

OPENING ADDRESS/OPENINGSREDE

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Die misstofbedryf het in die jongste tyd die gevolge van grootskaalse mededinging baie sterk aan die lyf gevoel. U moes wegbeweeg van prys- en invoerbeheer en in die onmiddellike toekoms ook van bemarkingsooreenkomste. U moes inbeweeg op 'n terrein van vrye mededinging. Tans opereer u in 'n bedryf met ongeveer 50% surplus kapasiteit. U is nog steeds gewikkel in die steriele prysoorloë waarvan u verlede jaar in u voorsittersverslag melding gemaak het. Die totale vryheid wat in u bedryf bewerkstellig is, het egter by gebrek aan 'n groeiende mark, u in rampspoed laat beland.

Ek wens u wysheid en moed toe in die oplossing van probleme waaraan u verdere aandag op u jaarvergadering sal gee. In u omstandighede wil ek u graag herinner aan wat President Franklin Roosevelt eenmaal gesê het: "When you come to the end of your rope, tie a knot in it and hang on!"

Die toekoms van u bedryf lê, afgesien van uitvoere, opgesluit in die groei, ontwikkeling en doeltreffendheid van die landboubedryf in die Republiek van Suid-Afrika. Die toekoms van landbou is ook u toekoms. U het dus 'n besondere band met die landbouers van hierdie land. U kan met reg daarop aanspraak maak dat die beginsels van vrye kompetisie waaraan u onderhewig gestel word, ook vir die landbou sover dit prakties uitvoerbaar is, moet geld. In die daarstelling van 'n mededingende situasie is die samewerking van alle deelnemers noodsaaklik. In hierdie verband moet ek u aandag vestig op die rol van mededingende faktore in die benutting van ons beskikbare en bewerkbare grond. Prof Van Rooyen van Unisa het in 'n onlangse artikel op die volgende gewys.

Die huidige tempo van bevolkingsgroei en gegrond op 'n totale bevolking van 40 miljoen teen die einde van hierdie eeu in die RSA, skep kompetatiewe druk op die beskikbaarheid van grond. Verder weens erosie, grondverbrakking en die vestiging van dorpe, stede en nywerheidsgebiede, sal die Republiek van Suid-Afrika oor vyftien jaar slegs 0,3 hektaar landbougrond per inwoner beskikbaar hê om voldoende voedsel te voorsien. Dit vergelyk met 'n huidige wêreld gemiddelde van 0,5 hektaar per persoon. Dit is dus duidelik dat elke deelhebbende in hierdie proses, sy respektiewelike bydrae tot produktiewe benutting sal moet lewer, insluitende hulle wat bevolkingsgroei kan beheer. Aan kompetisie kan nie vrye teuels op die terrein van grondbenutting gegee word nie.

The State President's Economic Advisory Council is currently attending to the formulation of a long term economic strategy. In working out such a strategy, specific attention will have to be given to the utilisation

of resources in striving towards improved standards of living within the free enterprise system. Submissions from your association — also on issues of concern to you — will be appreciated.

Totally free and unrestrained competition is not necessarily the greatest good under all circumstances. The application of absolute free market principles in a country such as South Africa, has to take into account diverse realities. Tonight is not the opportune moment to discuss these with you. I am, however, at times concerned about the ease with which concepts or terms are seized upon as a panacea to our problems, without fully taking into account all the relevant issues and implications. In a highly competitive, capitalist world there are many grey areas demanding careful consideration at all times.

In spite of all the virtues of a competitive society, it has a powerful need for stability especially as a prerequisite for long-term growth and progress. Using competitive advantages merely on a short term basis, may in fact result in the elimination of competition in the longer term. This kind of reasoning clouds long-term planning and inhibits risk taking at a given time. Business cannot operate indefinitely at a loss. Neither can it cope with major shock waves, even in the short-term.

Your industry is currently facing disaster within an environment of free competition, compounded by a shrinking and limited market. To talk to members of your association about a competitive society may appear an attempt by me to rub salt into raw wounds. It is not my intention. My approach is to link up my theme to the main topic of your conference — the contribution of your industry to cost efficiency in agriculture. Competition is a prime contributor to greater efficiency.

It is a salient feature of our times that we live in an exceedingly competitive environment. In our free enterprise system we are daily dealing with the forces of supply and demand — an ongoing process.

Economically we have to survive simultaneously in a national and global market place. Survival in the face of so much competition requires a very keen and aggressive approach and is an excellent stimulus to our business acumen, tenacity and commitment to objectives.

In this context I share the views of the well-known economist, Prof Paul Samuelson of the United States:

"... a competitive system of markets and prices — whatever else it may be, however imperfectly it may function — is not a system of chaos and anarchy.

There is in it a certain order and orderliness. It works."

Competition is an embracing concept, covering the entire spectrum of our free enterprise economy. It has many challenging facets, but in the short time available to me, I would like to refer to only two areas where a greater sense of competition should be applied in our vision on the future of our country. I focus your attention only on *cost-effectiveness* and the change in the *socio-economic structure* of our society.

In considering the notion of competition, I was struck by the acute awareness of companies in the United States of the realities of competitive survival. Competition, particularly from Japan and other Far Eastern countries shook them out of their complacency. They admitted their lack of cost-effectiveness. The challenge: compete or surrender! Most of them accepted the challenge and changed their management style and operational methods in various ways through quality circles, J I T, M R P and other management systems, well-known to you. We can indeed talk of a management renaissance in the United States.

I have a feeling that the depression in this country had an effect on our enterprises similar to Far Eastern competition on American industry. The latest figures on productivity confirm this tendency. But in my own mind, I am still uneasy about cost awareness in our economy in general. Are we sensitive to the high cost levels we have been building up during the past decade? Recessionary conditions did increase our awareness, but will it be maintained if conditions improve? We miss the impact of strong foreign competition to increase our sensitivity. I am not advocating more imports. To the contrary, we must increase employment opportunities through more local manufacture. But in advocating this policy, I must plead for greater efficiency and lower cost levels. Cost control will allow us greater price flexibility, avoid consumer resistance and increase our export capabilities.

We need a new spirit of competitive awareness to lower our cost levels. In our case we will have to build it up internally. To allow external factors to do so will be suicide. This is indeed a great challenge to management in this country.

We will have to find and train the right people with the right attitude and skills to manage our economy effectively and efficiently. Perhaps our approach should be in line with the following statement by the Stanford Research Institute:

"The new strategic resource for industrial competitiveness is not location, not capital plant, not assembly lines, not natural resources. It is people."

But ladies and gentlemen, the competitive world in which we live and work, is not restricted to business competition. We are also in the midst of a fierce battle

between competing ideologies, moral values and personal aspirations.

Western capitalism is vested in a tradition of reward for outstanding performance by the individual. The Greeks with their olympic games are an apt example. From this follows the notion of survival of the fittest. In the political arena this manifests itself in the democratic process of a free exchange of views among competing political persuasions. In his book 'Wealth and Poverty' George Gilder comments: "There remains a persistent dream that somehow the world can find a way to have capitalism without capitalists; that the nation can become rich without individual wealth. The source of wealth, however, is quite simple: creative men with money. The cause of poverty is similarly clear: divesting creative individuals of financial power." It is a tradition which attaches great value to the right of individual freedom to think and act as one sees fit.

In today's world this freedom is under serious threat. The complexity of our contemporary society, together with the growth in population, severely constrains our individual freedom. The challenge to survive is becoming greater. On the other hand the temptation to escape from this competition is also escalating.

There is an understandable need amongst us for a greater or higher authority to take responsibility for decisions on the multiple, complex problems we have to face and for which we feel increasingly incompetent to find personal solutions. The answer lies in us finding a satisfactory value system.

In die huidige klimaat van politieke onrus in ons land, is dit veral die onderliggende waardes van die kapitalistiese vryemarkstelsel wat baie ernstig moet meeding met die slagkrete van 'n sogenaamde werkersrevolusie. Dit is nie net die waardes van die stelsel waarin ons glo wat onder druk is nie. Dit is veral die mate waartoe ons as sakeleiers bereid is om ons waardes hoorbaar uit te spreek en sigbaar uit te leef wat die geloofwaardigheid van die stelsel wat ons ondersteun, kan bepaal by diegene wat daagliks blootgestel word aan argumente en emosionele appèl van 'n mededingende sosialistiese en selfs Marxistiese ideologie.

Ek praat met u as gedissiplineerde en bekwame sake-manne. U stel nie belang in sagte opsies nie. Aan die ander kant verteenwoordig u 'n leierskorps wat status geniet en oor groot mag en invloed beskik. U is leiers van mense en het 'n verantwoordelijkheid in die groter sosio-ekonomiese bestel van ons land. U kan u nie losmaak van u gemeenskap en nog minder van die proses van voortgaande staatkundige hervorming in ons land nie. Hierdie hervormings en die aanpassings wat daaruit voortvloei, sal besondere eise stel aan elkeen se vermoë om te kompeteer. U eie waardestelsel gaan aangeval word deur mededingende strominge en afbrekende neigings. U sal uself hierop moet voorberei.

In die formulering van u waardestelsel, mag ek u herinner aan die woorde van Reinhold Niebuhr...

"Nothing we do, no matter how virtuous, can be accomplished alone.

Therefore we are saved by love.

Nothing true or beautiful makes complete sense in any context of history —

Therefore we must be saved by faith.

Nothing worth doing is completed in one lifetime...

Therefore we must be saved by hope".

Hierdie fundamentele begrippe, so belangrik in die lewe van die individu, mag nie misken word nie. Dit is hoekstene in die behoud van 'n vrye, mededingende en kapitalistiese stelsel wat ekonomiese vooruitgang onder ons omstandighede die beste sal stimuleer. Hierdie stelsel moet deur bepaalde waardes deur elkeen van ons gedra word.

Mag ek u sukses toewens in die beraadslaging op u jaarvergadering, en u pogings om deur koste-doeltreffendheid, u bydrae te lewer tot 'n beter ekonomiese bestel vir ons land as geheel.