensive use of his faculties for physical, intellectual and moral self-improvement. Instead, it is demanded that the law should directly extend welfare, education, and morality throughout the nation.

This is the seductive lure of socialism. And I repeat again: These two uses of the law are in direct contradiction to each other. We must choose between them. A citizen cannot at the same time be free and not free.

What Can We Do?

I suggest that, to wring the mess from our system there are at least four courses of action open to individuals:

1. Re-education is a pre-condition for any meaningful increase in freedom. We should quietly and peacefully alert individuals to all the possible private (voluntary) alternatives, to the many compulsory government directives that are being forced upon us.

Working effectively in this direction is the Foundation for Economic Education Inc, headed by Leonard Read.

- 2. Tax Revolt and economic self-preservation. Those following this line, argue that individuals don't often change the world significantly so they shouldn't waste the major part of their time trying. Instead by restricting the amount of their earnings being expropriated by their government, they are helping to impose some financial discipline on our spend-thrift politicians.
- **3.** Non-violent, peaceful forms of civil disobedience, to make it clear to our present rulers that if we are going along with their plans for us, we are doing so only under sufferance and we will make it as difficult as possible for them to achieve their objective of total control over each citizen.
- **4.** Political action can and should be used to roll back the power of the State. It is this line of reasoning being followed in America by the rapidly growing Libertarian Party, and similar parties in many other countries.

Each of us have different talents, and an approach to either, or all of the above four alternatives, injected with logic and good humor can be most rewarding in many ways.

Appendix 4 Fringe Benefits Tax - The Expense and Complexity

These two letters indicate the expense and complexity caused by the "Fringe Benefits Tax"

Arthur Andersen & Co

24th December 1991 Mr R. Manners Croesus Mining NL 31 Ventnor Avenue WEST PERTH WA 6005

Dear Mr Manners

Re: Fringe Benefits Tax: Mining Industry - Bus Transportation

The Commissioner has recently reviewed his position in relation to the fringe benefits tax liability arising in respect of the public transport provided to employees in travelling from home to work.

The Commissioner had issued various private rulings advising that it was his opinion that public transport constituted a residual benefit and therefore, FBT is payable. In these rulings he also provided details of how he considered that taxable value should be determined.

Due to the uncertainty and the issue being raised continuously by taxpayers, the Commissioner sought a Queens Counsel opinion. The QC concluded that the public transport was exempt pursuant to Section 47(6) of the FBT Assessment Act. As a result, we believe there may be scope for taxpayers affected to seek an amended assessment. The Commissioner does not propose releasing a general ruling on this topic and the matter is not absolutely resolved as the Commissioner may still attempt to tax these types of benefits.

Should you have any questions or require any assistance in relation to the above, please contact Roy Millman or Harold Payne.

Yours sincerely

Arthur Andersen & Co

McMahon Resource Accounting Pty Limited

6th January 1992

Mr R Manners Croesus Mining NL 39 Porter Street KALGOORLIE WA 6430

Dear Sir

RE: FRINGE BENEFITS TAX (FBT)

If your Company pays FBT on employee housing then we are certain we can obtain a cash refund against prior years returns and reduce your future liability to FBT.

To our knowledge we are the only Company in Australia who provides market rental values for remote area housing and where those values have been accepted by the Australian Taxation Office.

We have recently been engaged to determine market rental values for all Northern Territory Government housing and to audit each Government Departments' FBT Return for each of the last three years with anticipated savings well into seven figures.

Refunds have been obtained for every one of our clients with Nabalco Pty Limited receiving a cheque, from the Australian Taxation Office for \$1.2 million for their prior returns, plus of course, large future savings.

As amended returns can only go back for three years then any amendment to the 1988/89 FBT year must be made prior to 28 April 1992 or that year's refund is lost forever.

As an example take a 3 bedroom house at Jabiru, Gove, Groote, Tennant Creek and Pine Creek. For the 1990/91 FBT year the weekly rental wold be \$51.32 less, of course, the 50% remote area concession which reduces the weekly rental to \$25.66.

We sincerely believe that large savings are available and respectfully suggest that you have your FBT Officer call the writer or fax for information.

Yours faithfully

W. I. (Wally) McMahon

DIRECTOR

Appendix 5 450,000 New Jobs Missed: Experts

The West Australian - 13th January 1992 By Shaun Menegola

"A LEADING economic researcher has found that 450,000 new jobs have been put on hold because big development projects have failed to get off the ground in WA.

Access Economics says that the big projects, worth a total of \$2 billion, would have had a multiplier effect across the nation to create the jobs by the turn of the century...."