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THE PRIVATE SECTOR AND THE AUSTRALIAN GOVERNMENT

ADDRESS BY THE PRIME MINISTER, MR E. G. WHITLAM, Q.C., M.P.,  
TO THE SYDNEY CHAMBER OF COMMERCE, WENTWORTH HOTEL, SYDNEY,  
FRIDAY, 28 FEBRUARY, 1975.

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IT IS MORE THAN SEVEN YEARS AGO SINCE I FIRST  
ADDRESSED, AS LEADER OF THE AUSTRALIAN LABOR PARTY, A  
MAJOR CHAMBER OF COMMERCE, NOT SYDNEY BUT MELBOURNE, IN  
OCTOBER 1968x . I HAD THE REPORTS OF MY SPEECH LOOKED UPx  
I FOUND THAT MY THEME ON THAT OCCASION WAS THE SAME AS I  
HAD PLANNED TO TAKE WITH YOU TODAYx I SAID THEN - SEVEN  
YEARS AGO - "THE PROGRAM OF REFORM AND DEVELOPMENT OF  
ANY FUTURE LABOR GOVERNMENT CANNOT BE FULFILLED WITHOUT  
PROSPERITY IN THE PRIVATE SECTOR,"x AND I SAID -  
"PRIVATE ENTERPRISE IN AUSTRALIA CANNOT PROSPER WITHOUT  
GOVERNMENT INITIATIVES PARTICULARLY AT THE NATIONAL LEVEL,"x  
I MADE THOSE STATEMENTS SEVEN YEARS AGO AND I REPEAT THEM  
TODAYx I DON'T RECALL THESE STATEMENTS JUST TO PROVE A  
CONSISTENCY, I RECALL THEM BECAUSE IT'S TOO OFTEN IGNORED  
THAT THIS APPROACH, THIS RECOGNITION OF THE INTERDEPENDENCE  
OF OUR PROGRAM AND PRIVATE PROSPERITY, IS A FUNDAMENTAL  
PART OF THE PHILOSOPHY OF THE AUSTRALIAN LABOR PARTY IN OR  
OUT OF OFFICEx SEVERAL MINISTERS IN MY GOVERNMENT, IN  
PARTICULAR THE TREASURER AND I, HAVE IN RECENT WEEKS BEEN  
EMPHASISING THE NEED TO RAISE PROFITABILITY IN THE PRIVATE  
SECTORx

IN SOME QUARTERS THIS HAS BEEN DEPICTED AS A REVERSE, IN OTHER QUARTERS AS A CONVERSION - SOME MIGHT HOPE A DEATH-BED REPENTANCE. IT IS NOTHING OF THE SORT. IT EXPRESSES A VIEW I HAVE BEEN PUTTING, AS I HAVE JUST SAID, EVER SINCE I BECAME LEADER OF THE AUSTRALIAN LABOR PARTY. OUR CURRENT EMPHASIS ON PROFITABILITY REFLECTS A RESPONSE WITHIN THE FRAMEWORK OF A CONSISTENT PHILOSOPHY TO THE PARTICULAR NEED OF THE PARTICULAR TIME. WE HAVE NEVER LOST SIGHT OF THAT INTERDEPENDENCE, OF WHICH I HAVE JUST SPOKEN, JUST AS WE HAVE NEVER LOST SIGHT OF OUR GOALS FOR AUSTRALIA. AS I AM RECALLING PAST SPEECHES I CAN DO NO BETTER THAN REFER TO THE FIRST MAJOR SPEECH I MADE AS PRIME MINISTER TO A REPRESENTATIVE CROSS SECTION OF AUSTRALIAN BUSINESS - AT A METAL TRADES INDUSTRIES ASSOCIATION SEMINAR IN JUNE 1973. I SAID, "THE ASSURANCE I GIVE YOU IS THAT WE FULLY RECOGNISE THE INTERDEPENDENCE OF A LABOR GOVERNMENT AND PRIVATE BUSINESS. I ACKNOWLEDGED IN MY POLICY SPEECH THAT WE COULD NOT EXPECT THAT OUR SOCIAL PROGRAM COULD BE FINANCED WITHOUT A SIGNIFICANTLY INCREASED GROWTH RATE. AUSTRALIA HAD BEEN STUMBLING ALONG WITH A PALTRY GROWTH RATE OF 3 PER CENT OR SO. I SAID THEN THAT WE WOULD NEED TO ACHIEVE A GROWTH RATE OF 6 TO 7 PER CENT IF OUR PROGRAM WAS TO BE IMPLEMENTED WITHOUT VASTLY INCREASED TAXATION. WE SHALL PROBABLY ACHIEVE A RATE HIGHER THAN 7 PER CENT THIS YEAR. WE CAN ONLY ACHIEVE SUCH A RATE IF ALL SECTORS OF THE COMMUNITY, NOT LEAST THE PRIVATE SECTOR, IS PROSPEROUS, EFFICIENT AND FULLY EMPLOYED."

"YOU NEED A PROSPEROUS ECONOMY. SO DO I. I KNOW VERY WELL I CANNOT ACHIEVE A MOIETY OF WHAT I WANT TO ACHIEVE FOR THE PEOPLE OF THIS COUNTRY - DECENT SCHOOLS, DECENT HOSPITALS, DECENT CITIES, DECENT PROVISION FOR THE SICK, THE AGED AND THE HANDICAPPED - WITHOUT YOUR PROSPERITY."

YOU MIGHT SAY THAT OUR PRESENT EMPHASIS ON THE PRIVATE SECTOR AND OUR PRESENT PREOCCUPATION WITH THE PROBLEMS OF THE PRIVATE SECTOR REPRESENT A PROFOUND CHANGE OF PHILOSOPHY. I THINK I AM ENTITLED TO SAY THAT IT DOES NOT, BUT THAT IT DOES REPRESENT AN INTELLIGENT CHANGE OF EMPHASIS IN A RAPIDLY CHANGING SITUATION. IT WOULD BE INTOLERABLE IF IN THE CIRCUMSTANCES PREVAILING THROUGHOUT THE WORLD TODAY, GOVERNMENTS WERE TO BE ACCUSED OF ERRATIC CONDUCT, OF RECKLESS CHOP-AND-CHANGE BECAUSE THEY TAKE NEW INITIATIVES OR ABANDON POLICIES APPROPRIATE TO OTHER CONDITIONS. IT WOULD BE INTOLERABLE IF GOVERNMENTS WERE TO BE SCARED OFF FROM MAKING CHANGES BY SUCH ACCUSATIONS. THE FACT IS THAT CHANGE IS OCCURRING WITH A GREATER SPEED THAN EVER BEFORE, AND ALL GOVERNMENTS HAVE TO MAKE CHANGES WITH GREATER SPEED AND FREQUENCY THAN EVER BEFORE. IT APPEARS THAT THERE HAS BEEN A PROFOUND ALTERATION IN THE NATURE OF THE BUSINESS CYCLE, NOT ONLY IN AUSTRALIA BUT THROUGHOUT THE WORLD. NOT SO LONG AGO IT TOOK THE BUSINESS CYCLE ABOUT FIVE OR SEVEN YEARS TO OCCUR IN ALL COMPARABLE COUNTRIES. NOW THE FULL CYCLE TAKES A COUPLE OF YEARS.

ACCORDINGLY, THE DECISION-MAKING PROCESS - FOR GOVERNMENTS AND FOR BUSINESS ALIKE - IS SUBJECT TO QUITE EXTRAORDINARY AND UNPRECEDENTED STRAINS. NONE OF US IN OUR LIFE-TIMES HAVE EVER BEFORE FACED THIS CONTINUING NEED FOR RE-ADJUSTMENT OF POLICIES AND PLANS FOR WHICH THE NEW PHENOMENON OF A TWO YEAR BUSINESS CYCLE IMPOSES ON ALL OF US. WE'VE ALL BEEN CALLED UPON TO CHANGE THE DIRECTION OF POLICIES AND PLANS MORE FULLY AND FREQUENTLY THAN EVER BEFORE. IT IS EASY ENOUGH TO BLAME GOVERNMENTS FOR THIS CHANGE AND IT IS EASY ENOUGH, I SUPPOSE, FOR PEOPLE IN GOVERNMENT TO BLAME THE PRIVATE SECTOR. I THINK, HOWEVER, IT IS TIME WE ALL ROSE ABOVE A DEBATE WHICH MERELY SEEKS TO ALLOCATE BLAME. THERE IS VERY OFTEN A NEED ON BOTH SIDES FOR PLAIN SPEAKING. IT IS OFTEN NECESSARY TO STATE UNPALATABLE FACTS. FOR EXAMPLE, IT GIVES ME NO PARTICULAR PLEASURE TO GO TO A LABOR PARTY CONFERENCE AND POINT OUT THE PRESENT RELATIONSHIP BETWEEN WAGE INCREASES AND INFLATION AND UNEMPLOYMENT. BUT A STATEMENT OF PLAIN FACT SHOULD NOT BE DESCRIBED AS UNION BASHING JUST AS WHEN I STATE FACTS WHICH MAY BE UNPALATABLE TO YOU, I DON'T EXPECT TO BE ACCUSED OF BUSINESS BASHING. IN RECENT MONTHS WE HAVE LAID THE FOUNDATIONS, AS A GOVERNMENT, FOR A NEW DIALOGUE BETWEEN THE PUBLIC AND PRIVATE SECTORS. WE WANT TO BUILD ON THESE FOUNDATIONS TO ESTABLISH HEALTHY COMMUNICATION - TO USE THE DIPLOMATIC CLICHE - "FULL AND FRANK EXCHANGE".

IT IS POSSIBLY TRUE THAT IN THE PAST THE GOVERNMENT HAS OVER-ESTIMATED THE FLEXIBILITY OF INDUSTRY TO ADJUST TO CHANGE. IT IS PROBABLY EQUALLY TRUE THAT THE PRIVATE SECTOR HAS UNDER-ESTIMATED THE GOVERNMENT'S OWN FLEXIBILITY.

WE SHOULD ALL TRY TO UNDERSTAND THE FORCES WHICH MAKE FOR UNCERTAINTY IN THIS NEW ERA OF CHANGE IN WHICH WE LIVE. THE FIRST FACTOR IS THE EXTRAORDINARY INFLATIONARY FORCES PREVAILING THROUGHOUT THE WESTERN WORLD IN RECENT YEARS - FORCES WELL UNDER WAY BEFORE THE OIL CRISIS. THERE HAVE BEEN QUITE FUNDAMENTAL CHANGES IN SOCIAL ATTITUDES, CHANGES IN PEOPLE'S EXPECTATIONS, CHANGES IN PEOPLE'S PATIENCE IN ACHIEVING THEIR EXPECTATIONS. THERE HAVE ALSO BEEN CHANGES IN BASIC INDUSTRIAL ATTITUDES, THINGS LIKE THE GROWTH OF SHOP-FLOOR MILITANCY AND A CHALLENGE TO TRADITIONAL CONCEPTS OF UNION LEADERSHIP. WHEN BUSINESS DEPLORES THE UNCERTAINTY OF THE TIMES IT SHOULD ALSO REFLECT THAT GOVERNMENT DECISION-MAKING IS SUBJECT TO THE SAME PRESSURES, THE SAME UNCERTAINTIES. IT'S POINTLESS TO BLAME GOVERNMENTS FOR THOSE UNCERTAINTIES WITH WHICH GOVERNMENTS THEMSELVES HAVE TO GRAPPLE JUST AS MUCH AS BUSINESS.

I HAVE BEEN AT SOME PAINS TO TRY TO UNDERSTAND CIRCUMSTANCES WHICH MAY HAVE GIVEN RISE TO SOME MISUNDERSTANDING BETWEEN BUSINESS AND GOVERNMENT IN THE PAST FEW YEARS. PERHAPS THE FIRST FACTOR WAS THE MERE FACT THAT WE HAD BEEN OUT FOR 23 YEARS. THERE WERE FEW BUSINESSMEN WHO HAD ANY EXPERIENCE OF LABOR IN GOVERNMENT AND THERE WERE NOT MANY WELL ESTABLISHED LINES OF COMMUNICATION BETWEEN BUSINESS AND THE LABOR PARTY. UNDOUBTEDLY THERE WERE UNFOUNDED PRECONCEPTIONS AND PREJUDICES ON BOTH SIDES.

WITH THIS BACKGROUND IT IS PERHAPS NOT SURPRISING THAT COMMUNICATION WAS OFTEN INEFFECTIVE. ANOTHER FACTOR WAS THE ENTHUSIASM AND THE SENSE OF MISSION OF THE NEW GOVERNMENT. IT MAY BE THAT BUSINESS WAS SURPRISED THAT WE MEANT WHAT WE HAD SAID. THE BROAD RANGE OF POLICY INITIATIVES AND CHANGES WHICH WE INITIATED AT FIRST EXHILARATED MOST PEOPLE, IF ONLY BY INVIDIOUS COMPARISON WITH THE STAGNATION OF PREVIOUS YEARS. CONTINUATION OF THESE INITIATIVES AND CHANGES BECAME DIFFICULT TO ABSORB. I CONCEDE THAT IT BECAME DIFFICULT TO KEEP UP WITH THE SCOPE AND PURPOSE OF OUR POLICIES.

THE SCOPE AND SPEED OF THE GOVERNMENT'S DECISIONS HAVE MADE IT DIFFICULT FOR PEOPLE TO ACQUIRE A DEFINITE PERSPECTIVE OF THE GOVERNMENT'S OVERALL PROGRAM AND INTENTIONS. IN THIS CONTEXT IT WAS EASY FOR PEOPLE TO GENERALISE A VERY SPECIFIC GRIEVANCE OR REACT ON THE BASIS OF TRADITIONAL PREJUDICES ABOUT THE AUSTRALIAN LABOR PARTY. I HAVE OFTEN DETECTED A VIEW AMONGST THE BUSINESS COMMUNITY THAT LABOR PARTY POLICY HAD CONSPIRATORIAL OVERTONES. SOME HAVE BELIEVED THAT WHILST PUBLIC STATEMENTS OF LABOR SPOKESMEN HAVE BEEN EMINENTLY RESPONSIBLE, SOMEHOW LURKING IN THE MINDS OF MEMBERS OF THE PARTY WAS A SECRET DESIRE TO CONTROL EVERYTHING BY OUTRIGHT NATIONALISATION OR BY STEALTH. IT IS PERTINENT TO NOTE THAT DURING THE PERIOD OF THE LABOR GOVERNMENT THERE HAS BEEN NO INITIATIVE TO NATIONALISE ANY INDUSTRY. THERE WILL NOT BE. WE HAVE TAKEN STEPS TO PROVIDE PUBLIC SECTOR COMPETITION IN AREAS HITHERTO EXCLUSIVELY PROVIDED FROM THE PRIVATE SECTOR.

FOR AS LONG AS I HAVE BEEN A MEMBER OF THE AUSTRALIAN LABOR PARTY, IT HAS BEEN COMMITTED TO THE CONTINUATION OF A MIXED ECONOMY. CLEARLY WE WANT GREATER PUBLIC INITIATIVES THAN OUR OPPONENTS. BUT THE CONTINUANCE OF THE MIXED ECONOMY HAS NOT BEEN SERIOUSLY QUESTIONED FOR MANY YEARS. IT IS TRUE THAT THE ROLE OF PROFITS HAS NOT BEEN PART OF OUR RHETORIC BUT WE HAVE ALWAYS ACCEPTED, AS WE MUST, THE ROLE OF THE PROFIT MOTIVE IN A MIXED ECONOMY.

AT THE RECENT TERRIGAL CONFERENCE, THIS WAS EXPLICITLY  
ACKNOWLEDGED FOR THE FIRST TIME IN THE LABOR PARTY  
PLATFORM. HOWEVER, THE VERY REAL COMMITMENT OF THE  
AUSTRALIAN LABOR PARTY TO A MIXED ECONOMY IS OF MUCH  
LONGER STANDING THAN THAT.

MOST OF OUR MAJOR DECISIONS FALL WITHIN THE CONTEXT  
OF TWO BROAD POLICY OBJECTIVES - OBJECTIVES WHICH HAVE  
CHARACTERISED THE LABOR PARTY SINCE IT WAS ESTABLISHED AND  
WHICH DISTINGUISH THE LABOR PARTY FROM ITS OPPONENTS.  
THESE OBJECTIVES ARE: THE EXTENSION OF THE PUBLIC SECTOR  
AND THE RE-DISTRIBUTION OF INCOMES - TO PROMOTE PUBLIC  
QUALITY AND PRIVATE EQUALITY. OF COURSE SUCH OBJECTIVES  
ARE SUBJECT TO THE CONSTRAINTS OF THE GROWTH OF THE ECONOMY  
AND THEY CAN ONLY BE ACHIEVED GRADUALLY IN A MIXED ECONOMY.  
WE HAVE NO INTENTION TO ACHIEVE EITHER OF THESE AT THE  
EXPENSE OF THE PRIVATE SECTOR WHICH PROVIDES SO IMPORTANT A  
DYNAMIC IN OUR ECONOMY.

I FOUND WITH SOME SURPRISE, THAT ONE COMMENT IN  
THE TREASURER'S 1974 BUDGET SPEECH WAS SO WIDELY MISINTERPRETED.  
HE SAID THEN - "THE RELATIVELY SUBDUED CONDITIONS UNDER  
PROSPECT IN THE PRIVATE SECTOR PROVIDE THE FIRST REAL  
OPPORTUNITY WE HAVE HAD TO TRANSFER RESOURCES TO THE PUBLIC  
SECTOR."



THIS WAS INTERPRETED BY SOME AS A THREAT TO THE PRIVATE SECTOR. IT WAS NOT INTERPRETED IN THE LIGHT OF A CLEAR OBJECTIVE, WHICH I HAVE MENTIONED ABOVE, TO EXPAND THE PUBLIC SECTOR.

THE GOVERNMENT'S COMMITMENTS IN SUCH AREAS AS EDUCATION, HEALTH, AND WELFARE CLEARLY IMPLIED THIS AND SHOULD HAVE COME AS A SURPRISE TO NO-ONE. YET IN THE FINANCIAL YEAR 1973/74, THE PROPORTION OF GROSS DOMESTIC PRODUCT EXPENDED IN THE PUBLIC SECTOR ACTUALLY FELL FROM 32.3 PER CENT TO 31.6 PER CENT. THIS OCCURRED DESPITE THE EFFORTS OF THE GOVERNMENT TO LAUNCH ITS NEW PROGRAMS. WE WERE FRUSTRATED BY THE QUITE EXTRAORDINARY SHORTAGES PREVALENT IN THE ECONOMY DURING THAT PERIOD. TO QUOTE ONLY ONE EXAMPLE - OUR OBJECTIVE TO PROVIDE BETTER HOUSING FOR LESS WELL OFF SECTIONS OF THE COMMUNITY WAS FRUSTRATED BY SHORTAGES OF MATERIAL AND LABOUR IN THE HOUSING SECTOR. THE "SUBDUED CONDITION" TO WHICH THE THEN TREASURER MADE REFERENCE WAS NOT A THREAT TO THE PRIVATE SECTOR SO MUCH AS A RECOGNITION THAT THE EXCESS DEMAND WHICH HAD EXISTED UNTIL THEN WOULD DISAPPEAR.

WE DID NOT PREDICT AT THAT TIME THE QUITE EXCESSIVE AND RAPID DOWNTURN IN THE PRIVATE SECTOR THAT HAS OCCURRED. THE BUDGET WAS CRITICISED AT THE TIME AS BEING TOO EXPANSIONARY. IN RETROSPECT WE CAN SEE THAT IT WAS NOT EXPANSIONARY ENOUGH. THIS DEFECT WAS CORRECTED BY THE MEASURES ANNOUNCED ON 12 NOVEMBER. WE RECOGNISE THAT THE PRIVATE SECTOR IS THE PRINCIPAL AVENUE OF EMPLOYMENT IN THIS COUNTRY AND OUR DECISIONS SINCE THE PRESENT POSITION EMERGED, HAVE CLEARLY INDICATED THAT THE REVIVAL OF THE PRIVATE SECTOR IS ESSENTIAL FOR THE RESTORATION OF FULL EMPLOYMENT.

TO THIS END, WE HAVE TAKEN A NUMBER OF MEASURES WHICH HAVE FOUR BROAD OBJECTIVES. FIRST, WE HAVE SUBSTANTIALLY EXPANDED THE AVAILABILITY OF MONEY FOR THE PRIVATE SECTOR. SECONDLY, WE ARE LIFTING CONSUMER DEMAND THROUGH A SUBSTANTIAL REDUCTION IN PERSONAL INCOME TAX. THIRDLY, WE ARE SEEKING TO ATTACK INFLATION BY REDUCING THE PRESSURE FOR WAGE INCREASES THROUGH A SUBSTANTIAL IMPROVEMENT IN AFTER-TAX TAKE-HOME PAY. FINALLY, WE HAVE SOUGHT TO ENHANCE PROFITABILITY - BY A REDUCTION IN COMPANY TAX, BY REQUESTING THE PRICES JUSTIFICATION TRIBUNAL TO GIVE PARTICULAR CONSIDERATION TO THE ADEQUACY OF RETURN ON CAPITAL AND BY URGENTLY INVESTIGATING THE IMPLICATIONS OF RAPID INFLATION FOR THE TAXATION OF COMPANIES. THE REPORT OF THE MATHEWS COMMITTEE IS EXPECTED SOON AND ACTION ON ITS RECOMMENDATIONS WILL BE PROMPT. WE RECOGNISE THE EXTRAORDINARY IMPACT OF RAPID INFLATION ON CORPORATE TAX RULES, PARTICULARLY WITH RESPECT TO STOCK VALUATION AND DEPRECIATION.

I REFERRED TO THE CONDITIONS OF UNCERTAINTY WITHIN WHICH BOTH GOVERNMENTS AND BUSINESS - HERE AND AROUND THE WORLD - ARE CURRENTLY FORCED TO OPERATE. IN AUSTRALIA IT MUST BE SAID THAT THERE IS A SPECIAL FACTOR OF UNCERTAINTY. THAT IS THE POLITICAL UNCERTAINTY CREATED BY THE CONTINUING THREAT OF A NEW ELECTION. WE ARE CONFRONTED WITH A SITUATION BY WHICH AUSTRALIA COULD HAVE NATIONAL ELECTIONS EVERY SIX MONTHS. THIS IS BAD FOR GOVERNMENT AND IT IS BAD FOR BUSINESS. WHAT BUSINESSMAN AMONG YOU COULD PLAN ON THE BASIS OF THE NEXT SIX MONTHS ONLY? WHAT BUSINESS COULD OPERATE UNDER THE THREAT OF A TOTAL CHANGE IN MANAGEMENT EVERY SIX MONTHS? IT IS NOT ONLY THAT THIS THREAT, THIS HARRASSMENT, THIS WAR OF NERVES, MAKES THE BUSINESS OF GOVERNMENT DOUBLY DIFFICULT; IT IS NOT JUST THE DIFFICULTY THE THREAT ADDS TO EFFECTIVE PLANNING. THE ELECTION PROCESS ITSELF REQUIRES A SUSPENSION OF THE NORMAL BUSINESS, OF THE NORMAL ADMINISTRATION OF GOVERNMENT. DECISIONS WHICH SHOULD BE TAKEN ARE NOT TAKEN. WORK THAT SHOULD BE DONE IS NOT DONE. THE WHOLE MACHINERY OF GOVERNMENT AT BOTH THE POLITICAL AND THE OFFICIAL LEVEL HALTS IN KEY AREAS AND SLOWS DOWN IN ALL AREAS.

THIS INTERRUPTION CAN BE THE MORE DAMAGING WHEN AN ELECTION COMES OUT OF THE NORMAL TIME AND IT IS DOUBLY DAMAGING IN THESE TIMES OF VERY RAPID CHANGE WHEN GOVERNMENTS MUST ADAPT AND REACT TO THAT CHANGE WITH SPEED AND VIGOUR.

THE FACT IS THAT THE MAY ELECTIONS MEANT A VIRTUAL SUSPENSION OF NORMAL GOVERNMENT FOR NEARLY THREE MONTHS; AND THOSE MONTHS OF APRIL-MAY-JUNE WERE OBVIOUSLY CRITICAL IN TERMS OF ECONOMIC POLICY-MAKING. AS A MATTER OF PROPRIETY I INSTRUCTED MY MINISTERS TO MAKE NO MAJOR DECISION UNTIL THE PEOPLE HAD MADE THEIR DECISION, AND MADE IT CLEAR THAT OUR DECISIONS WOULD NOT COMPROMISE OR INHIBIT ANY INCOMING GOVERNMENT.

EVEN WHEN THE ELECTION RESULTS WERE CLEAR - AND I BELIEVE THAT THE TEN DAYS OF UNCERTAINTY WHICH FOLLOWED POLLING DAY, NOT BECAUSE OF ANY REAL DOUBT ABOUT THE MEANING OF THE PEOPLE'S DECISION, BUT BECAUSE OF THE VAGARIES AND COMPLEXITIES OF OUR ELECTORAL SYSTEM, WERE THOROUGHLY DAMAGING TO AUSTRALIA AT HOME AND ABROAD - THERE WAS THE FURTHER INTERRUPTION OF THE JOINT SITTING. IT WAS A TOTALLY UNNECESSARY INTERRUPTION IN THAT THE OUTCOME OF THE JOINT SITTING WAS A FOREGONE CONCLUSION. I DO HOPE THAT THE DAMAGE DONE, THE UNCERTAINTY CREATED BY THIS THREATENED DISRUPTION OF OUR NORMAL AND ACCEPTED AND TESTED CONSTITUTIONAL PROCESSES AND CONVENTIONS IS THOROUGHLY UNDERSTOOD BY ALL AUSTRALIANS. THE DEMOCRATIC SYSTEM IS EVERYWHERE UNDER CHALLENGE AND GREAT STRESS. IT'S NO COINCIDENCE THAT THE CAPITALIST SYSTEM IS EQUALLY AND EVERYWHERE UNDER CHALLENGE AND GREAT STRESS.

YOU MIGHT PONDER HOW LONG OUR DEMOCRACY CAN PREVAIL UNDER THESE REPEATED ASSAULTS, ASSAULTS WHICH, AS SIR ROBERT MENZIES HAS SAID, "WILL MAKE POPULAR DEMOCRACY UNWORKABLE" \* AND YOU MIGHT PONDER HOW LONG CAPITALISM CAN SURVIVE IF POPULAR DEMOCRACY DOES NOT SURVIVE \* I VENTURE TO SUGGEST THAT THE VALUES YOU UPHOLD WILL NOT GO UNCHALLENGED IF THOSE WHO SEEK CHANGE THROUGH THE PARLIAMENTARY SYSTEM LOSE FAITH IN THE CAPACITY OF THAT SYSTEM TO PROVIDE PEACEFUL CHANGE \*

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