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Speech at Businessmen's Lunch, Paramatta Leagues Club

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MR. DIROU, LADIES AND GENTLEMEN;

THANK YOU VERY MUCH FOR GIVING ME SUCH AN EXCELLENT LUNCH AND FOR PROVIDING THIS OPPORTUNITY TO MEET AND TALK WITH SUCH A REPRESENTATIVE GROUP OF PARRAMATTA'S BUSINESS AND COMMUNITY LEADERS.

MOST PEOPLE IN THIS ROOM WOULD BE ACCUMSTOMED TO TAKING, IN THEIR DAILY WORKING LIVES, DECISIONS WHICH, DIRECTLY OR INDIRECTLY, AFFECT THE FUTURES OF LITERALLY THOUSANDS OF PEOPLE.

DECISION-MAKING AND ITS CONSEQUENCES ARE FAMILIAR TO YOU, AND IT'S ABOUT A CONCERN WITH THIS PROCESS IN THE FIELD OF THE NATIONAL ECONOMY, WHICH I THINK WE SHARE, THAT I WANT TO TALK PRINCIPALLY TODAY.

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THERE IS THROUGHOUT AUSTRALIA TODAY A PERCEPTIBLE SENSE OF DISQUIET, A FEELING THAT THINGS ARE JUST DRIFTING ALONG; THAT THERE IS, AT THE HIGHEST LEVELS OF GOVERNMENT, A LACK OF DIRECTION; THAT WE SEEM TO MOVE, ALMOST RANDOMLY FROM PROBLEM TO CRISIS AND BACK TO PROBLEM. I THINK PEOPLE GENERALLY ARE AWARE OF IT AND THAT, IN RECENT MONTHS, THE BUSINESS AND PROFESSIONAL COMMUNITIES HAVE BECOME ACUTELY CONSCIOUS OF IT, COUPLED WITH THIS HAS COME A FEELING OF IMPOTENCE, A BELIEF THAT INDIVIDUALS CAN'T MAKE THEMSELVES SEEN, HEARD AND NOTICED IN THE PLACE WHERE MANY OF THESE DECISIONS SHOULD BE TAKEN - IN CANBERRA BY THE COMMONWEALTH GOVERNMENT.

THIS IS, I THINK, A PROBLEM OF QUITE FUNDAMENTAL IMPORTANCE TO US AND, BECAUSE IT'S GROWING, IT IS A POTENTIALLY DANGEROUS ONE.

CREEPING UNCERTAINTY ABOUT WHERE THE AUSTRALIAN ECONOMY IS HEADING HAS LED TO PRESENT LACK OF CONFIDENCE AND THUS DIRECTLY CONTRIBUTED TO THE RECENT FALLS IN INVESTMENT SPENDING WHICH HAVE SERIOUS SOCIAL IMPLICATIONS.

WHAT SHOULD BE DONE?

WELL, ONE THING WE COULD ^(DO) ALMOST IMMEDIATELY IS TO MAKE PROPER USE OF THE SKILLS AND HUMAN RESOURCES WE HAVE AT OUR DISPOSAL AND INSTITUTE A SENSIBLE SYSTEM OF PLANNING. IT'S NO EXAGGERATION TO SAY THAT THE WAY IN WHICH QUITE VITAL ECONOMIC DECISIONS ARE MADE IN THIS COUNTRY AT THE MOMENT IS COMPARABLE

WITH ASKING A METEOROLOGIST TO PRODUCE A SERIOUS WEATHER FORECAST BY STICKING HIS FINGER INTO THE WIND AND THEN FEELING THE SEAWEED. IT'S EVEN MORE LAUGHABLE - OR PATHETIC DEPENDING ON YOUR POINT OF VIEW - WHEN ONE REALISES THAT IT'S UNNECESSARY; WHEN YOU REALISE THAT THE TOOLS - THE BASIC INFORMATION NEEDED FOR PROPER DECISION-MAKING - ARE OFTEN AVAILABLE BUT ARE IGNORED. NOW, WHENEVER, ONE MENTIONS THE WORD PLANNING, THE LIBERAL AND COUNTRY PARTIES TEND TO THROW FITS AND REACT RATHER LIKE A SHELTERED SPINSTER HEARING THE VICAR CURSE AT A CHRISTENING. 'REGIMENTATION', 'TOTALITARIANISM', THEY CRY, COMMUNISM, THEY WARN DARKLY, IS JUST AROUND THE CORNER. WELL NOT ONLY HAVE

PEOPLE GENERALLY REALISED LONG AGO THAT THAT'S UTTER NONSENSE, THEY NOW REALISE IT THEMSELVES. BUT STILL THEY'RE TRAPPED IN THEIR OWN SHIBBOLETHS; THEIR INTELLECTUAL ARTERIES ARE SO HARDENED THAT THEY CANNOT ACCEPT THE IMPLICATIONS OF THIS REALISATION.

THE ^{KIND} ~~FORM~~ OF ECONOMIC PLANNING I'M TALKING ABOUT AND WHICH I THINK WE URGENTLY REQUIRE IN AUSTRALIA IS BROAD-FRAME INDICATIVE PLANNING OF THE TYPE - WITH SUITABLE MODIFICATIONS FOR OUR CONDITIONS HERE - APPLIED SUCCESSFULLY IN WESTERN EUROPE, SCANDANAVIA AND NEW ZEALAND.

IT EMPHATICALLY DOES NOT MEAN CENTRAL COMMAND PLANNING, ENFORCED THROUGH RIGID, DETAILED GOVERNMENT AND BUREAUCRATIC CONTROLS OVER PRODUCTION, MARKETS AND THE AVAILABILITY OF CAPITAL AND LABOUR.

THE CASE FOR INDICATIVE PLANNING OF THE ^{TYPE} ~~FORM~~ I AM TALKING ABOUT NOW RESTS SIMPLY ON THE PROPOSITION THAT THE ECONOMY CAN REASONABLY BE EXPECTED TO PERFORM BETTER IF THERE IS A CLEAR APPRECIATION AND AWARENESS IN GOVERNMENT AND BUSINESS OF WHAT THE OTHER IS DOING AND INTENDS TO DO. ITS ESSENCE IS CLOSE AND MEANINGFUL CONSULTATION BETWEEN THESE TWO - AND OTHERS - ON THE LIKELY PERFORMANCE AND NEEDS OF INDUSTRY.

AS A RESULT OF THESE CONSULTATIONS, PUBLIC FORECASTS CAN BE MADE ABOUT THE FUTURE SIZE AND SHAPE OF THE ECONOMY. FOR INSTANCE, FORECASTS COULD BE MADE ABOUT THE AVAILABILITY OF CAPITAL AND LABOUR AND FROM THESE ONE COULD GET AN ESTIMATE OF TOTAL AUSTRALIAN PRODUCTION - AND OUTPUT OF SPECIFIC ITEMS. THESE INDICATORS COULD

BE CHECKED FOR CONSISTENCY AGAINST PROJECTED DEMAND AND, AS A RESULT, LIKELY BOTTLENECKS, CONSTRAINTS ON GROWTH AND AREAS OF POSSIBLE OVERPRODUCTION COULD BE IDENTIFIED.

NOW IN SUGGESTING THAT WE NEED A DIALOGUE OF THIS SORT I AM NOT SAYING THAT IT SHOULD BE CONFINED TO BUSINESS AND GOVERNMENT. THAT WOULD BE ALMOST AS BIG A FOLLY AS THE PRESENT SYSTEM, OR LACK OF IT. THE GROSS NATIONAL PRODUCT DOES - THE MOST ASTRINGENT AND TORY ECONOMISTS NOTWITHSTANDING - HAVE A SOCIAL AS WELL AS AN ECONOMIC DIMENSION. CONSULTATIONS AT THE NATIONAL LEVEL MUST INVOLVE, ON A REAL AND NOT A TOKEN BASIS, TRADE UNIONS AND SPECIAL GROUPS SUCH AS PENSIONERS AND PRIMARY PRODUCERS. STATE GOVERNMENTS, TOO, COULD MAKE A CONTRIBUTION.

ONE/ADVANTAGE OF INDICATIVE PLANNING OF THIS TYPE IS THAT IT DOESN'T TIE UP LARGE NUMBERS OF VALUABLE, SKILLED ADMINISTRATIVE PEOPLE AS IT RELIES ON THE PUBLIC ANALYSIS OF BROAD ECONOMIC TRENDS AND THE MAKING OF MAJOR, SPECIFIC FORECASTS RATHER THAN ON THE COLLECTION OF DETAILED DATA ON PRODUCTION, MARKETS AND SO ON. ANOTHER POSSIBLE BONUS IS THAT IT COULD PROVIDE A FRAMEWORK WITHIN WHICH THOSE MOST INVOLVED COULD REACH AGREEMENT ON MEASURES TO AMELIORATE OUR VEXING WAGE-PRICE ^{(SPIRAL.} ~~SPEL~~. THIS, HOWEVER, I SEE AS SUPPLEMENTARY TO A PRICE JUSTIFICATION SYSTEM.

WITH SUCH A SYSTEM OF PLANNING, BUSINESS, UNIONS AND GOVERNMENTS WOULD BE ABLE TO MAKE DECISIONS KNOWING FAR MORE THAN THEY DO NOW ABOUT LIKELY MARKET CONDITIONS, PARTICULARLY SINCE THEY'LL

HAVE TAKEN ^{PART} IN THE CONSULTATIVE PROCESS THEMSELVES.

FROM HERE - AND I THINK YOU'LL AGREE THAT THIS IS A BY NO MEANS IMPRACTICAL LET ALONE REVOLUTIONARY ^{FIRST} ~~BEST~~ STEP - WE COULD GO ON TO A MORE SOPHISTICATED APPROACH AND MOVE FROM PUBLIC FORECASTING INTO THE AREA OF TARGET PLANNING. BY THIS I MEAN THE SETTING OF PRODUCTION TARGETS AND OTHER GOALS FOR VARIOUS INDUSTRIES.

I THINK THIS WOULD FOLLOW FAIRLY EASILY ONCE THE BUSINESS WORLD AND THE COMMUNITY HAD COME TO APPRECIATE AND ACCEPT THE BENEFITS OF THE TYPE OF CONTINUING INFORMATION EXCHANGE AND CONSULTATION I'VE OUTLINED. TARGET SETTING MIGHT BE ACCOMPANIED BY THE PROVISION OF BANKING, TAXATION AND OTHER INCENTIVES TO INDUCE PARTICULAR SECTORS OF THE ECONOMY TO MEET THE GOALS SET.

OBVIOUSLY THIS IS GOING TO REQUIRE A LARGER PLANNING AGENCY AND A GREATER COMMITMENT OF HUMAN RESOURCES THAN WOULD FORECASTING ALONE BUT I BELIEVE IT WILL HAVE TO BE CONSIDERED.

APART FROM THE EARLY AND DIRECT BENEFITS I THINK WOULD FLOW FROM A NATIONAL ACCEPTANCE OF ECONOMIC PLANNING, THERE WOULD BE ANOTHER BIG GAIN FOR THE LONGER-TERM, THE ESTABLISHMENT OF A CLIMATE OF OPINION, A BIAS TOWARDS THE PLANNING CONCEPT. ULTIMATELY WE, AS WITH OTHER DEVELOPED NATIONS, ARE GOING TO HAVE TO GRAPPLE WITH THE PROBLEMS OF ^A POST-INDUSTRIAL SOCIETY AND THE ERA OF Z.P-G AND NO-GROWTH ECONOMIES. WE SHOULD, IN FACT, BE AT LEAST THINKING ABOUT THEM NOW. WHEN THAT TIME ^{COMES} PLANNING ON A LARGE SCALE WILL BE ABSOLUTELY ESSENTIAL AND A START NOW COULD BE OF VERY GREAT VALUE THEN.

BUT TO COME BACK TO OUR PRESENT CONCERNS. ONE OF THE DIFFICULTIES WE NOW FACE IS THAT VARIOUS GOVERNMENTAL BODIES IN THIS COUNTRY MAKE DECISIONS WHICH HAVE A MAJOR IMPACT ON THE ECONOMY BUT THEY DO NOT OPERATE WITHIN ANY NATIONAL PLANNING FRAMEWORK. AT TIMES THEIR DECISIONS CAN HAVE QUITE CONFLICTING RESULTS. YOU CAN SEE PLENTY OF EXAMPLES OF THIS IN CLASHES BETWEEN COMMONWEALTH BUDGETING, TARIFF BOARD REVIEWS OF PROTECTION, ARBITRATION COURT DECISIONS AND CAPITAL SPENDING BY THE STATES, THE NEED FOR WHICH, IN TURN, IS PARTLY CONDITIONED BY MIGRATION POLICY.

IT IS, THEREFORE, FOR THESE REASONS THAT I BELIEVE WE MUST INTRODUCE A SYSTEM OF NATIONAL ECONOMIC PLANNING.

WHAT IS DONE AT PRESENT IS LITTLE MORE THAN A FARCE. THE

FEDERAL GOVERNMENT GOES THROUGH THE PERIODIC PRETENCE OF CALLING FOR THE VIEWS OF INDUSTRY AND OTHERS BEFORE PIGEONHOLING THEM AND LAUNCHING ITS BUDGET (THAT BLOCKBUSTER OF AN UNGUIDED MISSILE) ON A FEARFUL PUBLIC.

IT'S WINDOW-DRESSING, NO MORE. THEY PAY ABOUT AS MUCH ATTENTION TO THE VIEWS OBTAINED THERE AS THEY DO TO THOSE PUT FORWARD AT THE INCREASINGLY RITUALISTIC PREMIERS' CONFERENCES WHERE YOU CAN GO ALONG, YOU MAY EVEN BE PERMITTED TO SHOUT, BUT WHERE YOU CERTAINLY WON'T BE ALLOWED TO ALTER, OTHER THAN IN THE MOST MARGINAL OF WAYS, DECISIONS TAKEN UNILATERALLY LONG BEFORE YOU GOT THERE.

ONE SOLUTION TO OUR PRESENT PROBLEM IS TO MAKE THE EARLIEST POSSIBLE START AT LEAST ON A FORM OF INDICATIVE PLANNING AND THEN TO GIVE HIGH-LEVEL, PRIORITY CONSIDERATION TO REFINING IT INTO SOMETHING STILL MORE EFFECTIVE. PUBLIC FORECASTING BY SUPPLEMENTING INFORMATION AVAILABLE TO DECISION MAKERS WILL GREATLY REDUCE THE UNCERTAINTY AT PRESENT SURROUNDING INVESTMENT DECISIONS. THIS SHOULD SMOOTH OUT VARIATIONS IN PRODUCTION FORCED BY EQUALLY BLIND FEDERAL BUDGETARY POLICIES WHICH HAVE LED TO THE PRESENT INTOLERABLE LEVEL OF UNEMPLOYMENT AND THE TRAGIC WASTE OF HUMAN RESOURCES THAT HAS BEEN THE MOST APPALLING FEATURE OF OUR STOP-GO ECONOMY.

THE CHOICE IS NOT BETWEEN COMPETITION AND PLANNING BUT BETWEEN THE PRESENT HOTCH-POTCH OF AGENCIES WHICH DO SOME PLANNING AND

THE CREATION OF STRUCTURES PROVIDING FOR SYSTEMATIC PLANNING IN WHICH THE CHANCE OF CONFLICTING DECISIONS BEING MADE IS MUCH REDUCED.

NOW I DON'T THINK YOU'LL BE TOO SURPRISED WHEN I SAY THAT I DON'T THINK THE PRESENT FEDERAL GOVERNMENT IS TEMPERAMENTALLY OR INTELLECTUALLY CAPABLE OF TAKING THIS ACTION. THEIR EARLY HABIT OF MUDDLING THROUGH HAS BECOME AN ^{ENGRAINED} ~~ENTRANCED~~ HABIT OF JUST MUDDLING ON.

THE AUSTRALIAN LABOR PARTY DOES HAVE SUCH A POLICY TOGETHER WITH THE WILL TO IMPLEMENT IT AND THE DETERMINATION TO MAKE IT WORK. IT HAS ALSO DEVELOPED THE COHERENT POLICIES AND THE METHODS

FOR JOINT CONSULTATION WITH OTHER LEVELS OF GOVERNMENT WHICH ARE NECESSARY IF SOLUTIONS ARE TO BE FOUND TO OUR OTHER PRESSING SOCIAL ILLS SUCH AS THE PROBLEMS OF POVERTY, CITY DECAY, URBAN TRANSPORT, HOUSING AND SO ON. I BELIEVE WE WILL GET A FEDERAL LABOUR GOVERNMENT LATER THIS YEAR AND A RAPID START THEN ON TACKLING PROBLEMS THAT HAVE BEEN NEGLECTED FOR TOO LONG. I'VE SPOKEN ABOUT JUST SOME OF THE THINGS THAT CAN BE DONE. I HOPE I'VE BEEN ABLE TO PERSUADE YOU TO GIVE US THE SUPPORT WE NEED TO MAKE THEM REALITY.

THANK YOU.