

that it would be used wisely. There is no doubt that they have used their bargaining power with considerable effect, but the acceptance of an incomes policy indicates belatedly a realisation that going too far and too fast was creating a situation where the benefits obtained were likely to be almost instantly eroded by inflation. There is only one cake available for division and it is useless for the national executive committee of the Labour Party to propose a programme for Britain involving an additional Government commitment of £8 billion without realising that wealth has to be created before it is available for use, however desirable the project. Is it beyond us to concentrate for the time being on the size of the cake rather than its division?

"Part of the same story can be recognised in the growing number of people who are paid by the State or, if not directly employed by the State, look to it to provide the wherewithal for a sheltered existence. I draw your attention to the latest proposal of the home policy committee of the Labour Party—no cuts in spending and the nationalisation of the four large banks and seven largest insurance companies. If this ideology goes unchecked we shall be heading rapidly towards a form of corporate state which would limit severely the freedom of the individual and restrict our chances of recovery. We must recognise that this, or worse, is the design of a hard-working Marxist minority, both inside and outside Parliament and the unions, and that such activists have disruptive powers far beyond their numbers.

"The recent intimation of cuts in public

expenditure is a hopeful sign that at least some of our political masters are beginning to see the light, though I am very unhappy about the further impost on industry of the increase in the employer's national insurance contribution.

"There are certain things which the State has to do, and probably can do best, but if we are to survive as a democracy there should be a large area where initiative and enterprise have a real opportunity of reward. After all, it was the private individual who gave us most of the amenities that we now enjoy and socialist policies have only been possible because of free enterprise. To achieve a proper balance there must be a true belief in the mixed economy and a discarding of dogma. A group such as ours must be encouraged to practise good husbandry, to conserve its seed corn and within its resources to experiment with the development of new seeds and new technologies. Only a stupid farmer, having established a sound base by his previous efforts would risk more than a sensible proportion of his assets in a single new venture, however encouraging the prospects.

"It is against this background that your board has to develop a broad strategy for the future.

"We are still heavily involved in shipping with our remaining liner trades and our interests in OCL and Safmarine and, subject to a reasonable level of trading to and from the areas which they serve, there is no reason to believe that they will not continue to make progress. At the moment bulkers are a problem, but we take the view that, given some

improvement in world trade, they should be capable, over the years, of producing a reasonable return on the capital employed.

"Helicopters are a major contributor to profits and a number of our other interests are not without promise.

"As I have already stated, we have our lame ducks, but we shall find an answer one way or another to these problems.

"Thus, we believe that the future of the group should be founded on a strong balance sheet; that we should not be afraid to seek new opportunity, provided always that only a sensible proportion of our resources is committed. Resources are not limited to finance. Probably the richest asset of this country is the skill of its people most of whom are, one way or another, individualists who are motivated in many different ways. We recognise that degrees of skill, initiative and the carrying of responsibility must be adequately rewarded if we are to retain and develop the kind of management which is so essential in this highly technical age. Among the motivations is a wish to improve one's way of life and, sadly, in this country high taxation is a very successful deterrent and contributes to the loss from these shores of much promising talent.

"Finally, let me repeat in essence, but with emphasis, what I have said on many occasions. I believe in free enterprise. I have no doubt that it can be improved in its attitudes and efficiencies, but it remains the best hope and the most important ingredient of the mix for the future prosperity of this country. Freedom and prosperity are indivisible."

■ B&C chairman Sir Nicholas Cayzer presents his updating remarks to the group's annual general meeting in the Queen's Room, Baltic Exchange Chambers, City, on July 28. Picture: Jane Whigham.

