



# PRIME MINISTER

FOR MEDIA

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ADDRESS TO AUSTRALIAN LIBERAL STUDENTS

FEDERATION

Tamie and I are honoured that you have chosen in this generous way to commemorate my 25 years in the Commonwealth Parliament. Indeed, it is a great night for the Liberal Party, gathered as we are in the name of a great cause within the walls of one of Australia's great universities.

Perhaps the ultimate pleasure is that we can boast a gathering of this size in what is surely not a heart-land of Liberalism. Because this is a commemorative occasion, there is a tendency to reflect, to walk over the past. There is no harm in this. So long as it informs us about the directions we should take in the future. Indeed there is some fascination in comparing the changing face of Australia during those 25 years.

In 1955 there were 10 universities in Australia. Now there are 19. There were 49,000 students in tertiary education; now there are 317,000. Since I came to Parliament our population has increased by over 5 million. The percentage of our population born overseas has risen from 14 per cent to about 20 per cent. Average weekly earnings rose in real terms (74/75) from \$87 to \$152. GDP per head rose in money terms from \$1,056 to \$7,091 in real terms from \$2,600 to \$4,800.

In 1955, there were 220 cars per thousand head of population. In 1977, there were 463. In 25 years, our national development has undergone tremendous change. A rich artistic and cultural talent today complements our national purpose. The world of theatre, opera, ballet, film, science, literature and sport has produced great Australians.

Their greatness has been measured against the best in the world. Rarely has it been found wanting. It is a story of diversity and achievement, for our size, perhaps unparalleled throughout the world. But we have to be careful in looking back.

For what one sees is often blurred by time or reduced to a series of incidents, often not truly representative of the past. Moreover, the excitement of life belongs to the future, to what is going to happen tomorrow, next year, in the next decade.

The future invites a contemplation of the people and the ideas that will influence events; of the challenges and contests that will engage our energies; of the kind of society that

this will bring. The fascination about the future is that it is unknown and therefore uncertain; and so still capable of being influenced by people with ideas and convictions. That provides a challenge to us all.

With confidence in ourselves and confidence in the capacity of the Australian people we can look to the future with hope and justified optimism.

In the years ahead, we will be met by challenge and change. But let me talk just for a moment about some changes in the past because that could be instructive for the future. When I first entered Parliament the circumstances confronting Australia then were considerably different from those we are experiencing now. It was 10 years after the War; only 4 years since we signed a peace treaty with Japan. Australians, living through those times, had been haunted by the fear of invasion and occupation.

The War and the successful fight for Australian freedom left indelible memories, inspired in us a pride in what had been achieved. It left us all with an obligation to the past and a great responsibility to the future. Our fathers had fought through depression and war for a belief and an ideal. We owed it to them to take up the fight for the kind of Australia in which they believed. We have an obligation to our children to see that we hand on that freedom, extended and enriched.

Understandably, the Australian of the decades immediately after the War was fiercely independent with great reserves of ambition and pride. It was not until 1949, when Sir Robert Menzies came to power that war time controls, restrictions and restraints were removed.

This unleashed the enthusiasm, energies and creativity of the Australian people. When these became allied to the new opportunities activity, productivity and investment grew and diversified through the 50s and 60s.

Our international trading reputation, built on our great rural industries, was expanded and broadened by a developing manufacturing sector. Much of this was made possible by a massive migration programme, bipartisan in concept and execution, which has enormously enriched Australia's culture and traditions.

Foreign investment brought new technology and skills. Because of the conviction and faith in Australians; because of their willingness to accept the opportunities in front of them; and encouraged by a government committed to freedom in enterprise; Australia became a land of greater opportunity, producing men and women of adventure and achievement. Added to that, the mineral boom brought with it new technologies, new markets, new communities in remote areas, and new thrusts in decentralisation. The very successes of the post-war years - the expansion of Australian well-being; the quality of Australian home and family life; these brought with them the belief that they would continue forever; that difficulty and hardship were things of the past; that there was no longer a need to strive for a successful future.

Many came to believe that these successes were ours as a right rather than a reward for effort and achievement. By the 70s, success had brought its own temptations. As Liberals, we were no less guilty than others. We continued to believe in our principles but we failed to fight for them. Our dedication, our idealism, our creativity seemed to dissipate. We did not adequately recognise that success for individuals, as for the nation, must be earned.

Whatever the cause, we developed a short sightedness about the challenge of our political opponents. We took our futures for granted and put them in peril. The electorate rang with the sound of Labor slogans. We were told that Labor would be moderate, mild, responsible and reasonable, some of us even believed it.

Labor's audience was young, new and receptive. For them the war was only history. We had all forgotten the obligations that freedom imposed. The 70s brought ever-increasing community expectations unaccompanied by any corresponding commitment to productivity. The Labor Party encouraged and yielded to these demands with a whole range of policies and promises for a better life; for an easier future without effort, without commitment.

In these years, we lost the understanding that as a nation we can only consume what we produce - that dedication to economic growth is essential if the community demands are to be met. The contribution to be made to community life by excellence and achievement gained only limited recognition. Where the crises of the past were surmounted by the collective commitment of individual Australians, the 70s became a decade of expectations devoid of a commitment to obligation, merit, excellence or exertion. Inevitably, the seeds of inflation were sown; our industries lost their competitiveness; the rise in unemployment was guaranteed. The Australian government then, with those of other countries, was slow to recognise the corroding effects of inflation. We were overtaken by weakness in management and by defects in policy.

And as if that were not enough, by 1974, a new external challenge confronted us - the first world oil crisis. For the world as a whole the switch from low to high cost energy over night transformed a limited down-turn in the world economy into a full-scale recession.

Of course, Australia was affected by these events, but they were effects which were significantly avoidable. We were one of the few amongst world economies with great natural resources; rich endowments of energy and a long record of lower inflation. But instead of policies designed to minimise the effects of adverse overseas events, Australia pursued policies that compounded these effects. As a result our international competitiveness was lost.

In 1975, as in 1949, the Liberal Party was called upon by the people to revive the national spirit. I appealed then to Australians to retain their idealism; their faith in institutions; their sense of reform; their dedication in democracy.

I called upon them for a return to 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..."

It was met by a comprehensive response from the Australian electorate. Now, as we enter the 80s, our undeniable successes are testimony to the judgement of the Australian people.

Indeed, thinking about this occasion tonight, and its significance to all of us, to Tamie and myself after 25 years in politics, my over-riding feeling is one of simple good fortune at being an Australian; pride in having this country in which to bring up our family; in being privileged enough over a reasonable period of time to see and take part in Australia's growth and development as a nation.

We are indisputably a country of modest size, but a country of real strength. How often is this not adequately recognised by Australians? How often do we see Australians self-effacing, almost apologetic about Australia? Is it because we are awed by older countries larger in population, more powerful in material things. Is it because Australia's mere 80 years as a nation breeds a lack of confidence in ourselves and what we can achieve? Do we believe that Australia's role is to support and follow rather than contribute and lead? That diffidence, I believe, is unjustified and its time is past. We are learning to contribute in the world; to pursue our own thoughts and ideas. I increasingly find a new sense of confidence, pride and direction in Australia.

These will continue while we maintain conviction and belief that what we seek is worth pursuing and that we are prepared to work for it. This will be essential as we face an increasingly difficult international position. Many major economies are in trouble with high and rising inflation. The growth of world markets is slow. Major economies will produce less this year than last. There is no prospect of a fall in international unemployment. That means, that in resolving our own difficulties, Australia cannot look for help from world events.

What we do, we must do for ourselves. We are in a much better position than many other countries. In the United States, inflation is running at 16%; in the United Kingdom at 18%. In the United States interest rates have hit 19%. Both countries are major influences on world events and are in real difficulties.

They are tackling those problems, but they will take time to cure. It is worth noting because of the strength of our economy; because of our lower rates of inflation; because of the strength of our balance of payments; because of the strength of our rural and export industries; because of investment opportunities here; these overseas events impacted upon Australia much less than they would have in earlier times.

On top of extraordinarily difficult economic problems, major world countries are now having to respond to a worsening strategic situation. The Russian invasion of Afghanistan has been condemned throughout the free world.

The United States is increasing its defence expenditure greatly.

We are adding to ours. Such a stand should be taken in the defence of freedom; but inevitably there is a price to be paid and the necessity of defence decisions has accelerated inflationary expectations in the USA. That only compounds economic difficulties confronting major economies.

By any standards the international situation is a difficult one. Against this background it is possible to still pronounce confidence in, and optimism for, Australia's future in the 1980s. There are sound reasons. Our inflation rate is below that of most of our major trading partners; we are internationally competitive; costs are down; exports are up; and employment is rising.

These are significant achievements; achievements of government economic management and policies. Because of this, we are attracting more investment to Australia than would otherwise be the case. In the two years since 1977, over 6 billion dollars has been spent on major new investment works in and around Australia.

Now, projects worth nearly three times that amount stand ready to go. This is a direct result of the transfer of economic power from government to the private sector, coupled to the willingness with which the private sector has responded. It is a paradox that the energy crisis which poses enormous difficulties for western countries and significant difficulties for us, also carries with it significant advantages for Australia.

We are one of the few energy exporting countries amongst the western world. Certainly we are short of oil, but natural gas, uranium, black and brown coal we have in abundance. We have relatively abundant and cheap supplies of coal-based electricity that attracts to us greater investment and greater opportunities.

The possession of natural resources, and adequate supplies of energy are coming together to provide the prospects for a great decade in the 80s. Resource and energy investment opportunities will provide strength to our economy in the years ahead, providing an international perception of a strong Australia.

Central to the government's success in attracting investment is the fact that now, as after 1949, we have pursued policies which recognise private enterprise as the engine of growth and progress.

Our economy has been structured in such a way as to limit the economic power that resides with the government. Indeed, the aim of Liberal economic organisation is to produce a multiplicity of economic power centres because this in turn expands choice and with that, the economy begins to absorb innovation, technological change and efficiency.

It becomes accountable; it is capable of responding to market adjustment. It offers the opportunity of reward for risk taking. However, if government accepts the responsibility to provide such an economic climate in which investment is worthwhile; in which there are adequate rewards for risk taking; in which the incentives offered by the economy and available markets provide just return on capital, technology and expertise; then this carries with it a corresponding commitment from business to live with the difficulties and risks of a free enterprise system, in return for accepting its rewards.

By world standards, the Australian economy is strong. By world standards, the Australian economy is in good shape. That is not to say that there are no threats or dangers. Of course there are.

In Australia, a constant determination is required because of the problems posed by Left wing dominated trade unions.

Not only in this country, but also overseas, the power of trade unionism has increased to the point where it constitutes perhaps the greatest single threat to economic health and the economic and political freedoms of individual citizens.

There are those who say in the face of union disputes that the rule of law is inappropriate for their resolution. That all that is needed is reason and negotiation.

It must be remembered that several unions have enormous economic resources, far greater than some corporations; with the capacity to affect the life of many more people in the community than any corporation. Yet, when the director of a business corporation abuses his power, in other words, when he breaks the law, nobody suggests that he should not be charged, fined or even jailed. People just say the law has been broken; a business leader has abused the privilege of his position.

Yet trade union leaders often with more power than a business director, believe they should be outside the rule of law. They cause enormous disruption and hardship. They can send industries bankrupt.

Yet these same men turn their backs and say the law has no relevance; that we must negotiate; that we must be reasonable; that we must see what is acceptable to the Transport Workers' Union or to Mr. Halfpenny and then accept that.

That is not the kind of Australia you want to live in. It is not the kind of Australia I intend to live in. No Government can afford to reach the position where major economic decisions are taken in fear of reprisal from the Union movement.

Yet in New South Wales it was the Transport Workers' Union, not the Government, not Premier Wran, who determined priorities for emergency fuel. That is not the kind of Australia any Australian would wish to live in. It is not the kind of Australia that I intend to manage.

Apologists for the exercise of excessive union power argue that the rule of law is itself provocative. That it represents a prescription for confrontation. What kind of logic is that?

Consider the recent strike situation. Because of unions, industry was closed down: the community was immobilised: Australians in their day-to-day lives were inconvenienced because of decisions taken consciously and deliberately by Left Wing union leaders. They were decisions taken in defiance of the community interest.

It is the Union Movement which has confronted the whole of the Australian community and pursued alleged union rights exclusively at the expense of community rights.

Nobody could suggest that it was the Government which sought confrontation. We will do much to seek solutions through conciliation and negotiation. But we will not betray reason - we will not accept unreasonable demands.

When a large and powerful corporation combines with a large and powerful union to deny the right of supply of goods to an individual, then a serious situation has arisen within our society, within the relevant industry and within the Union movement.

The situation in which Mr. Laidely has found himself is the result of an agreement reached between the union and the corporation. The Arbitration Commission called the parties to a conference. The petrol distributor was not asked to participate. The corporations and the union, under the auspices of the Commission, but without the distributor, came to an agreement that determined the distributor's fate. Mr. Laidely was disposed of in his absence.

The Government has requested the parties to make public the terms of that agreement but without success. If that agreement were made public, the wider Australian community would understand very plainly the full weight of this Government's concern.

If individual freedoms are to be protected from the excesses of corporation or union power then the framework of the law within our community must underline the right of survival of business and the freedom of Australian citizens. Small businesses in Australia employ up to two million people, a large part of the workforce. They need to know that there is adequate protection under the law.

If two corporations combine to deny supply to a third party, it is against the current provisions of the Trade Practices Act. But if, as in the case in New South Wales, a large corporation and a powerful union come to an arrangement that denies supply to a third party, the present law would permit it.

Ministers have been working on this matter and I hope that decisions can be announced next week, approving amendments to the Trade Practices Act.

I want to make one other point in relation to this case. The Arbitration Commission has a powerful influence on Australia's affairs, being vested with responsibility for settling industrial disputes.

I believe that all Australians would support me when I say that the way in which the responsibilities of the Commission are accepted should be one which provides for the settlement of disputes according to the concepts of justice and fairness.

I believe the community would be appalled by any suggestion that disputes be settled on the basis of power alone.

In this case it is hard to avoid the conclusion that it was the exercise of power which determined the outcome. There are also many in the community who would believe that the manner in which disputes are settled is at least as important as the nature of the settlement. In other words, the end does not justify the means.

Just as there are problems - and opportunities - at home, so there are abroad. In tackling the problems - in seizing the opportunities - in international affairs, our alliances are of obvious importance to us. But because we are an A.N.Z.U.S. partner with the United States, and closer, perhaps, in that alliance than at any time since its signature, that does not mean we agree with every manifestation of the USA's political and strategic policies.

We were founded from Britain: but that does not mean that we inevitably support a British view. The fact that we are an aligned Western nation is not incompatible with a future that is dependent upon new trading relationships as well as those that existed 20 years ago. It is not incompatible with our pursuing our common interests with India, a country of vastly different regions and outlooks to Australia. It is not incompatible with our taking a view of Africa and influencing events there in a way which significantly diminishes the prospects of war and of eventual communist domination of Africa.

If a middle ranking country of Australia's size is to have any opportunity to influence wider events, it must do so through reason, through the quality of its arguments. And it is important that we should take that path. Middle ranking countries should not just sit back and say that the problems are too great, that it is only the super powers or the great powers that can influence them. The world and our future in it is too important for that abdication.



Moreover, middle ranking powers who are prepared to pursue a reasonable path can influence events and have.

Significantly, as a result of these policies, Australia has won a new respect in diverse forums - in the United States, in Britain; in Europe; in Africa; South East Asia and the Western Pacific, and indeed in the South Pacific itself - our own immediate region, where we have been demonstrating a concern for small island states.

Much of this has been achieved by being prepared to examine issues on their merits, and by rejecting the view that because we come from the West we can automatically be counted as part of a Western caucus.

In a number of instances, when we have believed that the Western Group was too rigid or narrow in its approach, we have struck out on our own.

And on occasions we have found the Western Group, and countries from the developing world, moving close, after a time, to the position we had already taken.

We support the United States when we believe she is right. We do not support the United States just because it is the United States. That is well understood and accepted.

But I need to say also that in many of the great issues affecting the world, Australia's future will inevitably and significantly depend upon actions and attitudes taken by the great powers and pre-eminently by the United States. For there are some things which need doing for the protection and preservation of the free world that only the largest free power in the world can accomplish - simply because power is needed for the accomplishment of great objectives.

We all know the dangers the Soviet Union poses to international peace, the unrelieved pressure, the constant probing, the enormous resources devoted to arms as each year passes. The United States is the only country which can stand against that. It is the only country with the material power.

It is no more than the plain and accepted truth that in recent years the United States has been through difficulties. After Vietnam and Watergate, there were divisions - a loss of direction within the United States.

That has posed difficulties for the whole free world, for the whole community of independently-minded nations. But in the United States a few weeks ago, I found a different America - a sense of purpose, a sense of conviction, a direction, a unity behind the President and the Presidency in standing for freedom and opposing further Soviet aggression.

That unity and sense of direction in the United States generally, which had not been present for many, many years, perhaps since the War, is most important to any President. The leadership of the United States must be the loneliest leadership of all.

President Carter has embarked on the vastly important task of convincing the Soviet Union that it must not move beyond Afghanistan, of creating and maintaining pressures against the Soviet Union while the invasion of Afghanistan lasts, of seeing to it that the free world of the 80s does not make the tragic mistakes made in the latter half of the 30s as step-by-step the world moved closer to the Second World War.

In that context, the United States' President obviously needs the support and encouragement of his own Congress, of his own people. And beyond that, it is my belief and conviction that the United States, in the matters in which we believe her to be right, needs the support of other countries such as Australia.

The United States as the world's greatest free power is very much aware and very sensible of the responsibilities that that entails. They not only want to be right. They want others to believe and to know that they are right in the course that they are pursuing for the defence of their freedom and that of other nations. That is why it is important, if a nation such as Australia believes the United States is right, that we say so forthrightly and act accordingly even if at some cost to ourselves. Without that kind of support, there would be reason to doubt the capacity of the United States, or of any nation, to sustain over a period of years the course that will be necessary if we are to prevent in the 80s all the errors that an earlier generation of world leadership made in the 30s.

The task for all of us is to demonstrate that we are capable of sustaining an effort over a period of years which will in an inevitable and plain way give such a clear signal to the Soviet Union that they will not embark on any more Afghanistans.

So abroad, as at home, the requirement is to sustain our beliefs and to work for their realisation. And I am heartened by the knowledge, as my invitation here tonight confirms, that there are young people amongst us who, believing in a cause, are prepared to fight for it.

The success of the Liberal Movement on this campus has been hard-won.

But if it derives from a willingness to surmount obstacles, a readiness to persist when it would be easier to give up, a determination to succeed no matter the odds, a dedication to an ideal no matter how much it may be unfashionable; if this meeting tonight owes its existence to these, then not only do I congratulate all members of the Monash University Liberal Club and the Liberal Students Federation, but I do so in the knowledge that your membership and your participation has fitted you well for the challenges you will meet in the future.

Because challenge will always be with us, victories can never be won for all time. That is why we must never vacate the battlefield. What we must do is to win the fight for freedom and for our beliefs in our time. We must determine to hand on to our children, conditions and attitudes in society which allow for the full exploration of individualism and creative spirit.

We must never allow the beliefs which brought our country greatness to become corroded.

Thank you for your generous invitation. Thank you for the courtesy of your welcome and your hospitality. I am confident that Australia will be well-served in the years ahead while the spirit and commitment, so evident here tonight, prevail within our community.