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ADDRESS BY THE PRIME MINISTER, THE HON R.J. HAWKE, A.C., M.P.

TO THE NATIONAL ECONOMIC SUMMIT CONFERENCE

HOUSE OF REPRESENTATIVES CANBERRA

11 APRIL 1983

On behalf of the Australian government, I have the greatest pleasure in welcoming all participants and observers to this historic National Economic Summit Conference.

And I make that welcome not only on behalf of the government of Australia, but on behalf of the people of Australia.

For in a very real sense, we meet here today as the representatives of the Australian people, in a time of Australia's gravest economic crisis in fifty years.

So it is entirely fitting that this conference should assemble in the House of Representatives in the national capital.

It is true that we have not been directly elected for the purpose of this conference.

But the conference itself springs from the very clear instruction of the Australian people, given in the national elections, just over one month ago.

I do not think there can be the slightest doubt that the proposal for this national economic conference, including its composition, has been clearly endorsed by the Australian people.

And in that sense - going to the very heart of the Australian democratic tradition - we meet here by the express will of the people of Australia.

So we meet not only as the representatives of our respective governments and organisations, but as the representatives of the Australian people.

And whatever our responsibilities and obligations to any particular group or interest or organisation, I trust that all of us, throughout this conference, will keep to the forefront of our concerns, our wider responsibilities to the people of Australia.

They have imposed a high trust upon us. We must try our very best not to let them down.

From the outset I should emphasise that this conference has a double purpose - the purposes are both of a specific kind and of a symbolic kind.

The specific purposes of this conference may be better understood by reference to its origins. Emphatically, this was not a proposal drummed up for the purposes of the recent election campaign.

The call for it had come from many representative sections of the community. I myself had long been its advocate and in an address to the Australian Institute of Political Science Summer School on 30 January this year - a date, you will note, on which certain events were, to say the least, still unforeseen - I had this to say:

"We will convene a national summit conference with representatives from the employers, the ACTU and the State governments. This will not be some half-day superficial point-scoring exercise but a completely honest attempt to expose all of us, together, to the realities of what is happening in the domestic and international economic scene and the problems, dangers, opportunities and challenges of what is involved in those developments.

As a logical extension of that process of knowledge acquisition and sharing there would then be in that context an attempt to analyse the reciprocal implications of movements in wages, profits, patterns of work and industrial reconstruction. This conference would clearly occupy several days and provision would be made for an early follow-up if the parties considered it desirable to have further discussions after the opportunity to digest and analyse the breadth of information and views presented to them".

I think it will be acknowledged that the concept and procedures which I then outlined on 30 January 1983, have been followed faithfully in the arrangements for this conference.

The results we seek - and these must be regarded as only a minimum measure of our success - should be:

- .first, a heightened appreciation of the need to work constructively together to meet the great challenges now confronting our country;
- .and second, an increased likelihood of all participants tailoring their expectations and claims upon the community's resources to the capacities of the economy, and the urgent need for a reduction in unemployment and a restoration of growth to an economy now in deep recession.

In pursuit of our specific undertaking to make this an information-sharing occasion, we have already provided a range of material for the use of all participants at this conference.

In addition, further background papers will be made available during the conference.

You will already be aware that a Steering Committee for the Summit has been established to assist in the conduct of the conference.

Its members are myself, the Premier of New South Wales, Mr Wran, the Premier of Queensland, Mr Bjelke-Petersen, Messrs Dolan, Fitagibbon and Kelty of the ACTU, and Mr Hughes, President of CAI, Mr Bridgland, President of AIDA, and Mr John Utz (Wormald International Ltd).

You have before you the proposed Agenda for our conference.

But of course, the flow of the Agenda will be determined by the conference itself. I wholeheartedly accept that this conference should enjoy the freedom which the Parliament of this nation itself asserts - and that is the principle that this conference is master of its own destinies.

Those are among the specific purposes and procedures of this conference.

But as I have said, it also has a symbolic purpose and value.

This conference itself is part of the process of bringing Australia together.

Behind the concept of the conference lies my long-held belief - a belief I am convinced is now shared by the overwhelming majority of the Australian people - that Australia can no longer afford to go down the path of confrontation and fragmentation which has embittered and disfigured so many aspects of the national life, for much of the past decade.

It is not only a question of the need for national reconciliation in this current economic crisis.

It goes far beyond that. It is a question of the shape of the future of Australia, as we approach the end of the twentieth century.

The twenty-first century is only seventeen years away - and that same year, indeed the very same day, the first of January 2001, will see Australia enter its second century as a united Commonwealth.

And I deeply believe that this conference has a part to play, not only in the urgent and immediate task of achieving national economic recovery, but in laying foundations for the whole future of this great country of ours.

I think it can be said without any exaggeration, that this is part of a process - and an important part - in establishing what sort of Australia our children will inherit for the rest of this century and beyond.

So, in a double sense, this is an historic conference - historic not only in the sense that nothing of this scale and scope has been attempted before, but as an event of genuine and seminal importance in the life and history of Australia.

Let me say very firmly, that when I speak of the consensus on Australia's economic and social problems which I hope will emerge from this conference, I am not settling - and none of us should be prepared to settle - for the lowest common denominator, the barest minimum of agreement on an approach to a solution of the current crisis.

If a genuine consensus is to emerge, it must mean an understanding on the part of all sections of the Australian community, of the constraints they will be called upon to accept and the contribution they will be called upon to make to the process of national reconciliation, national recovery and national reconstruction.

It will mean a recognition and acceptance of restraint by all sections of the community. It must mean a recognition - a sense of realism of what can be achieved in the near future.

We must all understand that there are no miracle cures, no overnight solutions.

It calls for a sustained, concerted national effort. This conference is only a beginning.

Specifically, the tasks this conference should set itself are:

- to secure broad agreement on the role of an incomes and prices policy, in our efforts to promote employment and to achieve recovery and growth; and to ensure that the benefits of recovery are not lost in another round of the wages-prices spiral;
- to devise machinery for achieving the necessary restraint, including methods of wage fixation, influencing non-wage incomes, and price surveillance;
- to secure a better and wider understanding of the broad economic framework, within which we have to operate;
- to seek broad agreement on the relationship between a successful prices and incomes policy and the implementation of policies on industrial relations, job creation and training, taxation, social security, health, education, and the other major community services;
- to examine the competitiveness and efficiency of the Australian economy;
- and finally, to reach agreement on arrangements and machinery to monitor and continue the work of this conference, especially in regard to continuing the process of consultation and co-operation between government, business and unions, initiated by this conference itself.

And of course, I must repeat what I made very clear during the recent election campaign.

This conference and its outcome can in no way be a substitute for effective government policies. The governments of Australia, and in particular, the national government, cannot escape and do not wish to escape their primary and fundamental responsibility for the economic and social policies of this nation. But effective policy can not be made in a vacuum. Decisions that are going to achieve our great national objectives can not be made in isolation from the economic and social realities.

And the purpose of this conference is to expose us all, including those with direct responsibility for government decision-making, to those realities - the realities of the current situation and the realities of what must be done if there is to be a resolution of Australia's present crisis.

I shall not pre-empt the Treasurer, who will later address you on the economic position and outlook.

But, while Mr Keating will outline the serious and complex nature of the problems, there can be no doubt that they are encapsulated in the question of unemployment, and the need for a restoration of sustained economic growth which avoids a new bout of destructive inflation. The first problem is how to arrest the explosion in the unemployment level and then move towards its steady reduction, with the ultimate goal of genuine full employment as fundamental national economic policy - the bipartisan goal adopted for the first three decades of the post-war era.

It is easy enough to quote all the grim statistics which show that we face the worst economic crisis since the Great Depression itself. But behind the statistics lies an even grimmer human reality.

The raw statistics do not show what unemployment means in terms of the loss of human dignity and self-respect, what it means in terms of the break-up of families and the social alienation of one-third of the best and brightest generation we have ever produced, what it means in terms of the defeat of human hope and the crushing of the human spirit.

The statistics do not show the special difficulties faced by particular groups - the particular burdens placed on young people, on women in the workforce, on single parents, on migrants, on aborigines. There are identifiable groups in this community experiencing unemployment at levels as high as, or even higher than, any ever experienced in the worst years of the Great Depression itself.

For example, total unemployment in 1932 - the worst year - reached 29 percent. Unemployment in the 15 to 19 age group is already at least as high as that.

It is true that today we have a social security network far in advance of any that existed 50 years ago.

But while the material deprivation of unemployment may not be now so severe, yet, in another sense, unemployment in the 1980s imposes a burden more crushing than in the 1930s.

And the reason for that is that the expectations to which the people are entitled, are now so much higher - and so they should be.

This is particularly true for the younger generation which is bearing the heaviest brunt of the present recession.

And let us never forget - because it is a measure of our personal responsibility - that it is our generation which taught the new generation to hold those expectations, and that sense of entitlement of what this rich, advanced nation of ours should offer them.

We cannot escape our personal responsibility.

This conference gives us all an unprecedented opportunity to fulfil at least a small part of that responsibility, individually and collectively, in both the personal sense and the national sense.

When we look around the world today, we can see that those comparable countries - comparable in their political, economic and industrial systems, comparable in their standards of living, comparable in their national aspirations - which have had most success in surmounting the present international economic crisis, are those where governments, business and unions and the community as a whole, have agreed on common goals and objectives and have co-operated together for their achievement.

We have to remember at all times that Australia, in common with the rest of the industrialised world, is passing through one of the most dramatic periods of social, economic and technological changes in recorded human history. We have to be prepared for social and economic responses as innovative and radical as the technological achievements which are creating this profound revolution in human affairs, in lifestyles, in work patterns and opportunities. We cannot put the clock back.

This leads me to the very heart of what I believe we must be about in this conference and the times ahead. So often in our affairs the emphasis has been put upon the competing struggle between wage and salary earners and business, and residually, welfare recipients.

I believe we must come to put the emphasis upon the fact that they all have a common goal and therefore a common interest. They all seek the same thing - the maintenance, and through time, an improvement, of their standards of living. The indispensable condition for the achievement of this common legitimate goal is real economic growth - an increase in the per capita output of goods and services.

The attitudes, assumptions and expectations of those participants in the economic and social processes have been fashioned by the environment in which they operated. For a generation and a half that environment was characterised by the conditions of full employment, low inflation and steady economic growth. Such an environment was able, with relative ease, to accommodate the unco-ordinated - indeed, adversary-type - pursuit of competing claims. While this process certainly did not provide optimal real growth, the growth that did occur sustained the process.

For a range of reasons applying not only to our own country but operating in varying degree throughout the world, those conditions no longer characterise our economy - indeed the opposite conditions of high unemployment, high inflation and recessed, even negative, growth are now the predominant characteristics.

In all aspects of human behaviour there is always a time-lag in the perceptions of change in the relevant environment. This has been true of us here in Australia in the way we have conducted our economic and social affairs. The attitudes, assumptions and expectations which reflected a former environment are no longer adequate to meet the changed circumstances which characterise our more recent and present condition.

Yet the common goal - the goal of maintaining and increasing standards - remains legitimate. The very essence of our mutual task now is to work together to recreate those conditions in which the achievement of that legitimate, common, goal is possible.

We can restore growth and we can significantly reduce inflation. The task of restoring full employment as we knew it will be harder. But we can, if we work together with this sense of common purpose, also make real progress towards that goal. To move again towards balance in the field of employment, we must of course make decisions calculated to produce more jobs. We must also, I believe, as a concerned society together examine the other side of the equation - the demand for jobs - to see whether we may be able to provide fulfilment in life for some of our people alongside the conventional production system.

It is of the greatest importance that we should make the right economic decisions. But that is not enough. There is no single "correct" decision that can of itself solve our present economic and social problems - any more than a single "wrong" decision was responsible for the present crisis. While I am confident that this conference will help significantly to create the framework for better decision-making and a better economic performance in this nation, that is only a beginning. It will not be enough for any of us to say at the end of this conference: "So much for that - the rest is up to the government". Both the immediate problems to which we are addressing ourselves and these more far-reaching challenges to the whole social, economic and industrial fabric of the nation, require much more than that. They call for a deep and continuing commitment by governments and the community alike. They call for the application of those qualities of innovation, initiative, independence, tolerance - and need I say, mateship - the qualities which we like to think are distinctively Australian.

It is not without significance that Australia's unemployment has now reached the level to which it had risen at the outbreak of the Second World War, which itself prevented the onset of another Depression. That is one measure of the magnitude of the task before us.

During the recent campaign, I frequently drew the parallel between the supreme crisis of the early 1940s and the present crisis.

Of course, the two are very different in nature and scale. Survival itself was at stake in 1942. But in one sense, the present crisis is more complex and at least as challenging to our resourcefulness as a people. Then, the challenge was clear, identifiable and external. Today, the chief challenge comes from within.

But now as then - every bit as much as in 1942 - the essential requirement for victory remains the same - the united effort of a united people working together to achieve agreed goals and common objectives.

More than forty years ago, one of the very greatest of all Australians stood in this place in this historic chamber to give this message to the people of Australia. On that occasion, 16 December 1941, John Curtin said:

"Our Australian mode of life, our conditions, our seasons, all that go to make up the natural conditions of living, make us better equipped (for the purpose of meeting this crisis) than are the peoples of many other countries... the qualitative capacity of our population compensates in large measure for the shortage of our numbers... I, like each of you, have seen this country at work, engaged in pleasure, and experiencing adversity; I have seen it face good times and evil times, but I have never known a time in which the inherent quality of Australia has to be used so unstintingly as at this hour".

My fellow Australians, I do not pretend to compare the scale of the crisis through which John Curtin steered this nation to triumph with our task today.

But I do believe that the essential elements which John Curtin defined as the key to victory are as relevant in 1983 as they were in 1941.

And by far the most important of all is the quality of our people. I do not believe for one moment that the essential quality of our people has in any way declined since 1941. On the contrary, it has been enriched and strengthened by the contribution of the millions of our fellow citizens drawn from nearly every country and race around the world.

If we at this conference dedicate ourselves to provide leadership to this great people, I have absolute confidence that they will respond with a united effort and a renewed determination to beat this crisis and to build an even better future for this great nation, Australia.
