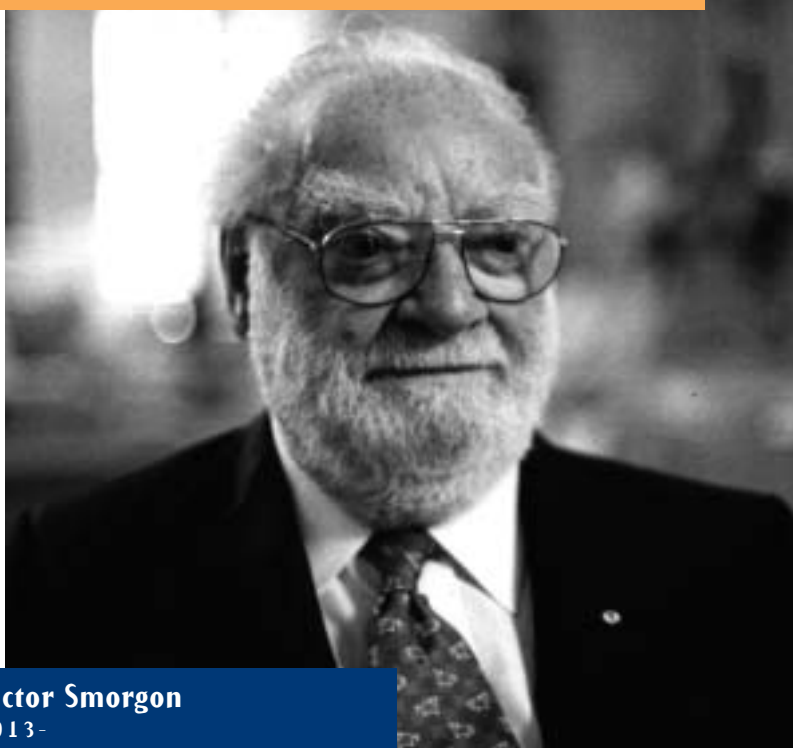


AUSTRALIAN BIOGRAPHY

A series that profiles some of the most extraordinary Australians of our time



Victor Smorgon

1913-
Industrialist

This program is an episode of **Australian Biography** Series 7 produced under the National Interest Program of Film Australia. This well-established series profiles some of the most extraordinary Australians of our time. Many have had a major impact on the nation's cultural, political and social life. All are remarkable and inspiring people who have reached a stage in their lives where they can look back and reflect. Through revealing in-depth interviews, they share their stories—of beginnings and challenges, landmarks and turning points. In so doing, they provide us with an invaluable archival record and a unique perspective on the roads we, as a country, have travelled.

Australian Biography: Victor Smorgon

Director/Producer Robin Hughes **Executive Producer** Megan McMurchy

Duration 26 minutes **Year** 1999

Study guide prepared by Darren Smith © Film Australia

Also in Series 7: Jim Cairns, Rosalie Gascoigne, Priscilla Kincaid-Smith,
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SYNOPSIS

Victor Smorgon is one of Australia's most successful industrial entrepreneurs. His life today is in great contrast to his boyhood in Russia, where he saw the dramatic end of the tsarist regime and the dawn of communism. His childhood life was one of poverty, starvation and anti-semitic attacks against his family.

In his early teens his family migrated to Australia and settled in Melbourne. Victor's father and uncles established a kosher butcher shop in Carlton and this became the humble foundation of the giant enterprise that Victor's entrepreneurial genius subsequently created. The story of the expansion of the business into meat exporting, plastics, glass and steel is a fascinating one and Victor tells it with characteristic verve and energy.

In this lively interview, Victor Smorgon reveals the secrets of his great success in business as he recounts his extraordinary life. He explains just why he has become almost as well known for his philanthropy in medicine and the arts as he is for his business acumen. His humour, optimism, creativity and great capacity to seize what opportunities life presents are on full display.

CURRICULUM LINKS

This program will have interest and relevance for teachers and students at middle to senior secondary and tertiary levels. Curriculum links include Modern History, Studies in Society and Environment, Business Studies, Personal Development, Legal Studies and Career Education.

HISTORICAL BACKGROUND

Russian Revolution

Victor Smorgon was born in turbulent times and into a society on the cusp of revolution. As a child, he saw first hand the forces of profound social change. These experiences had a huge impact throughout his life.

The Russian Revolution was born out of decades of opposition against an autocratic monarchy and fiercely rigid society. At the same time, it was driven by growing optimism in a radically new vision of society.

Under the tsars (emperors), Russian society was divided and structured with absolute power coming from the top down. Until 1861, 22 million serfs, or rural peasants, were virtually owned by landlords. Even when freed by the Tsar, their social position was so integral to Russian culture that few benefits or changes came from the emancipation. Aside from class, ethnicity would also determine a person's place and freedoms, e.g. employment opportunities and land ownership were restricted for Jews and others.

By turn-of-the-century, opposition to these social structures had grown. Living and work conditions for peasants and factory workers had deteriorated, and most of the opposition came from these groups and the middle-class.

One of the first movements was 'Land and Liberty', summing up the two basic demands of opposition—property and civil rights. These early movements were fairly disorganised, but effective in staging strikes, protests and food riots. The military police responded violently. When on 9 January 1905 ('Bloody Sunday'), thousands of workers stormed the tsar's Winter Palace, the tsar ordered his troops to open fire.

From that moment on, anarchy and violence boiled underneath the thinning veneer of the Russian empire. The revolutionary movements became highly organised, both in terms of strategy and vision. The social democrats developed into a major opposition movement, led by people such as Vladimir Lenin and Leon Trotsky. Informed by socialist ideas, they cemented a more coherent plan for revolution and a future social system.

The climax came with the outbreak of World War One in 1914. Russia suffered major losses in the war: many troops mutinied and supported the revolutionaries. The tsar's power rapidly disintegrated until, in March 1917, he abdicated. What followed was a dramatic and intense struggle by socialist groups, especially the Bolsheviks, to secure that power against conservative elements. On 6 November 1917, they were successful.

There was no clean slate for the new Soviet government. Russia was still at war, a two-year civil war had just broken out and the economy collapsed. A number of changes were immediately made, including:

- an end to their involvement in the war;
- a declaration of universal free education;
- workers' control in factories; and
- the abolition of titles and ranks.

One major change was the nationalisation of the economy, placing it under tight government control. Some argue the anarchic conditions of post-revolutionary Russia required such measures.

Between 1920 and 1922, conditions had not changed and opposition to the Soviet leadership developed. In March 1921, Lenin introduced the New Economic Policy—a mixed economy, partly controlled by the state and private enterprise. A new constitution was also drawn up and adopted, setting up the Union of Soviet Socialist Republics (USSR).

By the time of Lenin's death in 1924, the USSR was recovering. A struggle for the leadership soon ensued, with Josef Stalin virtually staging his own coup in the Communist Party. Within five years, Stalin eliminated his political opponents, established his leadership and began dramatically changing the direction of socialist Russia.

Discussion questions

- How does Smorgon describe life in Russia during this time?
- Smorgon says he is a 'product of the revolution'. In what ways do you think it contributed to his outlook and achievements?
- How fundamental were land and liberty in the revolution? How have they been important for Smorgon?
- What do you understand by socialism?

Migration in Australia

Smorgon and his family arrived in Australia as migrants in 1927. They were one of many families emigrating from Europe after World War One.

Australia has a long tradition of migrant intake, with the first wave of European migrants arriving as colonisers and settlers. Over the past 100 years, Australia's population has grown dramatically. From one million in 1858, to 9 million in the 1950s and doubling to over 18 million by 2000.

The two post-war periods saw particularly high growth. Between 1918 to 1925, seven years, the population grew by a million. From 1954 to 1959, nine years, the population grew by two million.

During these times, many migrants were fleeing war-torn Europe to settle in Australia. However, it was really from the 1950s that Australia's population took a steep rise. Migration to Australia was most dramatic in this period, not only in terms of numbers but countries of origin. Another influential factor was the end of the White Australia Policy. This government policy, in place since Federation, placed restrictions on immigration.

We might broadly refer to Australia's policy since as 'multicultural'. However, it is perhaps more useful to consider the motives of government policies rather than broad descriptive terms. In the post-war period, such motivations included:

- the need for a larger workforce;
- the demand for specialised skills;
- reuniting families; and
- humanitarian concerns.

Of course, immigration has had a profound impact on Australian society. Shifts in population tend to be more gradual and less sudden than economic, social and political changes, and hence less dramatic. However, population movements, from outside and within, can be just as influential.

Australia also has a significant level of emigration. Over the post-war period, trends in emigration and immigration have been very close.

Discussion questions

- How does Smorgon describe life as a migrant? What advantages did it open up?
- What advantages did Australia receive from Smorgon? Can you think of other ways immigration contributes to Australian society?
- Think of some common criticisms against immigration. Do you think these are valid? If so, to what extent?
- Using the following factsheet from the Department of Immigration, Migration and Indigenous Affairs, describe the various ways people can migrate to Australia: www.dimia.gov.au/facts/01backgd.htm

BUSINESS AND ECONOMY

Market Economy

Smorgon has quite a pragmatic, yet acute, understanding of economics—whether at the level of small business or globally. He understands how markets can work.

The 'market' is an abstract term to describe the 'place' where goods and services are exchanged or distributed. Of course, this market is not real in a physical sense. We can think of it as a set of conditions in which exchange or distribution takes place. One important condition of the market is value. How do goods/services get valued?

Countries such as Australia are said to be part of a free market economy. This suggests that exchanges of goods/services take place without government intervention or monopolies. The competition such a situation creates will generate value by its own logic. Some argue that the 'free market' is the best determinant or natural mode for exchange.

The free market is often defined against a command or control economy. This is where market conditions are totally controlled by a government or single enterprise. Stalinist Russia or China are given as prime examples where those governments controlled industry and the distribution of resources. However, governments are not the only organs with power to control economies. Where a business monopolises a market, they can effectively control and regulate it.

The free market, although often referred to, remains an elusive idea. There exist few, if any, economies free of regulation either by governments or business consortiums. Even the global economy, often hailed as a free market, involves all kinds of intervention, from trade agreements to economic sanctions.

Most economies referred to as 'free' are actually mixed economies involving both private enterprise and government control. Smorgon mentions the mixed economy set up by Lenin in 1921 (New Economic Policy).

Discussion questions

- List five types of government intervention in, or regulation of, the economy and business.
- Discuss the arguments for and against government intervention. What are the different interests involved? What about the public interest?
- Can you think of examples where government intervention may assist the aims of businesses? Did Smorgon ever receive such assistance?
- How do businesses engage in regulating or controlling the market? Give some examples, including those hinted at by Smorgon.

Entrepreneurialism

As one of Australia's most successful entrepreneurs, Victor Smorgon has a lot to say about running a business. His life reads like a rags-to-riches story, starting out plucking chickens to ultimately competing with one of Australia's largest enterprises.

'It's alive, it keeps you alive, keeps you dreaming more.' This is how he describes his involvement in business. Ideas are a fundamental part of any business. The product or end result is just the tip of a process that involves conceiving and producing an idea. We can see how Smorgon was driven by the joy of simply pursuing ventures, he has worked in all kinds of industries. For him, the product was second to the process of getting there.

Production is also a vital part of business, without which an idea could never manifest in form.

Discussion questions

- Give examples of how Smorgon saw limitations on the market as advantages for his ventures.
- How would you describe his attitude to money?
- List five attitudes or characteristics you think are 'entrepreneurial' or important for business people. Discuss your choices.
- What kinds of people are involved in the process of creating product?

Philanthropy

Aside from his success in business, Smorgon is also known as a patron and financial supporter of the arts and medicine. He is both an industrialist and philanthropist.

Generally speaking, philanthropy means 'love of humankind'. Today, it usually refers to voluntary support for endeavours or services that benefit the community as a whole. Art and medical services receive a great deal of philanthropic support. Quite often, the kinds of endeavours that attract this support are those producing little or no market profit. Support of this kind assists where the market fails.

Most big businesses are involved in philanthropic support to an area of their choice, though they are not the only formal philanthropists. There exist such foundations, public bequests, grant bodies and trust. These are established by individuals or groups to assist human endeavour or welfare. Often, those who achieve in a particular field set up a fund to help less privileged achievers in that field.

Discussion questions

- What reasons does Smorgon give for his philanthropy?
- Why is it important for business to engage in philanthropy?
- Can you think of some other examples of businesses supporting endeavours or services?
- How does philanthropy benefit business? How does it benefit the community?

Creativity

Creative and optimistic are two attributes we could easily use to describe Victor Smorgon. Most obviously, we see this creativity with his interest in art. Art is an area often associated with the creative spirit, though it certainly does not have a monopoly on it.

We can think of creativity in physical or practical terms as a process of creating some object. But the source or origin of those objects is in a more intangible and vague realm, our ideas. There is much to be said for the expression: 'with our thoughts, we create the world'. Creativity is also about the way we use our minds; how we listen and respond to the world in which we live.

If this is the case, there is much more room for understanding how creativity functions. Creativity need not be restricted by its common social forms—the arts—but applied to all aspects of what we do.

Discussion questions

- Give some examples of how Smorgon was creative across his life.
- What does thinking creatively mean for you?
- How can this approach affect the way you see the world?

ACTIVITIES

- Business Research Task. Work in groups to develop a business idea around a new product or service in your school environment. Think about what the market is like, potential competition and how you would promote the product/service. Write a brief business plan setting out the idea, its features and benefits, how you will produce it and some marketing strategies.
- Essay. 'Government intervention is necessary requirement in democracy, as government is best placed to make decisions about how resources are to be utilised and distributed.' Discuss.

- Research. People emigrate for many reasons. One important category of arrivals in Australia are those fleeing oppressive regimes or violence. Choose a country below and read up on political events that gave rise to a wave of emigration. Write a brief summary of your findings.

- Ireland
- Somalia
- Afghanistan
- Vietnam
- another of your choice

FURTHER READING AND RESOURCES

Victor Smorgon

Rod Myer. *Living the Dream: The Story of Victor Smorgon*. New Holland. Sydney, 2000

The MCA Collection: The Loti & Victor Smorgon Gift of Contemporary Australian Art, Museum of Contemporary Art, Sydney, 1995

Article on the Smorgon family business
www.cfoweb.com.au/stories/20010201/4828.asp

Related material

Information on Russian history leading up to the revolution
www.dur.ac.uk/~dml0www/1905-30.html

Department of Immigration & Multicultural & Indigenous Affairs—Factsheets
www.dimia.gov.au/facts/index.htm

Face the Facts—analysis of immigration with teaching material by the Human Rights and Equal Opportunity Commission
www.humanrights.gov.au/infofortechers/facefacts/index.htm

Edward de Bono's official site—prolific writer on 'creative thinking'
www.edwdebono.com

Philanthropy Australia
www.philanthropy.org.au