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ADDRESS BY THE PRIME MINISTER OF AUSTRALIA,
THE RIGHT HONOURABLE J.M. FRASER, C.H., M.P.,
TO THE AUSTRALIA BRITAIN SOCIETY/COOK SOCIETY,
CAFE ROYAL, LONDON, 13 JUNE 1977

It is a great pleasure to have this opportunity to speak to you. Your Societies' purpose of fostering the ties and understanding between our two countries is an important one. The importance of this task is in no way diminished by the fact that our nations share a common history, common democratic traditions, and commitments. On the contrary, the situation which our two countries - along with other liberal democracies - find themselves makes it essential that we fully understand and clearly state the bonds we have, and the interests we share. The nature of this relationship the common interest of the democracies, is rarely sufficiently emphasised or explored.

This is a somewhat meaty offering as the final course of a very good lunch. But, I do intend to speak to you in a serious vein this afternoon. This is a rare opportunity, and you will forgive me if I am tempted to use the occasion to touch on some questions facing your country and mine. The answers may determine future developments, not only in Australia and Britain, but in other nations that cherish free and democratic systems of government.

We are aware, but give little thought to the fact that the military strength of authoritarian regimes is growing; the number of nations committed to liberal democratic ideals has declined; and around the world, human rights are still grievously infringed.

These circumstances are not irrelevant to our own policies, and our response should be based on a global perspective. Although the democracies are dispersed around the world, our future is fundamentally a collective one. We need to understand our inter-dependence, that we draw our strengths from one another, commercially, politically, strategically, and perhaps most important of all, philosophically. We need to state openly our common interests, and values. We need to recognise that our strength does not lie exclusively in the United States, Europe and Japan - not in any single region of the world, but in our collective strength and our collective purpose.

We cannot allow ourselves to be isolated from one another, either strategically or commercially. Neither our national security, nor our

economic well-being can be assured unless we take such a global perspective. To ask for this approach is not to ask for too much. For our Societies are outward looking ones which do thrive on their inter-connections with one another and with the rest of the world.

If we ignore this interdependence - if for instance, we take some temporary commercial advantage at another's expense - then we will have done damage to the interests we have in common. We not only face important international challenges, but also major domestic ones: the challenge of maintaining freedom and unity; the challenge of relating expectations to resources; the challenge to politicians to explain the problems they face to the people; the challenge of holding to good, tested and powerful ideas. Perhaps the basic challenge is that of maintaining freedom and unity.

We all know that no society can operate properly without a degree of unity and cohesion. Maintaining our essential unity when there is no single, overwhelmingly recognisable danger has always been a fundamental problem for democracies. Today, the task of maintaining liberty and unity is a more urgent problem than ever before. Some people demand greater and greater freedom while rejecting the legitimacy of any voluntary restraints and obligations. But freedom is only possible if some degree of voluntary restraint and some degree of political and social obligation is accepted. Democracy and anarchy are not synonyms.

It is not a paradox to assert that to preserve the greater freedom democracy allows, some restrictions of freedom must be voluntarily and responsibly accepted. Changing power relationships and changing attitudes within democracies threaten that essential element. The proper authority of Parliament is challenged ~~and~~ ^{and} its capacity to resolve problems is put in question.

The second challenge is the problem of rising expectations and the inescapably reality of limited resources. Free men's aspirations always reach out to a better society. This is one of democracy's motive forces - one of the power forces for progress and achievement. But there are times when expectations so far exceed reality that the result is not progress but disillusion. We must all promote an understanding of the limits of what is possible - of the fact that unreasonable gains by one group will involve unacceptable deprivations for others. And we must promote this understanding without forsaking our ideals of what should and can be achieved in the future. Otherwise disenchantment with democracy and democratic leaders will result.

As much as anything, the cause of unrealistic expectations lies in the belief that government can - year after year - spend more money than they raise. Keyne's view that high spending was appropriate in times of high unemployment, low inflation, and low interest rates has been translated by others into a policy for all circumstances. The belief that we can spend our way out of recession when inflation and interest rates are high, is a nonsense, and needs to be put aside.

The nature of the democratic system played a major part in fostering this illusion and promoting unrealistic expectations. Competitive bidding for electoral support has too often been allowed to replace objective judgement and sound policy. This is based on a somewhat cynical view of the people's intelligence. A cynicism democracies can no longer afford.

Economic reality, plain truth and their national acceptance are now a pre-eminent requirement. The magnitude of the economic problems we face suggests that any other course would involve considerable danger. The competitive bid is no longer an option. Democracy depends on the good sense of people. That good sense and judgement has seldom been adequately tested.

The final point I want to make is concerned with the democratic idea. The democratic idea was once powerfully held and vigorously propounded. With this idea as a level, people removed massive obstacles to freedom and created liberal democratic societies. That power in that idea gave birth to free societies.

Today, while people still believe that democracy is better than other systems, there has emerged a doubt about the capacity of our system to cope with contemporary problems, and a complacency about the security of democratic institutions and values. This doubt, this complacency must be dispelled. We must revive the power and vitality of liberal democracy's fundamental idea. - The importance of free people in human affairs; the fact that free men and women can influence and shape reality - not merely reflect it. So long as we do this, so long as we do not lose our sense of ourselves, our sense of purpose, and so long as we seek to understand and strengthen one another, we will surmount whatever challenges there may be.

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