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PRIME MINISTER

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THURSDAY NOVEMBER 20 1980

The 18th Anniversary of the North Eastern Jewish War Memorial Centre, Doncaster

Thank you for inviting Tamie and me to share with you this 18th anniversary dinner, celebrating as it does the founding of this marvellous centre.

This is your eighteenth year of operation. The Hebrew word for 18 is "chai" which also means "life" and I cannot think of a better word to describe this centre. It serves the local Jewish community from early childhood to old age, and is a focus for your religious, cultural, social and sporting activities. It serves as a prime example of community involvement, not only to the Melbourne Jewish community, but to the community as a whole.

You have shown what dedicated individuals can do by using their initiative and enterprise - qualities which my government seeks to foster by its policies.

Realisation of Australia's potential for development depends on such initiative and enterprise. It cannot depend upon even bigger government and bigger government spending. The theory of big government has been tried in the past in an attempt to achieve economic prosperity, but it failed miserably.

The people of Australia rejected big government in 1975. The British rejected it in 1979. And the recent election of Governor Reagan to the Presidency of the United States shows that the people of the United States now overwhelmingly reject it.

The democratic world is recognising once again the values of conservative government. People are once again realising that conservative government does not mean reactionary government, that conservative government preserves those things which are good whilst changing those things that need to be changed and does not pursue change for change's sake. That is why the more radical left-wing big government solutions are being rejected by democratic communities around the world. When governments seek to do everything, they do so at the expense of the individual.

If governments take unto themselves more political and economic power, and use it, there is less opportunity for decision-making by individuals and families. For the total sum of political and economic power is finite, thus the more power the government exercises, the less there is for individuals. The greater the exercise of government power, the greater the infringement upon the individual.

Conservative, or liberal, governments seek to create the circumstance where people not only can - but will want to do things for themselves. That is not to say that there is not a role for government in helping the needy, the disadvantaged. Of course there is. And no government worthy of the name would dispute that proposition.

But governments ought not seek to do things that people want to do for themselves, that people can do for themselves, for there are many things that people do far better than governments. and we are committed to encouraging and stimulating enterprise and initiative. We are determined to continue to promote an environment in which individual capacities, individual choices and individual decision-making are given the maximum possible scope.

Over 100 years ago, John Stuart Mill remarked in his essay on liberty, "The most cogent reason for restricting interference of government, is the great evil of adding unnecessarily to its power". I suppose all I am saying is that there can be no real political freedom without economic and social freedom.

It is only possible to achieve real political freedom when individuals like yourselves are not constrained by an unnecessarily interfering government and when taxation does not place a crippling burden on effort and initiative. Only by giving due recognition and encouragement to the talents of the Australian people and allowing their full utilisation is true and lasting economic prosperity attainable.

We have taken action on many fronts to achieve our objectives. Our commitment to individual enterprise involves an emphasis on restraining taxation. Governments do not create wealth. When they promise grand programmes, they are promising to tax you and then spend your money. Individuals should be left as free as possible to choose where and how they spend their money, money which is the result of their enterprise, their effort and their initiative.

Since coming into office, we have reformed the taxation scales and we will reduce taxes consistent with the proper demands of government. Our emphasis on restraining taxation is an integral part of our commitment to smaller government.

We have imposed limits on the overall growth in the staff of public service departments and authorities while continuing to allocate additional staff where needed. For example, since we came to office, the number of Commonwealth employees in areas subject to staff ceilings has been reduced by over 10,000. Yet, in areas where it can be shown that there is a clear case for additional staff, such as in the Department of Social Security, 3,000 more people have been engaged to ensure that those in need receive the attention to which they are entitled. At the same time, the most rigorous tests have been applied to proposals for expenditure. However, controlling the size of the public sector is not just a matter of restraining staff numbers and administrative costs.

It is also necessary to re-examine the functions of government. As I announced on November 6, the Government has established a committee of senior Ministers to review the functions of all Commonwealth departments and other associated agencies. The review is yet one more step in the Government's continuing commitment to restrain the size of the public sector to avoid intrusion into areas of activity capable of being performed efficiently by the private sector, without reducing the quality of those services which are properly provided by the Commonwealth.

Central to the Government's policy that the public sector should be reined in so as not to restrict private sector dynamism is the belief that in most cases the best results can be achieved by allowing freedom of choice in the market place. For a classic example of this economic freedom in action, one need look no further than the local supermarket. There, shoppers exercise their free choice - select the goods they want - demonstrate economic freedom and in that way ensure that markets provide the goods and services that they, the customers, want and thereby determining which products stay on the market, and which producers will prosper or fail. Only by giving markets flexibility can Australian resources be allocated in ways that give the highest returns. Only a competitive and growing economy can give returns that encompass profits and incomes and in this way preserve individual choice, the cornerstone upon which economic freedom rests.

What can a government do to create such an environment? It can, as we have done, assist industry to replace obsolete machinery by providing investment allowances and in that way enable industry to meet the demands of the market place. It can also encourage businesses to plough back its profits, as we have done by reducing taxes on small businesses and as we are committed to do - to reduce those taxes still further.

In this way we enable businesses to expand, and offer further choices to the consumer. And finally, a government can enable people to determine the level of income they would like to receive in retirement, as we have done by offering superannuation taxation incentives to self-employed people and employees not covered by employer-sponsored arrangements, rather than giving people no other alternative than to rely entirely on governments in their old age.

These are some examples of a liberal philosophy in action, a philosophy which the record shows, is bringing Australia back on to the road to prosperity. Our commitment to strengthen the foundations of the economy has involved a constant downward pressure on inflation.

Although it hasn't been painless, our sustained fight against inflation has recorded notable successes. In the 12 months to the September quarter, Australian consumer prices rose by 10.2 percent, still too much, but 2.5 percentage points less than the increase in prices in all OECD member industrialised nations.

Our approach offers the greatest prospect of permanent increases in employment. Our aim is to ease the distressing periods of unsuccessful job search faced by school leavers in the past to raise living standards, create new jobs, and provide the capacity to concentrate effective help on the disadvantaged.

Investment in resource projects and their associated infrastructure and in other avenues of enterprise is already on the increase. Last month's labour force survey figures show there are fewer people unemployed now than there were a year ago. In the 12 months to 1980, over 207,000 new jobs were created in the economy. This was little short of the increase of over 212,000 in the year to July which was the largest such increase for 10 years.

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You might wonder why, with employment growing so strongly, the unemployment rate is not falling rapidly. The answer is that the workforce is also growing exceptionally rapidly. In addition to normal population growth, a greater proportion of the working age population is coming back into the workforce, lured no doubt by the job opportunities now available.

If the proportion of the population in the workforce had stayed the same over the past year instead of increasing, unemployment would have dropped by a further 96,500. More jobs are being created daily, indeed, in the year to September 1980, over 800 jobs were created every working day, and we are providing extensive training programmes to help generate the skills needed in the jobs market of the 1980s. Although unemployment remains dispiritingly high - a concern to families and to business and government - our policies are working, we are on the right track.

In pursuing these policies, the Government is determined that the economic gains that are within Australia's potential are shared amongst all Australians for economic wealth is not an end in itself.

It is the means whereby individuals can have the maximum choice in their way of life. It enables the community, both privately and through government agencies, to help those who are in real need. And it provides a firm foundation upon which future generations of Australians can build.

Ladies and gentlemen, those who founded this centre had their eyes on the future. It stands as a memorial to those who had the foresight, energy and generosity of purpose and purse to build it and as a commandment to those who come after, to never lose sight of the values and traditions which have enabled the Jewish people to enrich every community of which they have been a part.

David Ben-Gurion once said on a visit to California, "I envy your deserts - not just because they are deserts, but because you can afford to keep them deserts".

Eighteen years ago the Jewish residents of these north eastern suburbs of Melbourne faced a Jewish religious and cultural "desert". They could not afford to keep it a desert. Their whole history - embroidered as it was with the tears and blood of countless millions and tempered, like steel, by the holocaust - commanded them to make that desert bloom. And bloom it has.

Tamie and I are deeply honoured that you have allowed us to share this important celebration with you. Thank you once again for inviting us.