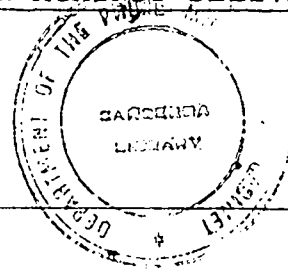


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PRIME MINISTER

FOR MEDIA

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ADDRESS TO VICTORIAN STATE COUNCIL

As we approach the end of this decade the Liberal Party in Victoria and Australia is experiencing a sense of history, optimism and challenge.

Thirty-five years ago last October 13, Robert Menzies brought fourteen fragmented organisations into one. Modern liberalism was born on that day under one banner with one body of ideas.

Little more than five years later, and thirty years ago this December 10th, the Liberal philosophy won endorsement from the Australian electorate. The appeal made in the policy speech in 1949 was unqualified and timeless. It asked: "Are we for the subordination of the individual to the universal officialdom of government or are we for the ancient British faith that governments are the servants of the people...". The spirit of that time was embodied in the belief that "The best people in this community are not those who leave it to the other fellow but those who by thrift and self sacrifice establish homes, bring up families and add to the national pool of savings ... owing nothing to anybody".

It is not surprising that this struck a chord with Australians in 1949 and began an unbroken run of 23 years of Liberal government in Australia. But by the end of 1975, the national spirit had sagged to a demoralising and depressing level.

I appealed then to Australians to retain their idealism; their faith in institutions; their sense of reform; their dedication to democracy. I called upon them for a return of liberal values. I urged them to recall what they had seemingly forgotten. That we must "reward personal initiative ... encourage investment ... and mobilise the imagination and the resources of the Australian people...".

In the last four years Australians have shared in that conviction and are now sharing in the hard-won successes. And they are hard-won, simply because the fight to free the spirit of man, to unhinge him from government control, is an unending one. In a very real sense the battlefield must never be vacated. The fight for individual freedom can never be won for all time. What we must do now is to win that freedom for our time; to hand on to our children conditions and attitudes in society which allow for the full expression of individualism and creative spirit. We must never allow the beliefs which brought us our success to become corroded.

We need to remember that since the War, Labor governments won decisive mandates from the electorate in 1946 and 1972. To forget the lessons of the three years following those victories, is to invite certain failure. The criticisms of Labor Government leading up to 1949 were as comprehensive and complete as they were leading up to the election in 1975.

Yet incredible as this may seem now, the behaviour and resolution of the Labor movement today, demonstrate that those desires are still very much part of the A.L.P. passion.

The recent A.L.P. conference in Adelaide resolved to seek to alter the Constitution to give the Commonwealth powers to implement the Labor Party's economic and socialist objectives. One of these is nationalisation.

Such a resolution demonstrates that the socialist fires throughout the years have been kept alight. The stubbornness, inflexibility and unreality of Labor principles are the same now as they were then.

Still, the Labor emphasis is on government control and government management, still they nurture the view that all individual security can be independent of individual effort. These theories have no relevance in the '80s. They embody false values. Yet in 1972, by default, we gave Labor a chance to put these theories into practice. That this was possible is a greater indictment of us than it is a reflection of Labor's capacity for survival. I caution you strongly to prevent these doctrines gaining supremacy again.

In 1975 as in 1949, Liberalism was called upon to inject commonsense and commitment into the Australian nation and its economy. It summoned the creative and regenerative capacities of the nation. It promised a philosophy that would give these capacities expression.

We proclaimed the role of the individual after three years of socialism had challenged individual rights; we exalted men and women after three years in which socialism had exalted government. For three years Labor had weakened the economy and its capacity for growth. All our efforts were directed towards securing sustainable growth without which many of our philosophical objectives are impossible.

Now we are embarking on a new decade of challenge. As a party and as a nation we must reassert our pride in individualism, personal freedom, self-advancement - in short, Liberalism. We must re-ignite the vision of the future; the desire for enterprise; the excitement of creating and building; the dedication to scale new heights; the willingness to mobilise the talents of all Australians.

It is when we take the individual capacities of all Australians for granted; when we begin to believe that the role of the government is superior to the role of the individual; then we begin to move Australians from the responsibilities of individualism to the excesses of socialism.

The period 1949 to 1972 was a powerful expression of Liberalism. Activity, production and investment, grew and diversified. Before the War and up to the 50s, our international trading reputation was built on our great rural industries. Soon, this dependence began to change as manufacturing industries, started in the 40s, expanded and broadened our industrial base.

A comprehensive migration programme opened up domestic markets. Foreign investment brought new technology and skills. Suddenly, Australia was the land of greater opportunity, spawning men and women of adventure, commitment and achievement.

Then came the mineral boom, for which the figures tell the best story. In 1948-49 mineral exports represented 6 per cent of Australia's total exports. By 1970-71, this figure had grown to 25 per cent. They too, brought new technologies, new markets, new communities in remote areas, new thrusts to decentralisation.

The Government's job, then as now, was to provide the structure in which all this could proceed. Because they did the challenges of the 50's and 60's were being accorded the appropriate response.

Somehow, though, success brought its own temptations in the 70's. Had we lost our nerve? Had our creative drive expired? Had we continued to believe in our principles, but failed to fight for them? Were we questioning our own dedication and idealism? Whatever the case, we developed a short-sightedness about the effects of Labor Government and the hustings rang with the emptiness of Labor slogans all through 1972; but this time to a new, younger and more receptive audience. The presentation was the same. Here was the superficially-attractive idea that the Government should meet all individual needs and Labor promised to do just this.

There was no mention of obligation upon the individual; no expectations of merit, or excellence, or exertion from all of us. Whole generations who had grown up with a level of security and freedom from need, suddenly began to take these for granted. Liberal achievements in welfare and social reform - invalid pensions; increased child endowment; homes for the aged; massive advances in education; Commonwealth scholarships; the building of universities and teaching colleges, science blocks and school libraries -- all these were forgotten as the electorate was persuaded artificially that it was time. Time for what? The question was soon to be answered. But not as the nation had expected.

Was it the time for increases in personal income tax to the tune of 125 per cent in three years? Was it the time for, in various 12 month periods, Commonwealth Government expenditure to rise by 46 per cent? Award wages to increase by 38 per cent? Government expenditure in health, under Mr. Hayden's management, to rise by 113 per cent?

Was it time for government employment to grow by 100,000 while private sector employment fell by 150,000? Was it time for, the economy to stagnate after years of impressive economic growth under Liberal governments? Was it time for us to be shown that Labor could not afford all its grandiose plans: that Labor's big spending could not be financed from an economy crippled by Labor policies? Whether it was time or not, it happened.

In 1975, as in 1949, it befell the Liberal Government to arrest the drift of socialism. We have been supported in this task by a nation which prides itself on economic security and the capacity of its members to work together. We are together learning that we cannot make greater demands of government than the nation's productive capacities can provide.

Yet, in spite of our real success, there are always prophets of negativism and nihilism; people who opt for the easy task of tearing down rather than the difficult one of building up.

I am heartened by a current A.L.P. strategy document which says, and I quote:

"We live in the best country in the world, rich in human and natural resources. We produce most of our own oil. We have abundant supplies of coal and other minerals. We are the best-educated society in the world".

What greater tribute can there be than that to the record of Coalition Government?

The last four years have been a significant part of this record of coalition government. We are placed to enter the 80's with a prospect for the future much brighter than most of the industrialised world. I say to you unapologetically, that Liberalism stakes its claims to Government in the 80s on its capacity to secure economic growth.

There is no future for Australia without economic growth. Without economic growth the aspirations of an advance society cannot be realised. Without economic growth we cannot as a nation create more jobs; we cannot as a nation meet our welfare responsibility; we cannot as a nation support generously the arts and cultural activities; we cannot as a nation provide the life which maximises freedom, opportunity and achievement.

The signposts of better economic conditions over the last four years are easy to read. We have reduced inflation. Our industry is now competitive. Costs are down and exports are up. Private capital inflow into Australia in the last financial year was the highest since 1971-72. Commonwealth Government expenditure has been severely contained in the last three budgets.

Real investment by business increased by nearly 10 per cent last year. Civilian employment in the year to July grew by 60,000. In this financial year, the gross value of rural output is estimated to increase 60 per cent in 1977-78 levels. And when we look at what is happening to some economies overseas with rates of inflation and their interest rates, we have done well, and let us not be denied our achievements. They have not come by accident or under sympathetic conditions. These are the result of deliberate government policy.

At the end of a decade, our economic machinery is geared to move us confidently into the future. We have abundant raw materials, materials the world wants and needs. We have energy supplies in an energy-scarce world.

Coal, natural gas, L.P.G., crude oil, electricity and uranium represent an impressive total endowment of energy commodities. They are high in demand in the world and this demand is likely to intensify in the 80s. Our response to this privileged position is one of credibility and consistency. In the first place, if any economic system is to achieve growth and stability, inflation has to be controlled.

In other words, resources themselves cannot generate the economic growth that is needed. They must be coupled to realistic and forward-thinking policies. Our willingness as a Government to harness our energy reserves has earned us international respect. It is already paying dividends.

With oil, our policy encourages further exploration and development at a time when leading commentators were advising that production from Australian fields would taper off. Only 18 months ago, it had been predicted during the 80's that our self-sufficiency in oil would fall to 25%. But our realistic pricing policy now means that Australia should be at least 50% self-sufficient in oil, until well into the 80's.

The position with coal is just as encouraging.

Current coal exports of 38 million tonnes a year are expected to rise to 200 million tonnes by the year 2000, according to the estimates of the International Energy Agency. Our massive reserves of coal provide us with unprecedented opportunities for developing raw materials here in Australia. Coupled with this, as Japan finds her energy costs mounting, aluminium smelter projects are moving to Australia with abundant raw materials and low-cost power. One of the results of this is that, while Australia now has only 1.5% of the world output of aluminium, if we take account of the new projects firmly committed in Australia, that share is likely to rise to over 10% by 1985.

The uranium picture is just as encouraging.

We possess massive reserves. At a time when the requirements of the Western world are expected to triple by 1990. All of this requires a government which, in changing circumstances, can accommodate these changes and adapt to them.

It can never be over-stated that these energy achievements are the result of our policies, our decisions, our encouragement of the development of our resources. A Labor government would destroy investment and economic growth by excessive taxation, excessive regulation and excessive intervention.

The A.L.P.'s decision not to mine uranium is shameful and selfish, but for the A.L.P. to declare that it would not honour existing contracts constitutes a savage threat to our international trustworthiness.

It represents Labor dogma at its worst. It pays little regard to reality. These are threats to our international wellbeing. They must be taken seriously.

We must not allow any paralysis of willpower to provide the very momentum that Labor needs. Mr Hayden recently argued that,

"There was nothing revolutionary or even particularly radical about the Whitlam programmes".

(Chamberlain Lecture, March 1979, P.19)

His sympathy for the Whitlam programmes and determination to implement them again was evident in his recent performance at the A.L.P. Conference in Adelaide. The resolutions of that conference to which a Labor government is bound, express a commitment to return to extravagance and economic indiscipline.

How else can we interpret the conference's resolution that a Labor government would increase enormously the size of government and the extent of its activities, that it would abolish staff ceilings in the Public Service.

A Labor government would seek to amend the Constitution to give the Commonwealth Government powers "as are necessary" specifically to implement the Labor Party's economic and social objectives.

It would seek to amend the Constitution to reduce the power of the Governor General, to strip the Senate of the power of to reject any proposed laws. A Labor government would allow unionists to strike in the course of their activities, immune from any pains or penalties thereby placing unions above the law.

It would introduce new taxes - a resources tax, a capital gains tax, a wealth tax and it would increase taxation.

It would monitor the operations of international corporations and supply information collected in this way to Australian trade unions and international trade union organisations.

It would use nationalisation as a means of economic management.

These promised assaults on a stable and internationally credible Australia must be taken seriously. What kind of credible political party is it which ignores inflation to such an extent that the words 'anti-inflationary' were not even included in the Wages and Incomes Policy of the A.L.P.

That was the policy that Mr. Hawke called a gutless sell out to the left.

It is any wonder that since the Conference Mr. Hayden has protested,

"that considerable suspicion of the Labor Party ... and all Labor Party governments remains in the electorate."

(T.J.Ryan Lecture, October 1979, P.15)

This suspicion is well-founded. We must never abandon our faith in Liberal principles to secure national goals. The history of Liberalism since 1945, has provided a catalogue of prosperity, stability and achievement that we must seek to emulate in the 80s. But, our commitment to Australia can only have active relevance when our philosophies gain expression in Government.

Only in Government can we continue to attack inflation, promote economic growth, and increase job opportunities for all Australians; can we secure the monarchy, the Parliament and the Constitution from savage attack; can we secure the devolution of economic and political power which is the hallmark of real freedom; can we secure the vital role of the States in our federal system; can we secure freedom for all individuals and protection for all people from the intrusion into their lives of large and complex bureaucracies. These goals have been reached in the past because of Coalition Government.

It would be short-sighted, to say the least, to allow them to be placed in jeopardy now. I need not remind any of you that the waterless desert of Socialism is no breeding ground for individual freedom.

Let us remember that at no time in the past, did Sir Robert Menzies possess a majority in his own right in the House of Representatives or the Senate.

Had he at any time denied the coalition, he would have been effectively denying Liberal Government. What then would have happened to Australia in the last thirty years?

The success of the coalition in the past has certainly sprung from commitment and faith by all of us. But it has been sustained by individual and party discipline; by that kind of restraint that lends strength and dignity to any organisation.

We need to remember that what may take years to build, can be easily destroyed. The very definition of coalition implies the possibility of differences. I have made the point often. But I cannot recall any federal policy issues that have been decided on party lines.

There are no instances where Liberal policy has been hampered in its execution by the existence of the coalition. These are testing times for our party. It is doubtful if ever before, in peace time Australia, other than in the immediate post-war period, has a government been handed such a wretched legacy as we received in 1975.

Yet in the last four years we have come a long way. A sense of achievement, optimism and faith in our future has been reborn amongst Australians.

But, this is no time for self-congratulation. Our responsibility now is more vital than ever. The sweeping successes of the last two elections must not lead us to believe that a Liberal future is secure and unchallengeable. Our hard-won victories of the past will be hollow if they lead us into complacency in the future. What we need now is new effort, continuing co-operation and a commitment to priorities which will benefit all of us.

If we really value security for our children and our families in the future; if we understand that the well-being of the nation rests upon economic stability and growth; if we accept that, central to true democracy, is the proper functioning of State Governments, and if we believe that these goals can only be achieved by putting Liberal principles into work in Government, then which of us, by our own actions, is prepared to take a course, to pursue an argument, to make decisions which will jeopardise these great Liberal objectives and ideals?

The only thing that can damage us is division amongst ourselves.

Make no mistake, the Australian electorate takes a dim view of political divisiveness. Harmony is an essential ingredient to political success. The A.L.P. has shown us time and again that internal political division is political death.

Amongst ourselves we have had some discussions in recent times about coalition arrangements. Let me say that the criticism of those arrangements has always come from those who do not have to be, and have not been part of a coalition.



I understand completely the frustrations and difficulties within our State where the Liberal Party governs in its own right. I condemn as unconscionable the allocation of preferences to the Labor Party by an anti-Socialist party. I condemn as unconscionable the use of open tickets by the National Party.

In years past I was a member of the State Executive and I understand the State's viewpoint completely. But acknowledging all that it is not just an accident that through almost thirty years of federal coalition, Ministers' seats have not been contested by candidates from the coalition partner.

The art of the successful coalition imposes certain obvious requirements. We are one Government, with one policy, supported by all members of the coalition.

There is loyalty amongst the Ministry which enshrines the notion of collective responsibility. Without this, the Government and the Ministry would fall apart.

At election time we go to the people as a coalition government with a common policy and purpose. Together, we defend our record and proclaim our position for the future. What is the position then, if a member of our party seeks to stand against a Minister representing our coalition partner?

This would lead to criticism of the Minister, who would be forced to respond. Let me take it a step further. What do Ministerial colleagues do in this position?

Here is a challenger from their own party. Normally one would expect that they support their own party colleague. But let me say that Ministers within a government cannot be on conflicting sides in an election. There would be no trust around the table if a Minister knew that his coalition partner with Ministerial support was seeking to defeat him in an election.

There would be no coalition in this instance.

If a Minister from one party starts campaigning to defeat a Ministerial colleague, the strains placed on the coalition would be unbearable. In these circumstances Ministers either have to support their Ministerial colleague or support their own party. They cannot do both.

Either way there would be conflict and division. Such a contest would not be a mere local matter. It would be national news.

It would be an act which defied all the traditions of three decades of successful coalition government - decades of achievement unparalleled in Australia's political history.

It would place at risk not just the future of the Liberal Party; not just the future of coalition government; but the future of all Australians; who seek from political leadership sound and effective government. This is a risk which, I believe, no member of the Liberal Party, or the National Party is entitled to take. No individual, no party, is more important than Australia and its future.

Over the years many great and important issues have come before this State Council. Aware of its traditions, and in a spirit of informed debate, council has passed judgement on matters of regional, state and national importance. It has a proud record of acting with a sense of responsibility which is reflected in the success of the Liberal Party in Victoria for many years. Matters before us today are of genuine national importance and I urge you in your considerations to follow our proud traditions.

A Coalition that seeks a sense of unity and stability from the nation must demonstrate these qualities itself. The challenge confronting us now is great. Our response as a party must demonstrate the measure of our greatness. Now is the time for all of us, in both coalition parties, to galvanise all our political and physical resources so that the anti-socialist forces in Australia can lead this nation productively through the demanding decade ahead.

As we approach this new decade, we should rightly feel some exhilaration at what it will provide. We are ready for its challenges. To our abundance of individual and natural resources we need to add a sense of unity and purpose.

Our victories in the future will only be equal to the discipline we apply in search of them.

With this in mind, we need in 1980, to work with every sense of confidence; and commitment; to see that the mental and spiritual attitudes which underlie our Liberal movement, become the driving force behind the efforts of all Australians, in the next decade and beyond.

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