

Freedom Brings Greater Responsibilities

Remarks by the Chairman of the Council, Mr. G. J. Coles, C.B.E., at the Tenth Annual Meeting of the Institute of Public Affairs—Victoria, 27th October, 1953.



MR. G. J. COLES

TODAY circumstances are more favourable to free enterprise than for a long time. Controls have been eased, prices are more stable, taxes have been reduced, and the trade union movement has made an important change in its policy on the use of incentive systems in industry. Altogether we have moved closer to the type of economy for which the I.P.A. has been fighting since its inception.

Business is naturally appreciative of its new degree of freedom, but we must bear in mind that this enlarged freedom brings greater responsibilities to industrial and business leaders. A free economy can be successful and lasting in a democratic country only where its leaders and the business community generally display a high sense of responsibility for the national welfare.

It is the duty of businessmen, through their representative organizations, to advocate policies which conform with the real interests of the people as a whole.

We have very rightly opposed government interference with business through detailed controls, but we must recognize

that some broad forms of economic supervision by government are absolutely necessary in the modern economy; otherwise, in the event of a serious drought or a collapse in overseas prices, we could easily return to the days when there were wide and serious fluctuations in business activity and employment. These recessions in the past have caused heavy losses, and are certainly not in the financial interests of business. Nor are they in its long-term political interests.

The vulnerable part of Australia's economy at the moment is the high cost of production, and every producer, manufacturer or distributor, who contributes in any way to a reduction in these costs, will be helping to place this country on a sounder financial basis and will be assisting toward the goal of stability of employment for the Australian people.

The wisest businessmen will use the added financial resources available from Australia's increasing wealth and the recent reductions in taxation in a far-sighted manner. They will improve their plant and technical facilities to raise productivity and strengthen internal reserves to help protect the security of their employees and increase employment.

For ten years we have advocated that increasing productivity, combined with improved employer-employee relations, is the only way to increase the living standards of all the people. Some of these ideas are slowly but surely taking root and the influence which the Institute has exerted in these directions must at all costs be maintained.

There should be no need for me to warn you that the free economy in the form in which we believe is by no means yet firmly established.

The vigilance of this Institute must not be relaxed for a moment. The educational work we have undertaken by the continued circulation of our literature, giving fundamental economic truths, is having its effect on government policies and on public opinion.