

EMBARGO: 8.00PM THURSDAY

14 MARCH 1974

GOVERNMENT AND BUSINESS

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SPEECH BY THE PRIME MINISTER,  
THE HON. E.G. WHITLAM, Q.C., M.P.,  
TO THE FIFTH NATIONAL CONFERENCE OF  
THE INSTITUTE OF DIRECTORS IN AUSTRALIA,  
WENTWORTH HOTEL, SYDNEY,  
14 MARCH 1974

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I HOPE YOU WILL NOT THINK IT TOO PROVOCATIVE OF ME  
IF I BEGIN MY ADDRESS TO THIS DISTINGUISHED COMPANY OF  
CAPITALISTS BY QUOTING THE COMMUNIST MANIFESTO.  
THE LAST TIME I SPOKE TO SUCH A LARGE AND POWERFUL  
GATHERING OF BUSINESSMEN WAS IN MELBOURNE LAST YEAR  
AT A SEMINAR WITH THE INTRIGUING TITLE OF "FUTURE SHOCK".  
I LEARNT MY LESSON ON THAT OCCASION: WHERE BUSINESSMEN  
ARE CONCERNED, IF YOU CAN'T BEAT 'EM, SHOCK 'EM.  
SO I COMMEND TO YOU THE FOLLOWING QUOTATION -

THE BOURGEOISIE, DURING ITS RULE OF SCARCE ONE HUNDRED YEARS, HAS CREATED MORE MASSIVE AND MORE COLOSSAL PRODUCTIVE FORCES THAN HAVE ALL PRECEDING GENERATIONS TOGETHER. SUBJECTION OF NATURE'S FORCES TO MAN, MACHINERY, APPLICATION OF CHEMISTRY TO INDUSTRY AND AGRICULTURE, STEAM NAVIGATION, RAILWAYS, ELECTRIC TELEGRAPHS, CLEARING OF WHOLE CONTINENTS FOR CULTIVATION, CANALIZATION OF RIVERS, WHOLE POPULATIONS CONJURED OUT OF THE GROUND - WHAT EARLIER CENTURY HAD EVEN A PRESENTIMENT THAT SUCH PRODUCTIVE FORCES SLUMBERED IN THE LAP OF SOCIAL LABOUR?

THAT FINE TRIBUTE TO CAPITALISM WAS PAID BY MARX AND ENGELS OVER A CENTURY AGO. A SYSTEM THAT CAN EVOKE SUCH PRAISE FROM ITS WORST ENEMIES CANNOT BE TOO BAD! TODAY, VERY FEW OF US HAVE MUCH TIME FOR MARXIST THEORIES, BUT WE HAVE TO ADMIT THAT THE AUTHORS OF THOSE WORDS PERCEIVED VERY CLEARLY THE ENORMOUS POWER AND PRODUCTIVE POTENTIAL OF PRIVATE ENTERPRISE. AND OF COURSE THEIR REMARKS HAVE INFINITELY GREATER FORCE TODAY. SCIENCE AND TECHNOLOGY, HARNESSSED AND DIRECTED BY PRIVATE CAPITAL, HAVE BEEN THE MAINSPRING OF ADVANCED WESTERN SOCIETY, WITH ALL ITS RICH BLESSINGS FOR MANKIND; AND THE "SUBJECTION OF NATURE'S FORCES TO MAN" HAS PROGRESSED SO RAPIDLY THAT THE ISSUES IT RAISES ARE NO LONGER THOSE OF ECONOMICS OR SOCIAL JUSTICE ALONE. THEY CALL IN QUESTION THE VERY SURVIVAL OF OUR CIVILIZATION.

I BEGIN ON THIS SOMEWHAT PORTENTOUS NOTE BECAUSE I BELIEVE THAT IT IS IN THE CONTEXT OF SUCH URGENT CONTEMPORARY REALITIES THAT WE MUST LOOK AT THE ROLE OF THE MODERN COMPANY, AND THE PART IT PLAYS IN SHAPING THE KIND OF SOCIETY WE DESIRE. IN THE NINETEENTH CENTURY, DESPITE MARX AND DESPITE MALTHUS, NO ONE FORESAW THE ENORMOUS PRESSURES AND COMPLEXITIES THAT WOULD OVERTAKE THE MIXED, FREE ENTERPRISE ECONOMY OF THE PRESENT DAY. OVER-POPULATION WAS STILL A MATHEMATICAL ABSTRACTION. THE DEPLETION OF THE EARTH'S RAW MATERIALS AND NATURAL RESOURCES HAD BARELY BEGUN. THE PRESERVATION OF NATIONAL INTEGRITY AND INDEPENDENCE WERE IDEALISTIC THEORIES LARGELY IRRELEVANT IN A WORLD COLONIZED BY EUROPEAN POWERS. THE RESPONSIBILITY OF PRIVATE ENTERPRISE TO THE PUBLIC INTEREST, THE GROWTH OF AUTOMATION, THE NEED FOR MANPOWER AND TRAINING POLICIES THAT TAKE ACCOUNT OF GROWING EDUCATIONAL OPPORTUNITIES, THE TECHNICAL AND PSYCHOLOGICAL STRESSES OF THE MODERN CONSUMER SOCIETY - ALL THESE THINGS WERE UNKNOWN, AND ALL OF THEM PRESENT CHALLENGES TO THE MODERN INDUSTRIALIST UNDREAMT OF IN PAST GENERATIONS.

AS IN SO MANY AREAS OF CONTEMPORARY LIFE, THE GREAT ACTIVE PRINCIPLE OF MODERN BUSINESS IS CHANGE; THE INEVITABILITY OF CHANGE AND THE NEED TO ADAPT TO CHANGE. AND THIS CHANGE IS NOT SOMETHING IMPOSED FROM ABOVE BY GOVERNMENTS; IT ARISES FROM DEEP SOCIAL AND HUMAN FORCES TO WHICH GOVERNMENTS MUST ADAPT JUST AS MUCH AS BUSINESSMEN. ITS IMPLICATIONS MUST BE FACED BY GOVERNMENTS AND PRIVATE ENTERPRISE ALIKE. WE ARE ALLIES, WE ARE PARTNERS, IN THAT TASK.

A FEW FIGURES WILL DEMONSTRATE THE SCALE OF THE CHALLENGE BEFORE US, AND HOW RAPIDLY EVEN RECENT PREDICTIONS SEEM LIKELY TO BE INVALIDATED BEFORE THE END OF THIS CENTURY. ABOUT 150 YEARS AGO 80% OF THE POPULATION HAD TO WORK THE LAND IN ORDER TO PROVIDE ENOUGH FOOD FOR ALL. (THIS IS STILL THE PROPORTION IN CHINA.) TODAY IN THE UNITED STATES ABOUT 5% OF THE LABOUR FORCE PRODUCE MORE THAN ENOUGH FOOD FOR ALL AMERICANS AND FOR MILLIONS OF PEOPLE ABROAD. A REASONABLE PROJECTION INDICATES THAT BY 1980 IT WILL REQUIRE ONLY 2.5% OF THE WORKFORCE IN THE WESTERN WORLD TO PRODUCE THE FOOD WE NEED. THE SAME TREND IS APPARENT IN OTHER PRODUCTION INDUSTRIES. THE CONTAINERIZATION OF FREIGHT, THE MECHANIZATION OF MINING, THE DEVELOPMENT OF COMPUTERS - ALL THESE TRENDS ARE AFFECTING THE COMPOSITION OF THE WORKFORCE AND THE LIVES OF ORDINARY PEOPLE.

IN THE U.S.A. MANUAL WORKERS NOW MAKE UP ABOUT ONE THIRD OF THE LABOUR FORCES AND IN THE EUROPEAN INDUSTRIAL COUNTRIES ABOUT ONE HALF. THE PROPORTION IS STEADILY SINKING IN ALL INDUSTRIAL NATIONS. BY THE END OF THE CENTURY TECHNOLOGY COULD BRING ABOUT AS DRAMATIC A REDUCTION IN ALL LABOUR AS WE HAVE ALREADY EXPERIENCED IN AGRICULTURE. AT THE SAME TIME THE RESOURCES OF THE WORLD ARE BEING DEPLETED AT A RATE THAT MAY LEAVE SOME BASIC METALS EXHAUSTED WITHIN 30 YEARS.

THIS IS THE CHALLENGE FOR GOVERNMENTS. THIS IS THE CHALLENGE FOR ALL THOSE IN CONTROL OF OUR GREAT INDUSTRIES AND PUBLIC COMPANIES. I THINK BUSINESSMEN ARE ALREADY BEGINNING TO RECOGNISE CHANGES AND ADAPT TO THEM. VERY FEW DIRECTORS OR BOARDS OF COMPANIES TODAY WOULD REGARD THEIR RESPONSIBILITY AS BEING SOLELY TO THE INTERESTS OF THEIR OWN COMPANY OR ITS SHAREHOLDERS, REGARDLESS OF THE INTERESTS OF SOCIETY. MANY OF YOU IN THIS ROOM ARE DIRECTORS NOT OF ONE COMPANY BUT OF TWO OR SEVERAL COMPANIES; YOUR EXPERTISE AND EXPERIENCE CAN BE APPLIED ACROSS A WIDE RANGE, IN A MULTITUDE OF INDUSTRIES, SINCE YOU RECOGNISE THAT THE BUSINESS WORLD IS A DIVERSE AND DYNAMIC COMMUNITY IN WHICH MANY PUBLIC AND PRIVATE INTERESTS, EVEN NATIONAL INTERESTS, ARE REPRESENTED.

THERE ARE TWO LESSONS WE MUST DRAW FROM THIS. ONE IS THAT BOARDS OF DIRECTORS CAN NO LONGER BE REGARDED AS DYNASTIES OR SELF-PERPETUATING ELITES. THE BIGGEST AND MORE SUCCESSFUL CORPORATIONS ARE OFTEN THOSE WHICH DRAW DIRECTORS FROM OTHER ORGANISATIONS, BRINGING TOGETHER FRESH TALENTS AND NEW IDEAS. AND THE SECOND LESSON IS THAT DIRECTORS OF LARGE COMPANIES MUST BE HELD PUBLICLY ACCOUNTABLE FOR THEIR DECISIONS IF COMPANIES TAKE DECISIONS THAT AFFECT NOT JUST THEMSELVES OR THEIR CLIENTS BUT A WIDER COMMUNITY - TO SAY NOTHING OF THE NATIONAL ECONOMY - WE MUST EXPECT THEM TO EXPLAIN AND JUSTIFY THOSE DECISIONS.

WE DO NOT EXPECT THEM TO PRESENT A MONOLITHIC FRONT, ANY MORE THAN WE EXPECT THE MODERN POLITICAL PARTY TO PRESENT A MONOLITHIC FRONT; I REGRET THAT THERE IS STILL A TENDENCY IN AUSTRALIA TO REGARD UNITY - OR IN A NARROWER SENSE, UNANIMITY - AS MORE VIRTUOUS IN A POLITICAL PARTY THAN INTEGRITY OR VIGOUR OR THE FREE FLOW OF IDEAS.

CONTENTION, EVEN DISSENSION, ARE NEEDED IN THE BOARDROOM JUST AS MUCH AS IN PUBLIC LIFE, FOR IT IS ONLY THROUGH CONTENTION AND FREE EXCHANGE OF IDEAS THAT WE CAN REACH INFORMED AND MATURE JUDGEMENTS. YOU WILL ALL BE FAMILIAR WITH A RECENT INCIDENT INVOLVING A DIRECTOR OF THE AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION. I SHALL HAVE MORE TO SAY LATER ABOUT THE A.I.D.C., BUT LET ME SAY THIS MUCH NOW: MY CHIEF REGRET ABOUT SIR JOHN DUNLOP'S RESIGNATION WAS NOT SO MUCH THAT THE A.I.D.C. LOST A RESPECTED PROTAGONIST FROM THE BOARD OF THE BANK OF NEW SOUTH WALES, BUT RATHER THAT THE OLDEST AND ONE OF THE GREATEST PUBLIC COMPANIES IN AUSTRALIA COULD FIND NO ROOM IN ITS BOARDROOM FOR A DISSENTING VOICE. I BELIEVE THAT PRIVATE COMPANIES HAVE NO LESS AN OBLIGATION THAN DEMOCRATIC GOVERNMENTS TO JUSTIFY THEMSELVES IN PUBLIC. ONE OF THE GREAT VALUES OF THE PRICES JUSTIFICATION TRIBUNAL, WHICH THIS GOVERNMENT ESTABLISHED, IS THAT FOR THE FIRST TIME WE RECOGNISED AND ENACTED THE PRINCIPLE THAT PRIVATE ENTERPRISE SHOULD BE ACCOUNTABLE TO PUBLIC OPINION FOR DECISIONS THAT AFFECT THE PUBLIC INTEREST. "OPEN GOVERNMENT" IS NOT ENOUGH; WE ALSO NEED "OPEN BUSINESS".

THE TRUTH IS THAT COMPANIES NOW HAVE TO OPERATE MUCH MORE CLOSELY WITH GOVERNMENTS IN EVERY WAY. THIS IS CERTAINLY TRUE OF THE GREAT INTERNATIONAL CORPORATIONS, BUT IT IS NO LESS TRUE OF COMPANIES OPERATING WITHIN NATIONAL BOUNDARIES. IT WOULD BE A MISTAKE, HOWEVER, TO REGARD THE ROLE OF GOVERNMENT IN ITS RELATIONS WITH THE PRIVATE SECTOR AS ONE MERELY OF RESTRAINT OR CONTROL. TRUE ENOUGH, A SOCIETY IN WHICH EVERYBODY DOES WHAT HE LIKES IS INCONCEIVABLE. ANY SORT OF HIGHLY DEVELOPED ORGANISATION IMPOSES UNAVOIDABLE CONSTRAINTS ON THE DRIVES OF THE INDIVIDUAL. YET I PREFER TO REGARD GOVERNMENT AND THE PRIVATE SECTOR AS COLLABORATORS RATHER THAN RIVALS. THEY WORK BEST WHEN THEY WORK TOGETHER.

THE UNIVERSAL TREND IN THE MODERN WORLD IS TOWARDS MORE INTIMATE - AND MORE INTRICATE - RELATIONSHIPS BETWEEN GOVERNMENT AND PRIVATE ENTERPRISE. IN JAPAN, FOR EXAMPLE, THIS RELATIONSHIP IS INSTITUTIONALIZED IN A NETWORK OF OFFICIAL CONTACTS BETWEEN INDUSTRY AND GOVERNMENT; THE POLICIES OF ONE ARE FOR ALL PRACTICAL PURPOSES THE POLICIES OF THE OTHER. IN THE SCANDANAVIAN COUNTRIES, NOTABLY IN SWEDEN, WHERE STATE SUPERVISION OF THE PRIVATE SECTOR IS PERHAPS MOST RIGID, GOVERNMENTS AND FREE ENTERPRISE CO-OPERATE TO A MARKED DEGREE; ENORMOUS STRIDES TOWARDS A SUPER-WELFARE STATE HAVE BEEN ACCOMPLISHED WITHOUT ANY NATIONALIZATION OF MAJOR INDUSTRIES. INDEED THOSE INDUSTRIES ARE AMONG THE MOST EFFICIENT AND PROSPEROUS IN THE WORLD. IN THE UNITED STATES, WHICH HAS FOR LONG ENFORCED THE MOST RIGOROUS ANTI-TRUST LAWS OF ANY COUNTRY IN THE FREE WORLD, WE HAVE SEEN IN RECENT YEARS GOVERNMENT INTERVENTION IN THE PRICES AND INCOMES MECHANISM TO A DEGREE THAT NO ONE WOULD HAVE CONTEMPLATED EVEN 10 YEARS AGO. IN OUR OWN REGION, WE HAVE THE RECENT EXAMPLE OF TWO GREAT AUSTRALIAN COMPANIES, B.H.P. AND C.S.R., MAKING TRADE AGREEMENTS WITH CHINA. I NEED HARDLY LABOUR THE POINT THAT THE OLD RIGID CONCEPTS OF FREE ENTERPRISE, THE OLD-FASHIONED RIVALRIES BETWEEN THE PUBLIC AND PRIVATE SECTORS, THE NOTION THAT GOVERNMENTS AND BUSINESSMEN ARE NATURAL ENEMIES WORKING IN SEPARATE COMPARTMENTS, ARE DEAD AND BURIED.



I CAN GIVE YOU A GOOD EXAMPLE OF THE WAY MY OWN GOVERNMENT HAS BROKEN THROUGH SOME OF THE RIGID IDEOLOGICAL BARRIERS THAT SURROUNDED ECONOMIC AND MONETARY POLICY. IT CONCERNS THE BANKS. FOR A LONG TIME IT WAS ACCEPTED THAT A LABOR GOVERNMENT SHOULD AVOID TOO MUCH USE OF MARKET FORCES IN GOVERNING THE ECONOMY. YET THE FACT IS THAT NO PREVIOUS AUSTRALIAN GOVERNMENT HAS USED THE MECHANISM OF THE MONEY MARKET MORE THOROUGHLY AND MORE SUCCESSFULLY AS A BASIC TOOL OF ECONOMIC MANAGEMENT. WE HAVE ELEVATED THE STATUS AND IMPORTANCE OF THE TRADING BANKS IN AUSTRALIA TO A POSITION THEY HAVE NOT ENJOYED FOR MORE THAN 20 YEARS. WE DID THIS BY REMOVING THE CEILING ON BANK INTEREST RATES FOR NEGOTIABLE CERTIFICATES OF DEPOSIT. IN THAT WAY WE ENABLED THE BANKS TO COMPETE VIGOROUSLY FOR FUNDS ON THE MONEY MARKET. INSTEAD OF BEING THE FIRST INSTITUTIONS TO FEEL THE EFFECTS OF NECESSARY MONETARY RESTRICTIONS, THE BANKS ARE THE BENEFICIARIES; OTHER INSTITUTIONS ARE FORCED TO COMPETE WITH THEM. I SUGGEST THAT THE EXTRAORDINARY SUCCESS OF OUR FEBRUARY LOAN, WHICH ATTRACTED \$509 MILLION IN CASH SUBSCRIPTIONS, IS EVIDENCE OF THE NEW ROLE WE HAVE GIVEN TO THE BANKS. THE PRIVATE BANKS - FOR SO LONG ANATHEMA TO LABOR GOVERNMENTS - ARE BACK ON TOP. I WELCOME THE FACT. THEY ARE GREAT INSTITUTIONS. MY ONLY REGRET IS THAT I HAVE YET TO HEAR ANY ACKNOWLEDGEMENT FROM THEM OF THE FACT THAT A LABOR GOVERNMENT HAS RESTORED THEIR POSITION AS THE DOMINANT FINANCIAL INSTITUTIONS IN THIS COUNTRY. I AM AFRAID THAT IT IS ONLY WHEN COMPLAINTS ARE BEING HEARD THAT YOU CAN BANK ON THE WAILS.

WHATEVER THE BANKS MAY THINK, I PUT IT TO YOU THAT THERE ARE NOW CLOSER CONTACTS BETWEEN GOVERNMENT AND BUSINESS IN THIS COUNTRY THAN EVER BEFORE - AND THEY ARE GENUINE CONTACTS, NOT TOKEN GESTURES, NOT WINDOW DRESSING. WHAT WE HAVE TRIED TO DO - AND SUCCEEDED IN DOING - IS DRAW BUSINESSMEN OF THE HIGHEST CALIBRE INTO THE PROCESSES OF DECISION MAKING AND POLICY FORMATION. THERE ARE LEADING BUSINESSMEN ON MANY OF THE EXPERT AND INDEPENDENT BODIES WE HAVE SET UP TO ADVISE THE GOVERNMENT ON POLICY MATTERS. NOW YOU MAY THINK THAT IS A FAIRLY OBVIOUS THING TO DO, BUT IT WAS NOT A PRACTICE THAT COMMENDED ITSELF TO OUR PREDECESSORS. CONSIDER WHAT HAPPENED TO THE VERNON COMMITTEE, WHICH WAS APPOINTED BY SIR ROBERT MENZIES IN FEBRUARY 1963 TO REPORT ON FUTURE GUIDELINES FOR ECONOMIC POLICY. ITS REPORT WAS DELIVERED IN MAY 1965. IT WAS TABLED IN AUGUST 1966. IN OTHER WORDS, IT WAS SUPPRESSED BY THE PREVIOUS GOVERNMENT FOR 15 MONTHS; ITS ADVICE WAS IGNORED.

I TAKE PRIDE IN THE FACT THAT THE FOUR SURVIVING MEMBERS OF THAT COMMITTEE HAVE ALL RENDERED DISTINGUISHED SERVICE TO THIS GOVERNMENT AND TO THE AUSTRALIAN PEOPLE - SIR JAMES VERNON AS HEAD OF THE INQUIRY INTO THE POST OFFICE, SIR JOHN CRAWFORD, AUTHOR OF THE REPORT ON WHICH THE INDUSTRIES ASSISTANCE COMMISSION WAS BASED; PROFESSOR PETER KARMEL, HEAD OF THE INTERIM SCHOOLS COMMITTEE AND AUTHOR OF THE REPORT INTO EDUCATIONAL NEEDS; AND MR. KENNETH MYER, A MEMBER OF THE BOARD OF THE NATIONAL LIBRARY.

WE HAVE ASKED MANY OTHER PROMINENT BUSINESSMEN TO PARTICIPATE IN INQUIRIES INTO ASPECTS OF GOVERNMENT POLICY. I MENTION A FEW: MR. R. KINGSFORD-SMITH, CHAIRMAN AND MANAGING DIRECTOR OF HAWKER DE HAVILLAND, A MEMBER OF A WORKING GROUP TO STUDY THE AIRCRAFT INDUSTRY; MR. K.S. HEDLEY, A MEMBER OF THE NATIONAL SUPERANNUATION COMMITTEE OF INQUIRY; MR. N.M. GOW, A MEMBER OF THE TECHNICAL AND FURTHER EDUCATION COMMITTEE; MR. D. YENKEN AND MR. KEITH VALLANCE, MEMBERS OF THE TASK FORCE ON THE NATIONAL ESTATE; MR. JACK HANNES, MANAGING DIRECTOR OF HANIMEX CORPORATION LIMITED, A MEMBER OF THE INTERIM COMMISSION ON CONSUMER STANDARDS; MR. G. POLITES, EXECUTIVE CHAIRMAN OF THE AUSTRALIAN COUNCIL OF EMPLOYERS FEDERATIONS, AND SIR THOMAS WARDLE OF PERTH, MEMBERS OF THE NATIONAL COMMITTEE ON DISCRIMINATION IN EMPLOYMENT. SIR THOMAS WARDLE IS ALSO A MEMBER OF THE INTERIM ADVISORY BOARD OF THE DEVELOPMENT ASSISTANCE AGENCY. WE HAVE APPOINTED FOUR NOTED BUSINESSMEN - MR. L.R. DUDLEY, MR. G.P. HAMPEL, MR. GEORGE JOHNSON, AND MR. C.H. GRACE - TO THE INDUSTRIES ASSISTANCE COMMISSION. WE HAVE REAPPOINTED SIR BRIAN MASSY-GREENE AS A DIRECTOR OF THE COMMONWEALTH BANKING CORPORATION AND AS A MEMBER OF THE MANUFACTURING INDUSTRIES ADVISORY COUNCIL. OF COURSE I CANNOT UNDERTAKE THAT ALL THE RECOMMENDATIONS OF THESE BODIES WILL BE ACCEPTED BY THE GOVERNMENT. BUT THEIR MEMBERS CAN BE ASSURED OF THIS: THEIR ADVICE WILL BE PUBLISHED AND PUBLISHED PROMPTLY. IT WILL NOT BE SUPPRESSED OR FORGOTTEN. IT WILL CONTRIBUTE TO A CLIMATE OF OPEN PUBLIC DEBATE. IT WILL BECOME PART OF THE DECISION MAKING PROCESS. SO LET US HEAR NO MORE ABOUT LACK OF CONSULTATION. NO OTHER GOVERNMENT IN FRAMING ITS POLICIES HAS DRAWN SO WIDELY AND REWARDINGLY ON THE SERVICES OF BUSINESSMEN.

I WANT TO DEAL IN A MOMENT WITH THREE PARTICULAR ASPECTS OF GOVERNMENT POLICY WHICH CONCERN YOU. BUT FIRST, I HAVE ONE MORE GENERAL OBSERVATION. I ASK YOU TO REMEMBER THAT A GREAT DEAL OF WHAT THE GOVERNMENT IS ATTEMPTING TO DO HAS ALREADY BEEN ATTEMPTED AND ACHIEVED IN OTHER WESTERN COUNTRIES - IN SOME CASES, MANY DECADES AGO. SOME OF YOU MAY RECALL THAT LAST NOVEMBER, BUSINESS INTERNATIONAL CONDUCTED A SEMINAR IN CANBERRA AT WHICH THE POLICIES OF THE AUSTRALIAN GOVERNMENT WERE EXAMINED FROM THE VIEWPOINT OF THE INTERNATIONAL BUSINESS COMMUNITY. WE WERE HONOURED ON THAT OCCASION BY THE PRESENCE OF MR. ORVILLE FREEMAN, WHO SERVED WITH DISTINCTION IN THE KENNEDY AND JOHNSON ADMINISTRATIONS AND WHOSE NAME IS RESPECTED THROUGHOUT THE BUSINESS WORLD. LET ME READ TO YOU SOME OF THE CONCLUSIONS REACHED BY BUSINESS INTERNATIONAL ABOUT THE POLICIES OF THIS GOVERNMENT. IF I WERE WRITING THE REPORT MYSELF I MIGHT EXPRESS THESE VIEWS WITH RATHER MORE ENTHUSIASM, BUT THEIR GENERAL DRIFT WILL BE CLEAR TO YOU. BUSINESS INTERNATIONAL SAID THIS:

MANY OF ITS PROGRAMS (THE AUSTRALIAN GOVERNMENT'S PROGRAMS) WILL MERELY BRING AUSTRALIAN LEGISLATION AND PRACTICES INTO LINE WITH THOSE IN FORCE IN THE U.S. AND WESTERN EUROPE. ITS SOCIAL SECURITY REFORMS ARE SIMILAR TO THOSE IN FORCE IN MANY WEST EUROPEAN COUNTRIES FOR SOME YEARS; ITS NEW ANTITRUST LAWS ARE MODELLED ON THOSE OF THE U.S., WITHOUT BEING SO SEVERE AS THE U.S. LAWS; ITS PROPOSED SECURITIES EXCHANGE COMMISSION WILL ALSO BE MODELLED ON U.S. LINES, BUT ITS REGULATIONS WILL BE LESS COMPLEX; SIMILARLY, IF THE GOVERNMENT PROCEEDS WITH PROGRAMS FOR WORKER PARTICIPATION IN MANAGEMENT, THESE WILL BE MODELLED ON SWEDISH AND WEST GERMAN PRACTICES.

WHILE THE GOVERNMENT HAS INTRODUCED SOME ECONOMIC PLANNING, THIS IS LESS RIGOROUS THAN EVEN THE PLANNING OF THE UK GOVERNMENT TODAY. THE MAIN EXPRESSION OF THE GOVERNMENT'S NEW THRUST WILL BE IN GREATER EXPENDITURE ON SOCIAL SERVICES, AND IN GREATER REGULATION OF BUSINESS, RATHER THAN IN STATE OWNERSHIP.

THE REPORT THEN MAKES SOME MODERATELY KIND REFERENCES TO ME AND SOME OF MY COLLEAGUES. THE "KEY FIGURES" IN THE GOVERNMENT, IT SAYS, ARE "PRAGMATIC MODERATES WHO EMPHASISED THAT THEY WELCOMED AND ENCOURAGED CONTINUED OUTSIDE INVESTMENT IN AUSTRALIA, ALTHOUGH SUBJECT TO CERTAIN NEW GUIDELINES...."

THE REPORT GOES ON:

ALL AUSTRALIAN POLITICAL PARTIES AND THE BUSINESS COMMUNITY AGREE THAT POPULAR SENTIMENT DEMANDED AN END OF THE OPEN DOOR POLICY TOWARD FOREIGN INVESTMENT WHICH PREVAILED UNTIL LATE 1972; THE FIRST STEPS TO END THAT POLICY WERE IN FACT TAKEN BY THE PREVIOUS LIBERAL-COUNTRY PARTY GOVERNMENT.

FINALLY, WITH SINGULAR SHREWDNESS AND GOOD JUDGMENT, THE REPORT CONCLUDES: "IT IS LIKELY THAT THE WHITLAM GOVERNMENT WILL REMAIN IN POWER FOR SOME TIME TO COME." I MUST SAY THAT I HAVE A VERY HIGH OPINION OF BUSINESS INTERNATIONAL. I HOPE THAT OPINION IS SHARED BY ALL OF YOU. RADICAL WE MAY BE, DETERMINED WE MAY BE, VIGOROUS WE CERTAINLY ARE; BUT THERE IS NOTHING IN OUR POLICIES TOWARDS BUSINESS THAT WOULD BE CONSIDERED NOVEL, IMPETUOUS OR UNPRECEDENTED IN ANY OTHER WESTERN COUNTRY.

IN OUR APPROACH TO BUSINESS WE HAVE THREE BASIC OBJECTIVES. WE WANT TO ENSURE, FIRST OF ALL, THAT THE PRIVATE SECTOR REMAINS BUOYANT, PROSPEROUS AND EFFICIENT. WE WANT TO ENSURE THAT AS FAR AS POSSIBLE THE OWNERSHIP AND CONTROL OF AUSTRALIAN INDUSTRIES AND RESOURCES REMAIN IN AUSTRALIAN HANDS. AND WE WANT TO ENSURE THAT THE AFFAIRS OF AUSTRALIAN COMPANIES, AND THE SECURITIES INDUSTRY ITSELF, ARE SUBJECT TO FAIR AND REASONABLE LAWS, APPLIED UNIFORMLY ACROSS THE NATION IN THE INTERESTS OF INVESTORS, CONSUMERS, SHAREHOLDERS, BUSINESSMEN AND THE COMMUNITY AT LARGE.

LET ME DEAL WITH THE LAST POINT FIRST. THE GOVERNMENT IS PLEDGED TO LEGISLATE FOR A NATIONWIDE COMPANIES ACT. THE QUEST FOR UNIFORM COMPANY LAW IN AUSTRALIA HAS BEEN A LONG AND SORRY STORY OF FRUSTRATION AND DISAPPOINTMENT. YOU WILL REMEMBER THAT A MEETING OF ATTORNEYS-GENERAL IN 1959 RESULTED EVENTUALLY IN THE PRODUCTION OF A MODEL DRAFT BILL IN 1960. NOW WHILE THAT INITIATIVE LED TO CERTAIN REFORMS IN COMPANY LAW AND TO A MUCH GREATER MEASURE OF UNIFORMITY, CONSIDERABLE DIFFERENCES REMAINED IN THE LAWS BETWEEN DIFFERENT STATES. THEY WILL ONLY BE REMOVED BY NATIONAL LEGISLATION. FOR MORE THAN 60 YEARS, HOWEVER, ATTEMPTS AT A UNIFORM COMPANY LAW WERE HAMPERED BY A HIGH COURT DECISION IN 1909. THE COURT GAVE A HIGHLY RESTRICTIVE INTERPRETATION OF THE CORPORATIONS POWER OF THE COMMONWEALTH UNDER THE CONSTITUTION. THAT DECISION WAS EVENTUALLY OVERRULED BY A UNANIMOUS JUDGEMENT OF THE COURT IN SEPTEMBER 1971. THE WAY WAS THEN OPEN FOR LEGISLATION ON A NATIONWIDE SCALE.

WE HAVE HAD ONE STRIKING DEMONSTRATION OF THE OBSTACLES TO UNIFORMITY WHEN LAWS OF THIS KIND ARE LEFT TO THE STATES. IN THE EARLY 1960s, FOLLOWING THE FAILURE OF CERTAIN PUBLIC BORROWING CORPORATIONS, VICTORIA INTRODUCED A COMPANIES (PUBLIC BORROWINGS) ACT WHICH CAME INTO OPERATION ON 1 FEBRUARY 1964. NEW SOUTH WALES AND QUEENSLAND FOLLOWED IN JULY 1964, SOUTH AUSTRALIA AND WESTERN AUSTRALIA IN JANUARY 1965 AND TASMANIA IN JANUARY 1967. THUS IT TOOK NEARLY THREE YEARS BEFORE ALL AUSTRALIANS HAD THE PROTECTION OF THIS LEGISLATION, WHILE DIRECTORS, LAWYERS AND ACCOUNTANTS SOUGHT TO KEEP TRACK OF DIFFERENT LAWS FROM PLACE TO PLACE. YET A NATIONAL GOVERNMENT, SEIZED WITH THE IMPORTANCE OF THIS REFORM, COULD HAVE DONE THE JOB AT ONCE.

ONE OF THE FEARS THAT IS SOMETIMES EXPRESSED ABOUT NATIONAL LEGISLATION IS THAT IT WILL SOMEHOW BECOME A VEHICLE FOR SOCIAL REFORM RATHER THAN REMAIN A MERE PIECE OF ENABLING LEGISLATION. I DO NOT SEE WHY WE SHOULD BE ASHAMED OF SOCIAL REFORM. WE TAKE ALTOGETHER TOO NARROW A VIEW OF COMPANY LAW IF WE INSIST THAT IT CONFINE ITSELF TO THE TECHNICALITIES OF ADMINISTRATION. AGAIN, IT IS TOO NARROW A VIEW TO INSIST THAT ONLY DIRECTORS, SHAREHOLDERS AND CREDITORS HAVE AN INTEREST IN THE ACTIVITIES OF A COMPANY. NO LAW IS DEVOID OF SOCIAL CONTENT. THE RECENT BRITISH WHITE PAPER ON COMPANY LAW REFORM SAID THIS:

"A BOARD OF DIRECTORS HAS TO RECONCILE SEVERAL INTERESTS, OF WHICH PROFIT IS THE MAIN BUT CANNOT BE THE ONLY ONE. ANY COMPANY MUST BEHAVE AS A RESPONSIBLE PART OF THE SOCIETY IN WHICH IT EXISTS. THIS REQUIRES COMPANY DIRECTORS, ON BEHALF OF THE SHAREHOLDERS, TO DISCHARGE THEIR SOCIAL RESPONSIBILITIES AS WELL AS TO PROTECT THEIR LEGITIMATE INTERESTS."

I ACCEPT THAT VIEW. I COMMEND IT TO YOU. IN AUSTRALIA WE WILL IN DUE COURSE HAVE COMPANY LEGISLATION WITH A SIMILAR SOCIAL CONTENT. ONLY AN AUSTRALIAN CANUTE WOULD ATTEMPT TO STEM THAT TIDE. TO RESIST THE INTRODUCTION OF NATIONAL COMPANIES LEGISLATION BECAUSE OF ITS POSSIBLE SOCIAL CONTENT IS TO BE BLIND TO THE DYNAMICS OF LAW AND THE NEEDS OF THE AUSTRALIAN PUBLIC.

WE SEE THE ESTABLISHMENT OF A SECURITIES AND EXCHANGE COMMISSION AS AN ESSENTIAL PART OF OUR DRIVE FOR UNIFORM COMPANY LAW. I REMIND YOU THAT OUR OPPONENTS ARE AS FULLY COMMITTED AS WE ARE TO THE ESTABLISHMENT OF A COMMISSION. WE STILL AWAIT THE REPORT OF THE SENATE SECURITIES AND EXCHANGE COMMITTEE, WHICH WAS ESTABLISHED IN MARCH 1970. IN THE MEANTIME, HOWEVER, CABINET HAS AUTHORISED THE ATTORNEY-GENERAL TO PREPARE LEGISLATION FOR A COMMISSION AND THAT WORK IS GOING FORWARD WITH ALL POSSIBLE SPEED.



I TURN NOW TO ONE OF THE GREAT AND ABIDING THEMES OF MY GOVERNMENT'S PHILOSOPHY. I HAVE SAID THAT ONE OF OUR PRINCIPAL OBJECTIVES IS TO MAXIMISE AUSTRALIAN OWNERSHIP AND CONTROL OF OUR INDUSTRIES AND RESOURCES. AS YOU KNOW, THE GREAT INSTRUMENTS WE ARE DEVELOPING FOR THAT PURPOSE ARE THE AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION AND THE ASSOCIATED NATIONAL INVESTMENT FUND. WHEN I SAY THAT THESE ARE OUR OBJECTIVES, OUR POLICIES, IT IS IMPORTANT TO REMEMBER THIS: THEY WERE INTRODUCED AND DEVELOPED IN RESPONSE TO A CLEAR AND UNEQUIVOCAL PUBLIC DEMAND. THERE WAS NO MISTAKING THAT DEMAND. THERE ARE CERTAIN ISSUES IN POLITICS, CERTAIN CURRENTS OF POPULAR FEELING, THAT IMPINGE ON THE CONSCIOUSNESS OF ALL PARTIES AND HELP SHAPE A CONSENSUS OF THOUGHT AND ACTION. OUR OPPONENTS RECOGNISED THOSE PRESSURES. THEY KNEW AS WELL AS WE DID THAT THE AUSTRALIAN PEOPLE WERE NO LONGER WILLING TO SEE THE AUSTRALIAN ECONOMY FALL INCREASINGLY INTO FOREIGN HANDS. THEY ESTABLISHED THE A.I.D.C.; WE IN TURN HAVE RESOLVED TO EXPAND AND STRENGTHEN IT. THE A.I.D.C. WAS BORN OUT OF A REALISATION THAT THERE IS A NEED FOR A SPECIALISED INSTITUTION CAPABLE OF MOBILISING AND CHANNELLING CAPITAL - OFTEN IN LARGE AMOUNTS - INTO NATIONALLY IMPORTANT INDUSTRIAL DEVELOPMENT BY COMPANIES OWNED AND CONTROLLED IN AUSTRALIA. OUR PROPOSALS WILL REMOVE UNREALISTIC RESTRICTIONS THAT HAVE BEEN PLACED ON THE CORPORATION SINCE ITS INCEPTION. THEY WILL ENABLE IT TO CARRY OUT MORE THOROUGHLY AND MORE EFFICIENTLY THE TASK EXPECTED OF IT.

IN ALL THE CRITICISM I HAVE HEARD OF THE CORPORATION AND THE NATIONAL INVESTMENT FUND, I HAVE YET TO HEAR ANY SERIOUS CRITICISM OF THEIR FUNDAMENTAL OBJECTIVE. THERE IS, AFTER ALL, NOTHING SURPRISING, NOTHING NARROW OR XENOPHOBIC, IN THE DEMAND FOR GREATER AUSTRALIAN PARTICIPATION IN THE CONTROL OF OUR ECONOMIC DESTINY. SO IF I TAKE TIME TO DEAL WITH YOUR ANXIETIES AND CRITICISMS, LET IT NOT BE THOUGHT THAT I AM ON THE DEFENSIVE. NOT ONLY DO I BELIEVE IN MY HEART THAT OUR PROPOSALS ARE RIGHT AND OVERDUE: I BELIEVE THAT YOU, AS GOOD AUSTRALIANS, AS BUSINESSMEN OF PRIDE AND INTEGRITY, BELIEVE IN YOUR OWN HEARTS IN THE NEED FOR THESE REFORMS.

IT IS IMPORTANT TO REMEMBER THAT OUR PROPOSALS ARE AS MUCH CONCERNED WITH MAXIMISING INDUSTRY DEVELOPMENT GENERALLY AS THEY ARE WITH MAXIMISING AUSTRALIAN OWNERSHIP AND CONTROL IN THAT DEVELOPMENT. A.I.D.C. IS ONLY ONE OF MANY INSTITUTIONS THAT CAN AND DO PROVIDE DEVELOPMENT FINANCE. SIR ALAN WESTERMAN, THE EXECUTIVE CHAIRMAN OF A.I.D.C., MADE THIS POINT SUCCINCTLY IN A SUBMISSION TO THE SENATE SELECT COMMITTEE ON FOREIGN OWNERSHIP AND CONTROL. SIR ALAN SAID:

"I DO NOT SEE THE BASIC QUESTION AS BEING WHETHER A.I.D.C. OR SOME ALTERNATIVE MECHANISM IS THE BEST WAY TO FINANCE DEVELOPMENT AND GET MORE AUSTRALIAN PARTICIPATION IN IT. I DO NOT BELIEVE FOR A MOMENT THAT A.I.D.C. COULD DO THAT JOB ALONE. THERE ARE A VARIETY OF GOVERNMENTAL POLICY MEASURES AND INSTITUTIONS THAT DO OR COULD HAVE A ROLE ...

TO ME THE REAL QUESTION IS WHETHER . . .

THERE IS A ROLE FOR A SPECIAL KIND OF INSTITUTION SUCH AS A.I.D.C. WHICH, DIRECTED NOT JUST TOWARDS NORMAL SHAREHOLDERS' OBJECTIVES FOR A PARTICULAR PROJECT BUT TO THE WIDER NATIONAL OBJECTIVES SET FOR IT, WOULD ACTIVELY PURSUE THOSE OBJECTIVES (AND ONLY THOSE OBJECTIVES) THROUGH ITS OWN COMMERCIAL OPERATIONS AND NEGOTIATIONS IN THE MARKET PLACE. IT HAS ALREADY BEEN ACCEPTED BY PARLIAMENT AND I BELIEVE THE COMMUNITY GENERALLY THAT A.I.D.C. IS TO HAVE THAT ROLE. IF THIS IS SO I WOULD HOPE THERE SHOULD BE NO OBJECTION TO IT BEING PROPERLY EQUIPPED FOR THE JOB."

THE POINT IS MADE BY SOME CRITICS THAT THE EXPANSION OF A.I.D.C. WILL LEAD TO INCREASED COMPETITION AMONG FINANCIAL INSTITUTIONS FOR AVAILABLE DOMESTIC SAVINGS, RESULTING IN HIGHER INTEREST RATES AND A DIVERSION OF FUNDS FROM ESTABLISHED INSTITUTIONS SUCH AS SAVINGS BANKS, BUILDING SOCIETIES AND LIFE OFFICES. NOW AS FAR AS I AM AWARE, THERE IS NOTHING IN ECONOMIC THEORY WHICH SAYS THAT THE ADVENT OF A NEW FINANCIAL INTERMEDIARY, OR THE EXPANSION OF AN ESTABLISHED ONE, WILL PUSH UP INTEREST RATES. IN FACT, IF NEW SAVINGS ARE GENERATED AND FUNDS DIVERTED FROM INDIVIDUALS WHO MIGHT OTHERWISE HAVE INVESTED DIRECT, IT MAY HELP TO REDUCE THE AVERAGE COST OF MONEY IN THE COMMUNITY. WE BELIEVE THAT INTENSIFIED COMPETITION FOR FUNDS AMONG FINANCIAL INTERMEDIARIES WILL MAKE THESE INSTITUTIONS MORE COST-CONSCIOUS AND INNOVATIVE, AND THAT IN TURN WILL REDUCE THE MARGINS BETWEEN THEIR BORROWING AND LENDING RATES.

IT IS THE GOVERNMENT'S INTENTION THAT THE ADDITIONAL FUNDS CHANNELLED INTO RESOURCE-DEVELOPMENT AND INDUSTRIAL PROJECTS SHOULD BE DIVERTED ULTIMATELY FROM LESS ESSENTIAL PURPOSES, SUCH AS HIGH-RISE CITY BUILDINGS, RATHER THAN FROM HOME-BUYING OR PUBLIC AUTHORITY SPENDING.

ANOTHER POINT MADE BY OUR CRITICS IS THAT THE NEW A.I.D.C. AND THE N.I.F. WILL BE ATTEMPTING TO SATISFY NEEDS WHICH ESTABLISHED INSTITUTIONS ARE ALREADY SATISFYING ADEQUATELY. MY ANSWER IS THAT ESTABLISHED INSTITUTIONS HAVE NO OBLIGATION - AND EVEN LESS INCLINATION - TO PURSUE NATIONAL POLICY OBJECTIVES SINGLE-MINDEDLY AND PURPOSEFULLY. A.I.D.C. WAS ESTABLISHED TO HELP FINANCE NATIONALLY DESIRABLE INDUSTRIAL AND MINERAL DEVELOPMENT; TO PROMOTE MAXIMUM PRACTICABLE AUSTRALIAN PARTICIPATION IN IMPORTANT ENTERPRISES, AND TO HELP FILL GAPS IN THE AUSTRALIAN CAPITAL MARKET. THE NEW LEGISLATION WILL ENABLE THE CORPORATION TO FULFIL THESE NATIONAL RESPONSIBILITIES MORE EFFECTIVELY. REMEMBER, IF ANY AUSTRALIAN INVESTOR WANTS TO BUY A SHARE DIRECT IN A LISTED PUBLIC COMPANY, THERE IS NOTHING IN OUR PROPOSALS TO STOP HIM - OR TO AUTHORISE A.I.D.C. TO FORCE HIM TO INVEST THROUGH THE N.I.F. INSTEAD. THE TROUBLE IS THAT IT IS NOT ALWAYS POSSIBLE FOR AUSTRALIANS TO INVEST IN FOREIGN-OPERATED ENTERPRISES, ESPECIALLY WHEN THEY ARE SET UP AS SUBSIDIARY PRIVATE COMPANIES OR EVEN AS BRANCHES OF THE OVERSEAS CONGLOMERATE.

AND EVEN WHERE IT IS POSSIBLE TO INVEST, UNLESS THE INDIVIDUAL HOLDING IS A VERY BIG ONE IT WILL COMMAND NO EFFECTIVE SAY WHATEVER IN SEEING THAT THE COMPANY FOLLOWS POLICIES IN THE INTERESTS OF AUSTRALIA. IN SHORT, IT HAS LITTLE OR NOTHING TO DO WITH A.I.D.C. OBJECTIVES.

IN ANY CASE, IT IS NOT THE JOB OF A.I.D.C. TO DISPLACE AUSTRALIAN EQUITY INVESTMENT OF THAT KIND. IT IS DESIGNED TO ADD TO IT, BY DISPLACING SOME OF WHAT WOULD OTHERWISE BE FOREIGN INVESTMENT. IT SHOULD THUS BE ABLE TO DO A LOT TO STRENGTHEN THE AUSTRALIAN SAY IN THE DIRECTION OF DEVELOPMENT OF NATIONAL INDUSTRIAL ENTERPRISES. THERE IS CERTAINLY NOTHING IN OUR PROPOSALS THAT WILL DEPRIVE N.I.F. BONDHOLDERS, PROTECTED AS THEY ARE BY A SUPERVISORY COUNCIL, FROM ANY OF THE PRACTICAL BENEFITS OF OWNERSHIP THAT THEY WOULD ENJOY BY SMALL 'PORTFOLIO' HOLDINGS OF SHARES - LET ALONE FROM INVESTMENT VIA A UNIT TRUST OR INVESTMENT COMPANY OR A LIFE OR PENSION FUND. FAR FROM DIVERTING EQUITY FUNDS FROM STOCK EXCHANGES, OUR PROPOSALS WILL CREATE A NEW EQUITY INSTRUMENT (THE INVESTMENT BONDS) TRADED ON THE EXCHANGES, AND RAISE FUNDS FOR EQUITY INVESTMENT FROM MANY ORDINARY PEOPLE WHO WOULD NEVER THINK OF INVESTING THROUGH THE STOCK EXCHANGE.

WHEN THE A.I.D.C. WAS FIRST PROPOSED BY SIR JOHN McEWEN, IT WAS REGARDED IN SOME QUARTERS AS A DANGEROUSLY RADICAL CREATION. SOME MEMBERS OF THE PREVIOUS GOVERNMENT SAW IT AS A SACRED DUTY TO FIGHT THE A.I.D.C. AS PART OF THEIR HOLY CRUSADE AGAINST SOCIALISM. I BELIEVE BUSINESSMEN TODAY ARE OUTGROWING THESE INSTINCTIVE PREJUDICES; YOU ARE SHREWD ENOUGH TO JUDGE ANY GOVERNMENT MEASURE ON REALISTIC AND FACTUAL GROUNDS. THE FACT IS THAT THE SAME PEOPLE WHO COMPLAIN TODAY ABOUT "NATIONALIZATION BY STEALTH" MADE THE SAME CHARGE AGAINST THE MENZIES GOVERNMENT'S BANKING LEGISLATION IN 1957. WHAT IS STEALTHY OR FURTIVE ABOUT OUR PROPOSALS? I HAVE BEEN ADVOCATING THEM PUBLICLY FOR YEARS. THEY HAVE BEEN OPENLY DEBATED INSIDE AND OUTSIDE PARLIAMENT. OUR INTENTIONS ARE CLEARLY EXPRESSED IN THE LEGISLATION. THE WHOLE OF A.I.D.C.'S ACTIVITIES ARE SUBJECT TO AUDIT. ITS ACTIVITIES CAN BE SCRUTINISED BY THE PARLIAMENT.

IF MY YEARS IN PUBLIC LIFE HAVE TAUGHT ME ONE THING, IF THE EXPERIENCE OF WESTERN GOVERNMENTS IN ECONOMIC MANAGEMENT HAS PROVED ANYTHING IN RECENT YEARS, IT IS SIMPLY THAT THERE ARE NO LONGER ANY CLEAR-CUT OR USEFUL DISTINCTIONS TO BE DRAWN BETWEEN FREE ENTERPRISE POLICIES ON THE ONE HAND AND INTERVENTIONIST POLICIES ON THE OTHER. FOR ALL THEIR SLOGANS AND CATCHCRIES, POLITICAL PARTIES OF ALL SHADES, IN ALL COUNTRIES, NOW ACCEPT THAT DEMOCRATIC GOVERNMENTS MUST CO-OPERATE WITH THE PRIVATE SECTOR IN THE RUNNING OF A MIXED ECONOMY.

BOTH SIDES HAVE A COMMON CONCERN, A SIMPLE CONCERN - TO ENSURE THAT THE SYSTEM WORKS. WHO IS DOCTRINAIRE ON THESE ISSUES? WE WHO SEEK CO-OPERATION, OR THOSE WHO INSIST THAT NO CO-OPERATION IS POSSIBLE? WHO ARE THE DOGMATISTS AND REACTIONARIES? WE WHO ACKNOWLEDGE THE REALITY OF CHANGE, OR THOSE WHO FEAR CHANGE OF ANY KIND? WHO ARE THE IDEOLOGUES? WE WHO REMAIN FLEXIBLE, CANDID IN OUR AIMS, PRAGMATIC IN OUR APPROACH, OR THOSE WHO BELIEVE THAT THE ENORMOUS PROBLEMS OF MODERN INDUSTRIAL ECONOMIES, AND THE THREAT THEY POSE TO SOCIAL HARMONY AND JUSTICE, WILL BE SOLVED BY 19TH CENTURY SLOGANS OF LAISSEZ-FAIRE CAPITALISM? ONCE IT MIGHT HAVE BEEN POSSIBLE TO HOPE THAT THE CHALLENGES OF AUTOMATION, OF POPULATION, OF RESOURCES DIPLOMACY, OF INFLATION, OF POLLUTION, OF NATIONAL OWNERSHIP, WOULD SOMEHOW SOLVE THEMSELVES IF LEFT ALONE. NO ONE BELIEVES THAT NOW. THE PROBLEMS ARE INESCAPABLE; AND IF THERE IS ANY CONSOLATION IN FACING SUCH TESTING AND UNCERTAIN TIMES, IT IS IN THE KNOWLEDGE THAT THE GREAT CREATIVE EPOCHS IN HUMAN AFFAIRS HAVE BEEN EPOCHS OF CHANGE AND TRIAL.

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