

GREAT BRITAIN IS an example of a society which has purposely reduced the scope for entrepreneurship. Therefore it is appropriate for this Congress to assess the principal causes and the results of this policy.

British industry was caught up in a class war. The conventional wisdom was that business belonged to a privileged class and was a source of limitless wealth. Therefore, it followed that if the government were to appropriate this wealth by nationalization and by confiscatory taxation it could carry out its social programme and establish a welfare and egalitarian state. So vast areas of British industry were nationalized. State monopolies were created, inter alia in steel, coal, electricity, aircraft, dockyards, and plans were made to further nationalize what the socialists call 'the commanding heights of the economy' which means the largest companies in every important area of industry, commerce and finance. Furthermore, the fundamental belief of the intellectuals of the Left is that the role of government is to take over, plan and run most other aspects of our life. So the government took over and ran the overwhelming majority of the Nation's education, health and social services.

Today the British State is responsible for 60% of the gross national product and this proportion is still rising. The highest level of taxation is 83% on salaries and 98% on income from savings. Of course, these confiscatory levels of taxations, which in total make only a miniscule contribution to the State's overall expenditure were established as a tool for social engineering and the tool has been effective. According to a recent government sponsored committee of inquiry, the small business sector, the seedbed of the entrepreneur, and I quote 'now represents a significantly smaller proportion of the national economy than in other industrialized states. It is also in a state of long term decline in terms of the number of small firms in existence and their proportionate contribution to output and employment'.

The results of this policy are readily apparent:

1. Since 1960 the bureaucracy has grown by about one million and a half people. Today nearly one working person in three is employed by the State.
2. The inevitable consequence of State monopolies has been the growth of the counterbalancing power of the trade unions. As their power has grown, so have their demands. So as to try to limit the damage caused by these demands the government has been forced to establish wage control and therefore price control.
3. At the same time the government has also had to appease the unions and among the appeasements given have been the acceptance of featherbedding in the public sector and the establishment of the 'closed shop' which means that a man cannot take up employment without first being accepted as a member of the trade union. The result of featherbedding and of price control has been to reduce profits which in turn has led to reduced investment, reduced competitiveness and, of course, ultimately to increased unemployment.

Now I would like you to consider the implications of these few facts. Of course, the most obvious are economic. Confiscatory taxation and the elimination of incentive have progressively destroyed the existing entrepreneurial sector and discouraged the creation of new enterprise. But bureaucratic appropriation of a man's natural responsibilities from the cradle to the coffin has replaced the spirit of proud and independent achievement with the sickly sweet atmosphere of a rotting cocoon. It is no coincidence that in the British steel industry the output per man is less than a quarter of its American counterpart and about one sixth of that in Japan. Nor in the car industry; with the same equipment, output per man is about half that achieved in other European countries. It is no coincidence that according to a recent opinion poll the majority in Britain now want reduced taxation along with increased government spending and subsidies. Why not? We have constantly been promised something for nothing. So British industry has become a cripple and the British nation has been impoverished. In the past twenty-five years Britain's share of world trade has been reduced from 25% to 8%. The income of the average Englishman, not long ago

among the highest in the world, has now dropped behind that of Iceland and Finland and is being caught up by Spain and Greece.

But the economic consequences are not the most important. A country has the right to choose for itself whether it wishes to fight for prosperity or progressively to sink into economic mediocrity. No, the really important consequence is not economic. It is of a quite different nature. Today, the average Englishman is no longer free to choose the school to which he will send his children. He is no longer free to choose the doctor who will care for his family. He is no longer free to choose the hospital which will receive his children when they are ill. He is no longer free to sell his labour for the best price that he can get in the market place. He is no longer free to work for a company without first paying obeisance to the trade union that by law he is forced to join.

This is the fundamental consequence of State domination. In Britain it has not run its full course but it could because it is so easy to give up one fundamental freedom after another, almost without noticing it, and to receive apparent security in return. What an irony that socialism which set out to protect the small man against the abuses of the caste system, today has become the champion of the power of the State over the liberty of the individual. Of course, the State offers palliatives. In place of freedom it offers license.

So now in Britain the war is no longer between the classes but between the citizen and the State. And the State knows that economic freedom, decentralization and the flourishing of prosperous businesses throughout the land create independent traders, craftsmen, merchants and yeoman farmers. These are citizens, not serfs and they cannot be dominated for ever. This is the real importance of free enterprise. Not that it produces economic prosperity but that it ensures freedom.

Today I have described what I believe to be some of the important aspects of Britain's recent experience. I have done so for two reasons. This is an International Congress at which leaders and experts from seventy nations are represented. It is important that you should constantly analyse all aspects of what is a terrible and contagious disease. My other reason is that I am quite sure that the overwhelming majority in Britain today are in agreement with much of what I have said. They are now ready to embark on a fundamental counter-revolution which, if successful, will lead Britain back to greatness.