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PRIME MINISTER

LIBERAL PARTY FEDERAL COUNCIL MEETING
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Speech by the Prime Minister,
The Rt Hon. William McMahon, C.H., M.P.

INTRODUCTION

Just 12 months ago, I addressed you for the first time as your Federal Parliamentary Leader and Prime Minister. It was then a troubled party. Not only were we going through the fires, (if I can put it that way), but there were great, complex and difficult questions facing the people of Australia and particularly the people of our own Party.

As I interpreted that situation, there was nothing else to do but to get straight down to work, producing new ideas, new approaches and new policies which would be to the Nation's benefit and rejuvenate our political fortunes. This was urgent. Not because we lacked ideas and approaches attuned to the times but because, for understandable reasons, we were not getting action quickly enough.

We had to adjust, deliberately and rapidly, our political life style and identity to the challenges and choices of social and political change in Australian society. My job was to see that this was done.

As Leader of the Government, it is my duty to translate Liberal policy into effective action. And to make each and every decision subject to one single over-riding consideration. That consideration was the national interest, the welfare, the security and the progress of Australia and all Australians.

THE SPECIAL COMMITTEES

As you will know, new policies of lasting value cannot be produced overnight. Individual effort was not enough. There had to be a co-operative effort. And so, as the Federal Parliamentary Leader and as Chairman of our Joint Standing Committee on Federal Policy, I set the Party - as a whole - to work. They got down to it and did the job. Quietly, with teamwork and patient determination, the Liberal Party set out to adapt its policy-thinking to the changing pattern of attitudes and values, which were, and are, pervading Australian society.

We set a premium on new ideas. We set up fourteen specialised sub-committees to review, renew and develop the whole range of our policies. Mr Southey has already referred to these committees. The Joint Standing Committee of our Party has now considered final reports from the Party Committees on nine policy issues :- on education, on health, the rule of law, urban problems, the rural sector, defence, national goals, immigration, and labour and industrial law.

Reports and recommendations from the Standing Committee will also be presented soon on : the quality of life, on social services, and on foreign affairs, as well as on political matters such as - who runs the Labor Party ? (You can be sure the answer will not be Mr Whitlam), and the socialist alternative.

What are the results of the Committee's decisions to date ? A number of Committee recommendations have already become Government policy because we decided they should not be hoarded. The nature of the policy-thinking that has gone on, and the results that are now flowing through, reflecting, as they do, Party thinking and ideas, show that the Liberal Party is a Party of the seventies. I think an important result is that the Liberal Party of Australia today is at least as productive of ideas and policy-thinking as at any time in the Party's history - probably more so.

Mr President, I turn now to three - and only three - of the many important subjects that I mentioned before which have been through the refining process of these policy committees.

First, let me speak about Education. We are a literate society and education is crucially important in Liberal policy reviews and in Government actions. Education is a world where the humanities vie with the sciences and where technology, for the present, tends to dominate the scene. We accept this, but we must not let technology overwhelm us. We must so research and manage our educational systems, that men and women are adequately equipped to fulfill themselves in their chosen spheres in a balanced society. We must increase the opportunities for education, and we must improve its quality. Our testament on this philosophy was recently published in pamphlet form. And since then we have announced new and stimulating policies designed to help all Australian children in all Australian schools, Government and independent. I am sure the action we have taken opens up a new era in education in Australia. I know all Liberals will agree with me.

THE ECONOMIC BASE

Mr President, before going further, I want to mention one essential precondition to the success of this strategy of - new policy innovation, new policy formulation, and new policy presentation. And that precondition is, of course, a strong, diversified and structurally sound economy.

This is fundamental to our success and to the realisation of our vision of the future. I don't need to tell you that we have had extremely difficult economic, industrial, and social problems to wrestle with. Our troubles have been aggravated by the end of the mining boom, problems with the primary industries, excessive rises in income and difficulties with international currency management and with world trade.

The difficulties were compounded by the fact that today's economic problems are not necessarily as amenable to traditional analysis and response as before. We were one of the leaders in the new thinking that has developed about changing and more complex economic conditions. As a consequence we have been deliberately more flexible in national economic management than ever before. Above all, we had to acknowledge frankly where predictions were wrong and act quickly to apply remedial action.

Sir, with some experience in economic management, may I say - I know that the flexible and responsive economic stance we took up as early as last September is paying off. These measures - all taken in very recent months - have included -

- Reductions in interest rates, public and private
- Increased grants to the States
- Increases in pensions and in aid for persons in nursing homes
- Special assistance to the wool industry
- Restoration of the investment allowance
- A mini-budget which included a reduction in personal taxation
- Increased grants for education, and
- A reduction in excise duty on wine.

This is an impressive list.

All these measures were directed towards reducing unemployment, encouraging sensible consumer spending, assisting needy sectors in industry, and securing a balanced growth economy. And we have never let up in our fight against inflation.

I also want to refer to other matters bearing on the economy and the industrial scene in which the Government has made tremendous progress in less than a year. I mention :

- 1) The review of the arbitration and conciliation system and the changes in the public service acts to enable the rule of no work no pay to apply amongst postal workers.
- 2) The decisions on trade practices and the intention to establish a monopolies commission.
- 3) The Treasury paper on foreign investment recently presented to Parliament.

- 4) The wide-ranging taxation review which is to be held.
- 5) The white paper on defence.
- 6) The impending survey of prices and incomes policies.

I am sure that all this is contributing to a resurgence of confidence in Australia today - in business, in industry and in Government.

Next, let me refer to Health.

The national health scheme is voluntary and therefore differs fundamentally from Labor's proposed compulsory scheme. It is based on one fundamental principle and that is - the interests of the patient must come first at all times. We have established the principle that the amount insured patients pay to their doctors will be limited. The amounts are small indeed compared with the normal cost of medical treatment. We want to keep it that way. That is why we accepted the recommendations in the Mason Report and why we are negotiating at present with the Australian Medical Association about the common fee.

I would also remind you that under the existing health scheme the burden of large hospital bills has been lifted from the patient. Cabinet is now giving special attention to the problem of the chronically ill in nursing homes and nursing attention in private homes. And we hope to be able to make known our decision soon.

So too, with child care. There is a shortage of child care centres in Australia, and we are now considering what we can do about that problem.

As well, we have been active over a wide range of public health problems. We have taken warning action relating to the hazards to health of smoking by our requirements for TV advertising.

We have made substantially increased grants for heart and cancer research, and we are prepared to support more extensively the work of the National Health and Medical Research Council.

THE ENVIRONMENT

Now, let me turn to the environment.

For each individual we seek a quality of life which must satisfy his needs in material, cultural and spiritual terms. A basic essential is to secure his environment so that the things necessary to fulfil those needs can germinate and flourish.

The scientist and the sociologist have sounded their warnings around the world. Their voice is clearly heard here in Australia. They remind us that the destructive pollution of our physical environment flows from the very successes of our industrial civilisation.

A few days ago my Government outlined to the nation the measures it has in hand to protect the Australian environment. We stressed that this was a beginning. And it is just that. There is still much to be done.

- . The challenge to free our society from the strangling grip of overcrowded cities is being taken up.
- . So is the challenge of the changing balance of life in our rural areas.

For an effective solution in a federation like ours, of course, this problem has to be dealt with on the basis of the most intimate co-operation with the Australian States.

Urban renewal, the elimination of slums, the reduction of congestion, the planning of new cities and towns are at the heart of Liberal policy for the seventies.

This is the basis of our approach to the future Australian environment and we will say much more about it as the year goes by.

Mr President, may I turn to the domestic and international principles on which our policies are based.

I am sure I don't need to emphasise to you that at home we are committed to sustaining the growth and development of this country. Believe me, we are succeeding, despite the temporary difficulties of the last year or two.

We see national development as directed to growth, in the people's interest, in a climate of free enterprise and with incentives to individual initiatives.

A full-scale examination is now being made to see whether any action is desirable in the national interest in circumstances where international corporations propose the takeover of Australian companies.

We will not allow monopolies to destroy the healthy competition which Liberals believe is part of a free society and wholly beneficial to that society. We have already announced our intention to legislate for a Monopolies Commission which among other things will examine proposed takeovers by other Australian or overseas companies which could result in monopolies or monopoly condition.

Now, Mr President, let me say something about foreign investment in Australia. We have recently received the latest assessment of the impact such investment has made and is making in Australia. Shortly, several submissions will be made to Cabinet relating to the problems associated with capital inflows and the wisdom or otherwise of the need for regulation and control.

But let me strike one note of caution here. Foreign investment in Australian industry has become an emotional issue as well as a matter for serious examination and some regulation. I ask you to all look at this matter in a commonsense way.

The criterion which must determine our actions is what is in the best national interests of this country. And actions must be based on a hardheaded appreciation of benefits and costs. That is the attitude we, as Liberals, will take.

The other great responsibility we bear is in our international relations. There is much of this that needs no emphasis. Let me summarise : We have become a moderately-sized power; we have become an industrialised nation; we are a good ally; we are respected and trusted; other nations want us to join them in co-operative efforts.

So far so good, but what does the future hold? We have ties with Britain, and a crucial alliance with America. We have mutual ties and arrangements with our friends in Asia, in trade and aid, in cultural exchange, and in defence. We have mature relationships with the old world and the new world. We are deeply involved and deeply committed in Asia.

As liberals, you will recognise the commonsense and value of such outward-looking and multilateral policies. They have

been, in large part, the product of liberal initiative. We must sustain these principles in the national interest. We must increase our own capability in both the civil and defence spheres.

Shortly, I will visit three of our friends in the South-East Asian region - in Indonesia, in Singapore and in Malaysia. It will be a goodwill visit to neighbours, a return of courtesies and the refreshment of old friendships.

These visits will be made in the midst of momentous changes in the contemporary world. The journeys of President Nixon bear witness to this. Britain will soon be in the Common Market; Japan has become our best customer: the pattern of world trade is changing, and we are pursuing genuine efforts to develop a dialogue with China. and at the same time we remain unwilling to abandon our friends in Taiwan.

These approaches demonstrate both the will and the willingness to play our part in a world of interdependence, and to play it in a healthy, vigorous independent Liberal and Australian way.

THE LABOR ALTERNATIVE

Mr President, I come now to the alternative being presented to the Australian people in this election year. It is absolutely essential that we must take the mask off Labor policy as often as we can. It is time the people knew the dangers of a Labor alternative.

Let me make these points of comparison and difference.

1) On liberty.

We stand for the individual for his freedom, his initiatives and his opportunities.

Labor stands for socialism, for the all-powerful state, bureaucratic, anonymous, unfeeling.

2) On the law.

We believe in freedom of speech and assembly, and of dissent within the law.

Labor tolerates disrespect for, and open breaches of, the law.

3) On Australia's security.

We believe that treaties involve responsibilities and we stand ready to honour them. The ANZUS Treaty is the cornerstone of our security.

The Labor Party stands for isolation in defence - it scorns meaningful treaties and arrangements with friendly powers. It gives lip service only to an ANZUS Treaty with the heart and soul torn out of it.

4) On responsibility.

We are free to act and interpret our policies and platform without duress or interference.

The Labor Party in the Parliament is dictated to by the Party outside. It is a Party in chains.

We have great responsibilities to protect the nation from being locked in a straitjacket of socialism. We must safeguard the future of this great nation.

Post-war progress of the Australian nation is our inheritance and its future safety and prosperity is our destiny.

It is our job as Liberals to fulfil these responsibilities with vigour, with honesty and with imagination.

I know we are equipped to do it and to do it in a manner and with a purpose that matches the times in which we live.

I thank you.
