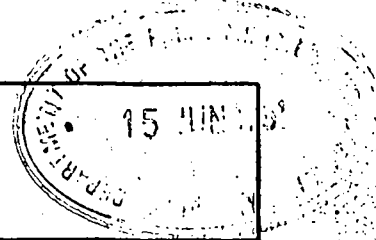




EMBARGO: AGAINST DELIVERY

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# PRIME MINISTER



FOR MEDIA

SUNDAY, 31 MAY 1981

PRIME MINISTER'S ADDRESS TO THE FEDERAL COUNCIL MEETING OF  
THE LIBERAL PARTY, LAKESIDE HOTEL, CANBERRA

Let us never forget that the future of Australia is totally dependent on the Liberal Party. Our Party has been the dominant political force in building the free, decent, tolerant and compassionate Australia to which we are all committed.

It was the Liberal Party which provided the direction, the ideals, the purpose, and the organisation which in 1949 came to the rescue of an Australia crippled by Labor's socialist policies. We did it again in 1975.

The Liberal Party stands for the way of life we want for this nation, and against those who would undermine and overthrow that way of life. Millions of people depend on the Liberal Party to defend all that they hold dear. And we have told these millions they can trust us.

Having accepted that responsibility, our obligation is to stand together as one party, united, to advance the cause in which we all believe. And we must never forget that we are one party. The branches, the State and Federal organisations, and the Parliamentary parties are all part of one great political movement. Whether we belong to different sections of the party or to the same section, we must retain the capacity to speak with - not at - each other.

Division and disunity weaken our cause and advance the cause of our political enemies. The Labor Party will never defeat a united and purposeful Liberal Party. Only one thing can defeat the Liberal Party: division amongst ourselves.

The Liberal Party embraces the broadest cross-section of the community of any political party. We treasure in our Party a tradition of healthy argument and vigorous debate. We have a Party structure in which there has always been ample opportunity to express opinions and to persuade others that these opinions are right. We have a long tradition of working as a team and a total rejection of public actions and public behaviour which could damage respect for the Party in the wider community.

Our tradition of freedom in voting in Parliament on matters of deep personal commitment is very different from the caucus-imposed discipline of the Labor Party. We recognise and respect the person of principle, and we do not insist on a rigid conformity where principle is involved. The unity of the Liberal Party does not come from compulsion. It relies rather on the intangibles of judgement and responsibility and it depends upon a sense of what is right and decent. Unless we recognise the importance of working together, we cannot expect the people to support us.

John Mason this week decided to retire. He did so with dignity. I, along with Liberals throughout Australia, am grateful for what he has done for the Party. I hope his successor, whoever he may be, will receive the support of all his colleagues in the Liberal Party.

We have also seen in recent days the announcement of the retirement of a great Premier in Victoria, Dick Hamer. As the days pass, more and more people will come to appreciate more and more fully just how much Dick Hamer has achieved. Dick Hamer is a person of decency, humanity and integrity. He always argued Victoria's case more firmly and more vigorously than many know. It was Victoria, through Dick Hamer, which caused the Federal Government to re-open, after years of neglect, the vastly difficult problem of relativities in financial arrangements with the States. Dick Hamer deserves great credit for this. It is not widely enough appreciated how much he has done to contribute to the economic recovery that is now taking place.

It is true that in recent times there were demands for greater change in policies and attitudes. But let me assert with all the strength I can command that those in the Party who joined in public criticism have not served the interests of themselves, or of the Liberal Party, or of their State.

We all know that people react in different ways to difficult circumstances. But we also know that the crew which works together, which maintains its self-discipline and stays on course, will sail through to clear waters. Those who become nervous at the sight or sound of trouble, who respond to every criticism and every adverse headline, are a danger to themselves and their colleagues. Fair weather sailors in politics are a risk to their party and to the hopes of voters who have trusted them.

The test of a political party is whether it can ignore the headlines that bear little relation to the substance of politics or of life. In the overall perspective, the headline of a day matters nothing. What is important is to know where our present actions will put us years and months ahead as well as weeks ahead. We need a sense of where we will be at the end of the decade and beyond. We must take the long view and stand by the objectives of our Party, objectives which the Australian people have endorsed again and again.

It is only by taking the long view that our policies will be implemented, only by taking the long view that we shall maintain the respect of the Australian people, only by taking the long view that we will build the kind of Australia we want for our children, and for their children. It is sound understanding and constancy of purpose that give to the Liberal Party the will and the strength to ride the storms and to be a guiding force in Australian life. When we know our philosophy and our policies are right the criticisms and attacks of the day matter little.

We have provided leadership to Australia because of our steady purpose and philosophical direction. And at no time in recent years has that sense of purpose and direction been stronger than it is now.

Our philosophy has now come to the forefront and this is in itself a remarkable turnaround. For it was only in 1972 that Whitlamism - the so-called moderate version of Labor Socialism - was in full flood. This doctrine gave a vast role to government and so there ensued an endless creation of departments, boards and commissions which produced a rise of 52,000 in Commonwealth employment in three years, while employment in private enterprise was undermined.

Under this doctrine, the States were to be replaced by the agents of Canberra, and private enterprise was subjected to the most detailed Government direction and regulation. In short, this doctrine asserted that Governments and bureaucrats know what is good for us better than we know it ourselves. Everyone except Labor now rejects that doctrine.

There is now a virtually universal recognition that the right direction for Australia requires cutting back on bureaucracy and waste in Government; reducing costly regulation, and duplication between Commonwealth and States; encouraging private enterprise; reducing Government spending; and returning to people through lower taxes a greater say over how their own earnings are to be spent. The acceptance by Australians that this direction is the right one is an enormous achievement.

Our Party was at the forefront in world terms in recognising during the seventies the kind of Government that would be appropriate for the rest of this century. We realised that certain policies that had been effective in earlier decades would no longer work. And our 1975 programme spelled out the policies that are producing in this country the way of life which Australians value, look forward to, and are entitled to have.

We took a lead at a time when many people were confused. And now when many countries in the West are still struggling to regain their sense of direction, we are fortunate to be moving so strong in the right direction. Our programme pointed unambiguously towards lower taxes and greater job opportunities, to improved standards of life for all Australians, protection for those in need, an unyielding resistance to racism and discrimination; the protection of individual rights and the conservation of Australia's magnificent natural heritage for the benefit of all generations.

A key element in achieving our goals was to establish a more limited role for Government. To this end we have cut back the Commonwealth's spending as a proportion of G.D.P. from over 30% to under 28%. This is a vital achievement, for it helps make room for private sector growth.

We intend to go further but we have come as far as we have only through the most rigorous restraint of Government expenditure. We have reduced the number of public servants under staff ceilings by some 10,000, and it is now well known that our recent decisions will lead to further reductions of some 16,000 or 17,000. Through Sir Phillip Lynch's far reaching and visionary review of Commonwealth functions, we are introducing a number of reforms. The Commonwealth will be able to concentrate on its own major responsibilities rather than spreading its efforts and resources everywhere. Under this historic review, a number of functions will be passed to private enterprise. And after decades of growing centralisation in Canberra, the review of Commonwealth functions, by eliminating duplication and enabling the States to perform their appropriate functions without interference from the Commonwealth, will help revitalise the Federal relationship.

A more limited and accurately focussed role for Government is equally an objective of the financial arrangements which have been made between the Commonwealth and the States, and of our new health policy. This health policy provides incentives to insurance and encourages people to look after themselves: it looks after the needy and the disadvantaged; it eliminates the situation where health costs of the well-to-do are paid for by the taxpayer; and it means that one bureaucracy rather than two will be involved in the running of each State's public hospitals.

These recent decisions have made our direction clearer than ever. But we have been moving in this direction, steadily and consistently, since 1975 and our move towards more limited and modern Government has been an integral part of economic revival. Inflation was of course our first priority and we shall keep our grip on that as tight as ever. And if anyone says that we have placed too much emphasis on economic management I would simply say that a sound economy is the precondition of almost every other goal.

Our economic policies, and the scope which we have given to private initiative, have unleashed enormous creative energies and the progress this country is now making is remarkable. The most recent figures show that in the half year to December, non-farm product grew at an annual rate of 6.5%, which is an outstanding rate by O.E.C.D. standards. Private business investment is now rising at the strongest rate for three decades.

The April unemployment rate of 5.6% was the lowest April rate for four years. Massive job creation is now taking place. Over the two years to last December, 250,000 new jobs have been created by private enterprise. In all these economic improvements, Australia has been moving against the tide, while other countries have been standing still or even going backwards, we are going forward. Private enterprise has taken full advantage of the opportunities our policies have implanted and all Australians are feeling the benefits.

There is one particular point on which we must be very clear indeed: our policies of limited Government are the policies for expansion and growth. These policies not only create opportunities in the private sector, they also produce more of the wealth that is needed to fund priority Government programmes and at the same time they encourage Governments to decide just where their priorities really lie.

For decades, Governments have been taking more and more from people in taxes. There has to be a limit to that process. The time has come for Government to stop taking a larger and larger share of the nation's resources. If the Government wants to spend more in some areas then it should re-allocate its priorities, not demand more from the taxpayers. This is the way to protect the rights of taxpayers and at the same time maintain generous assistance for the needy and the disadvantaged in our society.

It is part of our philosophy to stand for the protection of all people in our society. Let there be no mistake, we are the low tax party. In the three Labor Budgets, the tax receipts of the Commonwealth increased by over 10% per annum in real terms. In our five Budgets, we have cut it back to 3% per annum in real terms. For the coming year, there is a tax cut which will leave \$500 million more in taxpayers' pockets and the rebate on health insurance is expected to reduce the Commonwealth's revenue by a further \$500 million in the following year.

We believe that people can judge their own needs and wants a great deal better than can politicians or officials. Genuine tax reductions can be achieved in only one way: only by policies which stimulate national prosperity on the one hand and hold back the demands of Government on the other. Let me add here that the Government is determined to stamp out the gross schemes of tax avoidance which have recently been growing up, and the Treasurer introduced major legislation last week to deal with them. Let me add that people who cheat on their responsibility to contribute a fair share to the cost of the services which Governments must provide do as much damage to the social fabric as some of the actions of militant union leaders.

The freedom which Liberals seek means that we all have responsibilities to our fellow citizens, and freedom indeed depend upon a sense of moral obligation. The kind of Australia we want cannot be made by laws alone. Indeed, if every anti-social activity had to be proscribed and banned by law then we would be overwhelmed by laws and freedom could not survive. In a free society, people must accept mutual obligations based on the morality of respect for others and we in the Liberal Party must take the lead in developing this sense of community. The benefits of freedom and the importance of community responsibility, are two guiding principles of any Liberal Government. And the future will be made by the supporters of freedom - by free people living and working in a free environment.

Because of the emphasis which we have given to reviving Australia's economy, because of the turnaround we have been making towards more limited Government, because we have acted with care and compassion towards the needy in our community, and because we have recognised our responsibilities to future generations, this country can look ahead with tremendous confidence. I know of no country that can face the future with greater confidence.

In 1983 the Liberal Party will be in a far stronger position to face the people than in 1980. The success of our approach will be increasingly obvious to all, just as it is increasingly obvious to our own organisation and members now. We will win in 1983 not by spending more, but by concentrating on the things we ought to be doing. It will not be enough to argue that we are good economic managers. The Australian people will want more than that. By implementing our philosophy across the whole range of human concerns and interests we are giving more. Our efforts to do more are having success. The Labor Party will have to look to itself. It will be their seats which will be marginal, their members, not ours, who will be at risk.

In taking the lead, Liberal Governments, both State and Federal, have received unstinted support from the Liberal Party organisation. Our branches, sections, committees and divisions all work untiringly and effectively for the Liberal cause. They set us all an example of loyalty, dedication and unity. I am glad to have this opportunity to thank all Party members for what they have done, especially in the 1980 campaign, and are continuing to do. I also thank the Federal Secretariat.

We are the only party in this country with a philosophy that is relevant and practical for our age. We are the only party with policies which express the values that Australians want to see built into this country's future. There will be difficulties ahead, there will be occasions to test the nerves. But the problems before us will increasingly be the problems of prosperity and expansion.

Mr. Hayden has said that the challenge to Socialism is the spread of philosophies based on smaller Government and lower taxes. How right he is: he does not know how right he is. The Liberal Party has once more given direction to Australian history. Provided we maintain our policies, provided that we never draw back from what we know to be right, provided that we act for all Australians in every walk of life, then a magnificent future awaits this country.

I want to say just one thing more. Over the years, a quotation about what life was or wasn't meant to be like has often been talked about. Some people have said it represents my philosophy. I think that now is the time to let you into a secret. Only half the quotation is ever quoted. In full, it says "Life is not meant to be easy, my child; but take courage: it can be delightful".