



A MODEST MEMBER

The Australian Financial Review, 7 December 1973

Kicking the multinationals is too easy

Mavis has become aware that it is now popular to kick the large multinational companies in the teeth.

“You get stuck into them too, dear,” she cooed.

“They haven’t got many votes, and everyone hates them, so abusing them is sure to be popular. And they were most unhelpful when I called on them asking for money for your campaign. In fact, they were lousy.”

This sounded good advice. I knew it wouldn’t be hard to work myself into a lather about their evil influence; I wouldn’t even hate to engage in what is commonly called “research in depth.”

All I would have to do would be to shout a bit and wave a flag and we would be away.

And I thought I would have both Mavis and Eccles on the same side for once, because Eccles has often nagged me about the over-lavish tariff protection which some of these giant overseas owned companies receive.

Usually Mavis and Eccles are found on different sides of the economic fence and this is uncomfortable for me.

So I was sad when I found that Eccles thought that Mavis was talking nonsense, as usual.

He admitted that many large multinationals receive too much tariff protection but he said that this is the fault of the Government that gave it to them and not necessarily the fault of the companies that received it.

And he admitted, too, that multinationals were not all angels but he said we had the power to control them and all that was needed was the will to put the power into practice.

For instance, when I said that they had particular taxation advantages which prevented Australian from reaping the maximum benefit from their activities Eccles replied that the remedy was to alter the taxation laws and not to blame the companies for what we didn’t do ourselves.

It is easy to understand why Mr Cameron, the Minister for Labour, hates the multinationals.

Several of them have demonstrated that they have the strength, the determination and also the sense of responsibility to withstand the pressures of unreasonable labour demands.

People see a great threat in the overseas ownership of land, particularly in northern Australia. But the truth is that much of the money that has been invested in land development there has been lost.

Australians have been unwilling to invest there because they have learnt from bitter experience that making money from agricultural development there is not easy. Certainly neither Fred nor I would risk our hard-earned dough there.

Australians ought to be thankful that overseas people have the guts to do what we won't.

But the really important thing about multinationals was brought out recently by Professor Galbraith, a giant among liberals who surely no one could regard as being subservient to big business. I quote from the transcript of a TV interview on September 3 in Victoria:

There is no question that the multinational corporations have undermined the sovereignty of the French, the British and the Germans, and at first glance everybody says what a horrible thing.

But at second glance one recalls that a great many people of my generation, or of my father's generation, died in two wars in the defence of French, German and British sovereignty, and I'm damned if I'm prepared to argue that sovereignty is an undiluted good.

And if the effects of the multinationals corporation in Western Europe have been to knit that community closer together, and cause the Germans and the French to be less beastly about each other because it's economically unwise, then I'm disposed to think I might show up on the side of multinational corporations.

This isn't a lightweight like Eccles talking, but Professor Galbraith, a man of great stature, in more ways than one. Surely it is time we thought rationally about multinationals instead of seeing them as the root of all evil.

It may be politically popular to kick them around, but if we do it unwisely we will not only hurt them, we will also hurt ourselves.