

EMBARGO: 8:00 pm

# PRIME MINISTER

FOR MEDIATHURSDAY, 26 MARCH, 1981

## SPEECH TO THE MELBOURNE CHAMBER OF COMMERCE

This is a proud occasion for the Melbourne Chamber of Commerce, and I am very pleased to have been asked here tonight to celebrate with you the Chamber's one hundred and thirtieth anniversary. The Chamber is as old as the State of Victoria itself, and during that long life has many achievements of which it can be proud.

When considering the record of the Chamber, there is one area which, in my view, stands out above all others. It is not a particular action, nor a memorable event. It is a tradition which has been expressed on many, many occasions in the work of the Chamber. I am referring to the Chamber's long support for the principle of freedom of enterprise.

Freedom needs not only to be defended abroad, but at home as well, and the Chamber of Commerce has been a powerful voice over the last one hundred and thirty years for the principle of freedom in economic life. That this expresses the commercial interests of the members of the Chamber in no way detracts from the value of the Chamber's role. In fact, it is the best security that the Chamber will continue in this role.

I have no hesitation in saying that the Chamber's defence of freedom in commercial life has been an important element in preserving political democracy in Australia. For while economic freedom does not guarantee political freedom and political democracy, I know of no free state that has survived without a substantial measure of freedom in economic life.

The freedom to set up a business, to trade, to identify needs and to meet them supports political freedom in many ways. Economic freedom ensures that there are people of independent voice to advise and to check Government, people who have the resources and the skills to organise to defend their point of view. Freedom means that power in a community is not concentrated in a few hands, but is shared so that the power of some checks the power of others. The history of the Chamber well illustrates that fact.

At various times the Chamber of Commerce has campaigned strongly - and effectively - against efforts to concentrate economic power in the hands of the Government. Free enterprise does not only mean freedom for entrepreneurs. Just as important, it also means freedom for consumers.

Under conditions of market freedom, individuals have more power than under any other form of economic organisation. In a market economy individuals can choose where they will work, and for whom; what they will buy, and when. Businesses and governments may sometimes feel uncomfortable with their decisions, but individual people are the ones who benefit. In exercising their freedom to choose, they create over time an economy and a society which is more likely to adjust to their needs than one which is centrally controlled.

While we celebrate tonight an organisation which has given strong support to our great democratic tradition, we would do well to remember that in other parts of the world men and women are still struggling to establish that freedom. In Poland tonight heroic people are striving to grasp the freedom that has been ours for more than a century.

Excessive power in the hands of government stops people from effectively realising their own values, and inevitably leads to economic stagnation and social conflict; but any relaxation of that power gives to others a greater capacity to challenge that regime. When we look around the world at those countries which have shown a marked degree of economic success and sustained - often spectacular - rates of economic growth, we find that they are, virtually without exception, countries with a large measure of freedom for entrepreneurs and consumers in economic life.

From the Nineteenth Century England (and Australia), to the United States, the post World War II German miracle, to the more recent miracle of Japan, and increasingly the ASEAN countries, we find that the free market economy has been the key to rapidly rising standards of living for ordinary people.

Government has a vital role in establishing the framework of rules for a free economy. But if it taxes too much, spends too much, borrows too much, it can crowd out private enterprise and actually undermine prosperity. The recognition of the importance of giving encouragement to private enterprise and room for it to grow has lain at the heart of the economic strategy we have followed since 1975. The growth we see around us today - the prospects Australia now has before it - are, I believe, fundamentally the result of policies based on that recognition.

Our policies have sought to rein in Government spending and cut back on the deficit so that competition between governments and private enterprise for scarce resources has been reduced. Our objective, moreover, has been to achieve these aims by expenditure restraint, not by imposing higher levels of taxation. We need lower, not higher, taxes.

It follows that efforts towards spending restraint - at all levels of government - must be doubled and redoubled. In that way, private enterprise will have the stimulus and the room to grow, and consumers will have increasing capacity to spend the incomes they earn in the way that they see fit.

Governments can also impinge on the freedoms of individuals and businessmen through wasteful and inefficient regulations. But the opportunities available to business in a free enterprise system are accompanied by inevitable risks. The possibility of profit, of innovation, of great achievement is matched by the possibility of loss. There has always been, and I suppose always will be, a tendency when business is down to seek additional assistance and protection from Government - to reduce the risks of competition in the interests of security.

The Government is well aware of the legitimate claims of private enterprises for certainty and predictability in the economic environment. But we also need to recognise that Australian enterprise will not become strong on Government granted privileges, but in facing up and surmounting the challenges of a competitive economy. We are first and foremost a Government which believes that consumer interests and consumer decisions must be dominant determinants of the allocation of resources among business enterprises. There is no cause for apprehension on this score - for Australian business is increasingly demonstrating that it has the capacity to hold its own with any in the world.

Freedom, of course, has another side - responsibility. A free society, and a free economy, will only work to the satisfaction of citizens, if freedom is exercised with responsibility.

There are two areas in particular where our freedoms are under threat from those who ignore their responsibilities to their fellow citizens. The first I will mention is tax avoidance and evasion. Some of the schemes which have been revealed in recent times must be viewed not only as the avoidance of tax, but as a total rejection by their beneficiaries of all obligation to support community services. Whatever the letter of the law may have been, its spirit has been wounded by those who have sought to evade their obligations to their fellow citizens.

The strength of a community should not be measured by the tightness of its laws and the stringency of its law enforcement, but rather by the recognition of the obligations we all have to each other. The community's intolerance of tax avoidance and evasion is becoming increasingly obvious. And the Government is determined to eliminate such schemes by law. But from a broader standpoint, the need for such action is already an admission of defeat.

There are many hundreds of people here tonight who can truly be said in their own walks of life to be leaders in the community. The responsibility falls on all of us, in Government and in private enterprise, in public and in private, to stand for those codes of behaviour which strengthen, not corrode, the faith of people in their community. The selfish pursuit of private gain at the expense of the community erodes that faith, and leads to demands for even more stringent laws.

I am confident that I can call upon you, the Melbourne Chamber of Commerce, for support in the campaign to re-establish that firm sense of community obligation which is the only solid foundation for a free society.

There is another area, also, in which freedom is under challenge in Australia today. This challenge comes from militant trade unions who strike to achieve financial gain or shorter hours - or both - for themselves regardless of the costs and hardship they impose on their fellow citizens.

In the Qantas dispute, we saw thousands of Australians stranded overseas because a few trade unionists claim the right to force acceptance of their demands. We have seen Sydney's beaches flooded with sewage as a deliberate tactic by a few to coerce their fellow citizens. Some extremists in the trade union movement now seem to be claiming an untrammelled right to exploit their fellow citizens and to cause needless suffering if this will advance their pursuit of power.

No decent community can accept such behaviour nor - I believe - is it supported by the great bulk of trade union members. Once again, we will act against it with the full force of the law. But abiding by the law, being within the letter of the law, is not the end of responsibility or moral obligation. If every wrongful act has to be proscribed by law we are going to be overridden by rules and regulations.

One of the great strengths of the Australian people has always been the sense of decency and respect for others, the desire to assist those in need, to lend a helping hand, to do the right thing by other people. The tax evader who imposes added burdens on other people, the union official who disregards the impact of his actions on others, are equally guilty, of breaking this code of behaviour. I simply do not believe that most decent union members support campaigns which inflict hardship and loss on their fellow citizens.

The solution here lies in the courage of those union leaders and members who see that this is the time to take a stand, who are prepared to work to change attitudes. Free trade unionism, like free enterprise, is a fundamental element in a free society. Exploitative unionism, like exploitative business, is an attack on freedom and shows the need throughout the community for a strengthened awareness of our community obligations. We are all Australians and we need to act with a clear recognition of that fact.

It is to the great credit of the Melbourne Chamber of Commerce that it has taken its responsibilities to the community seriously. The toast to the Chamber is not only a toast to a long existence; it is much more a toast to an organisation which has proudly defended some of the great traditions of Australians.

Your Excellency, Mr. Premier, ladies and gentlemen, I ask you to rise and charge your glasses in a toast to the Melbourne Chamber of Commerce on its 130th anniversary. Long may it prosper. To the Melbourne Chamber of Commerce.