

The 2nd Stan Kelly Memorial Lecture
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AUSTRALIAN MANUFACTURERS:
ADJUSTING TO THE REALITIES OF THE FUTURE

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It seems to be timely and appropriate to use this opportunity to try to redirect the emphasis of public concern about the future of Australian manufacturing. Until now, the focus has been on the need for government decision and action, but I believe we have reached the stage where we should pay more attention to what is happening in industry. During the last few years I have come to the view that each manufacturing firm must solve the problem of adjustment for itself, so I propose to talk mainly about self-reliance. Government can set the stage and perhaps use fiscal action to encourage industry to adopt the appropriate sense of purpose and direction. In the end, the level of our industrial success will be set by adding together the confidence and determination of individual businessmen.

I have often been outspokenly critical of management attitudes in manufacturing industry, especially in relation to protection and dealing with change. On those occasions, I have usually been talking to groups of managers. This time it is my guess that in addition, my audience is likely to contain a number of critics of management who become impatient when industry seems reluctant to reform itself. For that reason, I have set myself three objectives. The first is to try to generate some understanding of the kind of practical dilemma in which even the most enlightened manager sees himself. The second is to try to suggest directions in which we might expect industry to be looking to find solutions. The third is to draw attention, briefly, to some of the more important obstacles which will have to be overcome.

For fifteen years or more we have been engaged in a national debate on the question of what should be done about our manufacturing industry and its structure. This long running discussion has been punctuated by various enquiries and reports leading up to the recent publication of the Crawford report on structural adjustment. It seems to me that now, the debate must be considered to have been exhausted. Everything that can be said has been said on subjects like tariffs and the need for industry to become export oriented. The community has become bored with the whole thing. All of this seems to be against a background of emerging consensus that we will be better off with freer trade and an outward-looking manufacturing industry if we can only find a way to do it without too much social disruption.

Recent government decisions are consistent with this view even though some sections of the community would like to see a faster rate of progress. My own position on this question is clear. The only progress we have made at all in improving competitiveness over the last fifteen years has resulted from decisions based on the approach of gradualism. Where proposed action has involved sudden change, it has been nullified by the reaction against it. So, my support is for the gradual application of pressure for adjustment, but I must say at the same time that the pressure must be seen to be inexorable.

The decision to adjust to economic reality obviously must be an economic one. The implementation of that decision involves a different kind of reality. It is largely concerned with the strengths and weaknesses of people and the way they will behave when threatened by change. It must also take into account the need for companies to undertake substantial internal reconstruction.

The further we move in the direction of gradualism the more there will be examples of success. In due course there will be enough of these to support an acceleration of the pace. In fact, we will reach a stage where the more competitive sections of industry will cause an acceleration because their improving performance will pose an increasing threat to slower moving companies. The debate can be boiled down to one related to conflicting claims on resources from the sections of the economy which need high levels of protection and those which need little or no protection. Therefore, the greater the progressive shift of individual manufacturers towards the more competitive end of the spectrum, the greater will be the pressure on those who fail to adjust. For this reason we should be less preoccupied with the most intractable sections of the manufacturing community and spend more time and effort on those sections where self-reliance is more likely to be achieved. In other words, we should see the gradual approach as one which will progressively intensify the underlying competition for resources.

Farmers and the mining community have had much to say about the way they are disadvantaged by the high levels of protection in some parts of manufacturing. Among other things they feel that as exporters, the exchange rate is distorted against them by the upward pressure from high protection. One can imagine that those manufacturers who put their own houses in order will join the farming and mining industry in their criticism.

This is likely to be so whether the newly efficient manufacturer is an exporter or is simply competing effectively against importers. It is this factor which makes me so confident that we are on the right track at last.

During a visit to Australia recently, a senior Japanese businessman made the observation that in Japan, companies are accustomed to having to adjust themselves to new circumstances in order to survive. He went on to say that the attitude of Australian manufacturers seemed to be that it was the responsibility of government to change the circumstances instead. If the difference was as simple and straightforward as that, it would suggest that Japanese businessmen have an innate sense of survival while their Australian equivalents do not. That is not true, of course. The real difference is that the Japanese businessman has found that when he goes to his government for help he only succeeds if his business can be shown to be internationally competitive and export oriented. The Australian has found a different response but the innate sense of survival has been at work in both cases. Who was at fault during the last fifteen or twenty years? Was it the self-interested manufacturer who tried so hard to maintain the status quo, or the several governments which found it politically expedient to avoid grasping the nettle?

Businessmen are realists and they will face the facts when they know they must. That is one of the basic characteristics of the kind of person who is attracted to business. It is also natural for them to try as they have done, often, to preserve the conditions under which they have operated in in the past. On the other hand, there is an increasing amount of evidence of their recognition that the mood is changing. More and more of our managers are coming to realise that their economic environment will not be isolated so readily from external influences and competition as it has been.

We can regret that this position has taken so long to be reached, but it has and we cannot alter that. At least we seem to have reached the stage where both government and business understand that structural adjustment should be going on all the time. It is not some kind of a tidying up process that takes place every twenty or thirty years. Having learned the lesson we must be sure that we do not forget it.

Structural adjustment in industry is made necessary by the fact that technology and the economic environment are constantly changing. The problems we have built up for ourselves through not accommodating to

change continuously, relate to a period when circumstances altered at a sedate pace by comparison with what we can expect during the next twenty years. Individual businessmen should bear this in mind when thinking out their strategies for the future. Attempting to avoid adjustment from now onwards will not only be more difficult, it will also be much more dangerous.

The first Australian manufacturing businesses came into existence because there were opportunities to profit by filling local shortages in a country separated from its sources of supply by very long distances. Flexibility in switching from one product to another was usually more important than specialisation. As a result there was a tendency for our factories to be developed along general purpose lines. In due course it suited the national purpose to generate an increase in employment opportunities because of the postwar decision to increase the rate of population growth through immigration. Associated with this programme there was a need to hold down imports because of a continuing adverse trade balance. To stimulate manufacturing industry, import restrictions were used to increase the extent of local supply shortages. This made available more opportunities to use our general purpose skills. Eventually we used the tariff system to protect this young and relatively weak industry from international competition.

Up to this point, manufacturers were highly regarded by the community. They had adjusted to the artificially created circumstances in a way that suited the declared national purpose. However, at that point everything seemed to go wrong. Academic economists, people representing the export sector and some sections of government started to question the wisdom of the direction in which we were headed. From that point until now we have been standing like the donkey between two bales of hay. On the one hand, we have known that improving industrial viability and better living standards lie in the direction of international involvement. On the other, there has been the attraction of operating in a cocoon made possible by the existence of a thriving non-manufacturing export sector. This has done nothing to improve our standing with the rest of the world, which is gradually coming to the judgment that we are motivated by selfishness and are destined to become irrelevant other than as a source of primary products.

This state of affairs exists because of the reluctance of manufacturers to participate in the creation of a new and outward-looking sense of purpose. For their part, governments were not prepared to take positive steps in that direction without the support of industry. The critics of manufacturing put its attitudes down to selfish sectional interest. This is not surprising since manufacturers have not been introspective and, consequently, have failed to articulate the problems of their dilemma so that consultation might produce solutions.

The problems are such that the time scale over which adjustment is to occur is critical. If it should be attempted over a short time span then the feelings of inadequacy experienced by many managers in relation to the task are quite justified. To try to do suddenly what we have failed to do progressively over nearly twenty years would be foolishness in the extreme. There are several very good reasons for taking the approach of gradualism. They also describe the dilemma in which manufacturing finds itself.

The first is that during a very long period in which the absence of rapid change was assured, an evolutionary process has encouraged the development of managers who are best fitted for those circumstances. For this reason, the talents of a great many of our managers are administrative and bureaucratic rather than entrepreneurial. The management education system itself has also been geared to the needs of its market and has tended to sharpen those attributes.

This situation has to be revised by the same kind of evolutionary process that brought it about. The way to do this is to move ourselves into the arena of international competition in small but determined steps. This will create the pressures which, in turn, will result in the selection and training of men and women who have a natural aptitude for survival in the new environment. What has been happening is that managers whose strength lies in dealing with the circumstances of the past have believed that they are being called upon to cope with a sudden change in direction. Feeling threatened and inadequate to the task they have reacted by pressing strongly for a continuation of the circumstances for which their abilities have been appropriate. That is exactly what we should expect them to do. To force them to pitch themselves headlong into world competition would simply create a disaster.

Another aspect of Australian business that forms part of its dilemma and results from its being based on local shortages is the way in which it is geared to the making of profits in the short term. This leaves our companies without business momentum and in no condition to face up to competition from other countries where business momentum tends to be of a much higher order. For a company to build momentum it must first have a strong sense of long-term purpose and then it must spend. Its expenditure will relate to both capital items and expense investment. The lower the original level of momentum, the greater the amount of money which has to be spent. This is compounded to the point of impossibility if one wants to achieve a high level of momentum over a short time span. In addition, any gain in the momentum necessary to enable successful competition must require the business to forfeit short-term profit. The faster the rate of build up of momentum being sought, the more one will have to forfeit short-term profit. If profitability falls to very low levels or disappears completely, then the sources of finance and cash flow dry up and the business is in a "Catch 22" situation. It will then fail or be taken over by someone who will probably buy it for its asset-stripping potential. All of this means, once again, that the manager who believes that the community might force him suddenly into world competition becomes appalled by the magnitude of his problem.

To enable our manufacturing industry to compete internationally it needs time to choose the areas in which it is going to operate and to build up its competitive strength while maintaining a balance between the long-term need for momentum and the necessity to produce sufficient short-term profit to justify financial support.

All too often there is also the problem that a manufacturing company will have to completely overhaul its range of products and services before it can deal effectively with greater competition. Being designed to operate in a small protected market through filling artificially contrived shortages, industry has seen great virtue in product diversification. This position has to be changed and, again, it takes time. Time to liquidate the assets associated with products which have no future in terms of international competition so that funds can be used to invest in the chosen field of specialisation. Even the process of investing those funds in more appropriate equipment takes years to accomplish if it is to be done effectively.

It would be easy for critics to take the view that it is manufacturing industry's own fault that it is in the dilemma resulting from all of this. That would be grossly unfair because the people concerned did no more than follow the lead given to them by a community which deliberately created a business environment in which import substitution would occur. If we are going to be able to build on the base we have, rather than destroy it, the same community would be wise to demonstrate some understanding in deciding on the rules for the new game. The evidence suggests that this is happening, and if it is, we have probably taken the most important step forward since the debate began.

I believe I have spent enough time on my attempt to have you see things from the manufacturer's viewpoint. I would like to move now to the more constructive question of how individual firms should use the time available to them.

The most important realities of the future are that we will have a more competitive environment at home and a need to manufacture for export. This means that if they have not already done so, managers would be wise to go back to the first principles of business to revise their strategies for the future. Acceptance of the fact that adjustment is a necessary and continuing process involves a recognition that marketplace change not only poses threats, but it also creates new and unfulfilled needs that present new opportunity. At times of change in the requirements of the marketplace, the race goes to the swift and not necessarily to the established and perhaps less vigilant competitors. This applies to local as well as overseas markets. It is equally true in times of economic growth and in periods of stagnation. It helps explain the paradox of the depressed market conditions of the last few years, in which some Australian companies have gone from strength to strength while the performance of others has suffered badly. In at least some of these cases the company which is growing stronger has exploited emerging market trends while the other has locked itself into a declining product or segment. The first has approached the game of business competition in strategic terms while the other has been preoccupied with tactics. Sometimes the difference can be explained because one competitor invests in up-to-date methods or processes while the other does not. If the goods of the aggressive competitor are imported, the local firm will often seek protection even though the problem lies in the soundness of his own business decisions. The tragedy of these cases is that the local company sincerely believes that its plight is the result of some

advantage of his overseas competitor which is not available to an Australian organisation. As a result he does nothing to correct his mistake and puts himself in a position where no amount of protection will solve his problem.

The total demand for any product is almost always made up of a series of segments which are affected differently by changing circumstances. Thus, the market is dynamic even in cases of mature products where total demand has stabilised. The aggressive professional manager not only knows this, but also knows how to use it to advantage in his competitive strategies and in his investment plans. The strategic approach to business and competition also requires an understanding of the importance of giving priority to the building of market share even though it may mean that short-term profit cannot be maximised.

These concepts are as old as business itself and they have been formalised in business literature for a very long time. Even so, we see examples over and over again where established patterns of competition are upset because one company applies them and its competitor does not. Japanese industry has demonstrated its effectiveness many times in its thrust into the markets of the world during the last twenty years. Perhaps the best example one could give is the way the Japanese penetrated the world motorcycle market and all but annihilated the established and previously dominant British industry. The growth of the Japanese car industry from almost nothing is another well-known case.

Starting well back in the field as we are, we would do well to study the way Japanese industry has grown. It is very easy to dismiss their example by saying it was based on low wages, the diligence of the Japanese workforce, or even on the "Japan Incorporated" involvement of the government. To do so would miss the point completely. It is true that wages have been low in some industries, but that is not the case in the most successful export industries. Low wages have been a feature in industries which have been in decline and consequently have been losing in the competition for resources. There is no doubt that the other factors I mentioned have been advantages for Japanese firms, but they have been offset by disadvantages as well. Furthermore, they must be related to the magnitude of Japan's need to compete internationally, which is enormous by comparison with our position. Being almost without natural resources it is only the export success of their manufacturers that allows them to import their raw materials as well as the many items they need to maintain

a reasonable standard of living. What we have to do is a much more modest task. I am not suggesting for a moment that Australian businessmen should set out to dominate the world market for their product. Our geographic position and other factors make that unlikely and it is not necessary anyway. I am simply saying that we should look closely at the behaviour of the companies in the country which has been most successful in competing internationally. If we do we will find that far from having some unique and mysterious advantage, they have simply gone back to first principles and applied them in a way that is available to anyone who has the confidence and determination.

With slower economic growth these practical business principles will be just as important in the home market as they are internationally. Competition between Australian manufacturers will also be more intense in the future than it has been in the past. This is going to be so with products not subject to import competition and in cases where local efficiency has improved to the point of making import competition irrelevant. A more professional approach to management will be necessary in all of these areas. However, our prime concern tonight is with our need to be more effective in dealing with competition from other countries at home and abroad.

We should touch briefly on the question of why it is important for our manufacturers to concern themselves with foreign markets. Many people seem to believe the prime motive for a company to export is altruism. It is often thought that businesses should build up their sales to other countries for the good of the Australian community. Exports are good for Australia, but that is only going to be the case if they are soundly based in a commercial sense. Altruism alone is not a good commercial starting point. It is true that from a community point of view, we need the activity which leads to exports because it will help to employ our population productively. This will help to put standards of living on the kind of rising trend we would all like to see. However, these gains must be the by-product rather than the driving force.

There can be many reasons for a company to export. Most of them are obvious, like the desire to enlarge one's market to enable the achievement of growth beyond the restrictions of the size of the Australian market. However, there is one that is not so obvious but which will be extremely important in many fields. That is the need to export so as to

improve a company's ability to compete at home. This reason has been almost completely overlooked by Australian businesses, but it is an important motivating force in other countries of small-market size.

In a small market, if there are two or more companies operating in a given field and one sets out to export a significant part of its output and the others do not, then the exporting company will have advantages of scale not available to the others. It will be able to use methods and processes denied to the company whose activities are geared to the home market alone. The competitive effects of this situation will be devastating. As time goes by and our industries become more competitive in outlook many of them will see this concept as being much more critical to their overall strategies. In some older and more competitive markets of restricted size one has to export solely for reasons of survival at home. It will be clear that when the main competition comes from abroad, exporting to obtain a scale of operations sufficient to live in the home market will be even more important. To a company determined to be self-reliant this will be the means by which it can provide its own protection.

Having dealt at some length with the way in which managers must be more conscious of business fundamentals if they are going to gain advantage from change rather than be threatened by it, I would like to return to the subject of change itself. There are a great many pressures at work which will ensure that the circumstances of the future will be different from those of the past. However, there are four factors which will be so important as to make the others less significant. These are:

1. Technological change
2. Demographic change
3. The increasing cost of liquid fuel
4. The industrialisation and growing economic strength in Asia.

Before discussing them I should make the point that we should assume that Australia will continue to have a high cost wage structure. Indeed, to assume otherwise would imply that we expect to fail in what we hope to do.

No individual can hope to identify all the effects which might flow from these factors, much less deal with them in a few minutes. I will only try to draw attention in a general way to the possibilities they will open up for those who take a positive attitude to them.

In referring to technological change briefly, I would like to say at the outset that I am aware of the social problems with which we will be confronted because of it. Even though technological change has been going on since the invention of the wheel, it has now accelerated to a rate which takes the problems of its absorption beyond our experience. We would all be less apprehensive on this score if we could foresee the social consequences with more certainty. However, my subject on this occasion is manufacturing and the social problems of the future must be left for discussion at another time. It should be sufficient for me to say that we will be able to deal with them more effectively with a successful manufacturing industry than without one.

I would like to make only two points about technology. The first is the obvious one that it will make possible the creation of new products and will have important effects on the form and design of old ones. In most technical areas Australia is well supplied with trained and experienced people. We should be quite capable of taking advantage of the new avenues for product design provided our managers see themselves as suppliers to the needs of the market. All too often the thinking of people in long-established businesses is circumscribed by their identification with a particular range of products rather than fulfilling market needs. There is also a tendency for most people to think of electronics when they hear the words "technological change". That is only the dramatically obvious face of the subject. Advances in other areas will probably be more important to Australian product design.

The second aspect of technological change which has important implications for our manufacturers is that in many industries it is making cost-efficient production possible at lower volumes than have been necessary previously. In a country with a small population where wages are expected to be high, this has special significance for competition at home and abroad. It is also likely to give a boost to that section of our industry making capital goods used in production processes. In my experience I have found this to be a highly competent area of industry with excellent prospects for further development in the Australian and Asian markets.

In Australia, as in other developed countries, we are going to see a change in the age structure of our population. This has very clear implications in terms of changing market trends. Progressively, there will be a smaller proportion of Australians in the lower age groups while that

in the middle age groups will increase. With increasing participation of married women in the workforce this segment will constitute an increasingly important market. In due course we can expect people to retire earlier and this will also have its market effects. The education, health and leisure markets are likely to experience substantial change, but so will many other areas.

While all of this is going on, age trends in neighbouring countries will be quite different and this will also be very important to those of our industries seeking opportunities there.

In addition, the combination of a change in the age structure with a trend towards earlier retirement might move us into a position where labour shortage in a few years time will be an important problem even though we are focused on unemployment today. If this happens, our concerns about the social effects of technological change will have been without foundation.

There is probably no change which has evoked a higher level of consciousness than the rising cost of liquid fuel. I have been careful not to refer to the word "energy" because it seems to me that its use is misleading because energy in general is not in short supply. It is also possible that liquid fuel will not be in shortage if the rising price causes a stepping up of exploration or entices some present producers into greater production rates. However, in the medium and longer term, at least, higher costs have to be considered to be a major factor in the pressures for change. Obviously, this will cause many alterations in demand patterns. It will also leave Australia in an especially good position in relation to fuel-intensive production processes.

The last of the four main factors of marketplace change is the industrialisation of Asia. For Australia this should be the most important of all. At the same time it places us at the cross-roads. We can either continue to treat it as a threat or we can participate in the growing market it presents.

We have a relatively highly educated and competent workforce of only about six and a half million to employ as the basis of our human resources and physical resources which are the envy of the world. We live on the edge of the area with the fastest economic growth rate of any region.

How could we not be excited by the prospect? Nevertheless, I believe the level of excitement about Asia is still fairly low in the manufacturing community. I think this is at least partly because so many companies have been busy during the last few years with the very necessary first task of putting things in order on the home market. They have not yet begun to try to come to grips with the question of how to take advantage of the Asian phenomenon. For some the perception of Asia as a threat is just too vivid.

I have no doubt that this position will start to change during the next five years. More manufacturers will look for and find ways to be involved. Asia, of course, is not one market. It is many markets and that is why most manufacturers will have to think long and hard before they will be able to decide on the best approach to gaining entry. They will not always export their finished product. It will often be their knowledge or a combination of knowledge and partly finished goods. Even though we are on the edge of the region, our cities are still a long way from the more industrially developed parts of Asia.

I often hear people saying that if Australian companies do not hurry up, they will miss the boat in Asia. This demonstrates a lack of understanding of the subject. There is not a single boat to catch. It usually is not a case of trying to sell or make one's existing product there. In a very great many cases the product which has appeal in the Australian market would be impractical for sale in Asia except to expatriates from other regions. It is necessary to consider market needs and decide how best to fill them. At all times the pressures of change will be creating new needs and alterations in old ones. Australian companies would be ill advised to jump in until they are ready, but they should be looking for their opening.

It seems to me to be beyond doubt that if marketplace change is going to provide the means by which we can sharpen our competitive skills and develop a stronger and more specialised manufacturing industry, then there will be no shortage of opportunity. What then will be the obstacles we will have to overcome?

I see only two worthy of mention here, but each of them presents a considerable barrier. The first is the need to produce sufficient entrepreneurs.

Modern entrepreneurs are of two kinds. The first is the person with a good idea, enormous energy and a driving need to perform personally. He is the kind of person who starts businesses and makes them go through sheer personal energy. His skill tends to limit him to business of only small or moderate size because he will often fail to delegate and develop the talents of others. The second kind of entrepreneur is the man who is motivated by a need to influence people and situations. He gets most satisfaction from the leadership role in a larger and more structured organisation through fostering and directing the creative and other skills in those around him. He loves to compete in the business game. The first kind emerges spontaneously. We should always make sure that the money is available to enable them to implement their good ideas and that we provide them with business counsel. However, because the second type of person is essential to the successful reorientation of our larger companies, he is the one we are concerned with in the present context. This is the person who will delight in the challenge presented by the prospect of change. He will not feel threatened by it.

To put it simply, it does not matter what action is taken by government or how much assistance it gives, our success will be determined by the entrepreneurial skills and ability of the people who lead our businesses. Therefore, if we fail to produce sufficient entrepreneurs, we will not succeed industrially. From my own observations it seems that in the normal course of events, such people do not often gravitate to senior positions in organisations where the leadership is of the bureaucratic style. On the other hand, they tend to move up quickly in companies where the leadership is already of the entrepreneurial variety. The problem will be obvious immediately. I said earlier that over a period of many years, an evolutionary process had fostered bureaucratic rather than entrepreneurial management. If this is true, my observations suggest that we will, in fact, fail to produce sufficient entrepreneurs for the future unless we set out to select and train them without relying on natural processes. This will require our institutions of business education and industry itself to be constantly alert to the need to identify these people. Without them it will take longer for our companies to be organised for change. With them we will be quicker to recognise new market opportunities and follow up with innovation and investment.

Finally, the other major obstacle we will have to overcome is the problem of Australian industrial relations. As we all know, our record in this area has been dismal. If we are going to succeed in improving our competitiveness through self-reliance it will be necessary for management and the workforce in general to be trying to reach the same objective. In most of the developed countries we have to compete with, we will find that the people in the factories are able to identify strongly with the organisation in which they work. If we do not develop the same situation, our people will be less effective than they need to be.

I would not want to suggest that this task will be easy. Yet individual firms can do much to improve the position. They can ensure that their employees are well informed about what the organisation is trying to achieve in competitive terms. Because people like to compete, it is sensible that everyone in the company should be aware of the progress being made. If one is to make people feel involved it is necessary to build the feeling that employees are being relied upon to play their part and that success cannot be achieved without their enthusiasm. They must be made to feel an essential part of the whole effort and they must feel that they will benefit from the success of the enterprise.

All of these things will contribute to a lessening of conflict and will help to remove the illogical polarisation of management and employee, which is more common than it should be. They will only occur if we set out to improve the standard of leadership in industry. This will take a long time to have a significant effect, but it has to be done just the same. In our selection of people for training and development we should be looking constantly for leadership potential. Fortunately, the person who is best fitted to direct the development of the business strategies for a company in a competitive environment will normally be fairly strong in terms of leadership as well. I believe that the high degree of motivation we see in factories elsewhere in the world is because of an acceptance of the need to compete. Once acceptance exists, the evolutionary process produces people with the necessary attributes for leadership. Competition is relentless in its effects, but it brings out the best in us.

I said earlier that the community is becoming bored by the long, exhaustive debate on the structure and future of our manufacturing industry. Boredom is debilitating. We cannot afford to let apathetic attitudes continue. There is too much at stake in terms of the level and quality of living standards for ourselves and for the next generation of Australians.

What we do about it is essentially up to ourselves as individuals, and tonight I have tried to erect some signposts for the future. They all say one thing: Australian industry must have a purpose based on the realities of a competitive world. In taking up the challenge we might hope that, for this country, the coming decade will emerge as the Energetic Eighties.

THE STAN KELLY MEMORIAL LECTURE

The Stan Kelly Memorial Lecture was established in 1977 by the Australian National University as a memorial to the late William Stanley Kelly OBE. The general theme of the lecture is the desirability of a freer flow of world trade.

The late Mr Kelly, who died in 1969 at the age of 86, was well known as a South Australian farmer and as a member of the Commonwealth Tariff Board from 1929 to 1940 who later represented the Australian Wool Board on the Wool Secretariat in London and served as adviser on primary products to the Commonwealth Prices Commissioner in Canberra from 1942 to 1948. Among other positions he held with distinction were Chairman of the South Australian Advisory Board of Agriculture; Chairman of the joint Dairying Industry Advisory Committee; member of the Advisory Council for the CSIRO and of the Consultative Committee on Import Policy. His son, Mr C.R. Kelly, Federal MP for Wakefield, South Australia, from 1958 to 1977, has shared his father's views on freer trade and has generously endowed the lecture in his father's memory.

The following lecture has been delivered

- * Inaugural: Emeritus Professor Sir John Crawford (Chancellor of the Australian National University) *Some Problems of Freer Trade: Australia Under Pressure*, 6 September 1977.

* Available from Director's Office, Research School of Pacific Studies