

EMBARGOED UNTIL DELIVERY
8 P.M. PERTH TIME



PRIME MINISTER

JOHN CURTIN MEMORIAL LECTURE

PERTH

28 SEPTEMBER 1983

"THE WAY AHEAD"

THERE ARE CERTAIN RARE OCCASIONS IN A LIFETIME WHICH ARE MEMORABLE, VALUABLE, AND MOVING.

FOR ME, THIS IS SUCH AN OCCASION.

I THANK THE UNIVERSITY LABOR CLUB DEEPLY FOR THIS INVITATION WHICH ALLOWS ME, ONCE AGAIN, HERE IN MY HOME CITY AND UNIVERSITY, TO ADD MY TRIBUTE TO JOHN CURTIN, A GREAT LABOR LEADER AND A GREAT AUSTRALIAN.

I BELIEVE DEEPLY THAT JOHN CURTIN'S LEADERSHIP STANDS NOT ONLY AS A SPLENDID EXAMPLE OF AUSTRALIAN STATESMANSHIP AT ALL TIMES AND FOR ALL TIMES, BUT IT IS AN EXAMPLE OF SPECIAL RELEVANCE - CONTEMPORARY RELEVANCE - AT THIS WATERSHED OF OUR NATION'S HISTORY.

AT THE NATIONAL ECONOMIC SUMMIT CONFERENCE ON THE 11TH OF APRIL, I QUOTED PART OF A SPEECH MADE IN THE HOUSE OF REPRESENTATIVES BY JOHN CURTIN ON THE 16TH OF DECEMBER 1941.

HE 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".

I THEN WENT ON TO SAY:

"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 THERE CAN BE NO DOUBT WHATSOEVER THAT THE OVERRIDING NEED, AS JOHN CURTIN SAW IT, WAS TO EFFECT A NATIONAL RECONCILIATION AND TO FORGE A NATIONAL CONSENSUS FOR THE PROSECUTION OF THE WAR EFFORT.

IT IS NOW SOMETIMES FORGOTTEN HOW DEEPLY DIVIDED A NATION AUSTRALIA WAS ON THE EVE OF WORLD WAR II - POLITICALLY, ECONOMICALLY, AND SOCIALLY. THE EFFECTS OF THE GREAT DEPRESSION WERE STILL AT WORK. CLASS AND SOCIAL DIVISIONS RAN DEEP. THE DIVISIONS IN THE LABOR MOVEMENT FOLLOWING THE SPLIT OF 1932 HAD BY NO MEANS HEALED, AND THAT HEALING TASK WAS JOHN CURTYN'S FIRST PRIORITY AFTER HE WON THE LEADERSHIP IN 1935.

HE ALSO SAW THAT THE CONSERVATIVES REPRESENTED, NOT A FORCE FOR UNITY, BUT FOR DIVISION, AND HE SAW WITH EQUAL CLARITY THAT LABOR ALONE COULD BUILD THE BASIS FOR CONCILIATION AND CONSENSUS.

AND HE SAW THAT THERE WAS NO BASIS FOR HARMONY IN THE CLIMATE OF ACRIMONY WHICH HAD BECOME ENDEMIC WITHIN THE CONSERVATIVE PARTIES, AND TO THE EXTENT THEY INFLUENCED THE NATION, WITHIN THE NATION ITSELF.

BUT HE ALSO RECOGNISED THAT, IN DEFAULT OF THE POSSIBILITY OF A GENUINE NATIONAL GOVERNMENT, NEW MACHINERY WOULD HAVE TO BE ESTABLISHED AND EXISTING MACHINERY STRENGTHENED IN ORDER TO HARNESS TO THE NATIONAL EFFORT THE ENERGIES AND THE TALENTS - AND THE PATRIOTISM - OF ALL SECTIONS OF THE NATION, LABOR AND NON-LABOR ALIKE, INCLUDING REPRESENTATIVES OF CONSERVATISM, BOTH INSIDE AND OUTSIDE THE PARLIAMENT.

THAT IS WHY, IN OPPOSITION AND GOVERNMENT, HE PLACED SUCH EMPHASIS ON THE ADVISORY WAR COUNCIL, WHOSE MEMBERSHIP INCLUDED SUCH OLD OPPONENTS AS MENZIES, FADDEN, AND HUGHES.

FURTHER, ALTHOUGH NO AUSTRALIAN LABOR LEADER HAD MORE INCISIVELY, MORE ELOQUENTLY OR FOR SO LONG, EXPOSED THE GROSS DEFICIENCIES AND EXPLOITATION OF LAISSEZ-FAIRE CAPITALISM, AS IT EXISTED IN THE PRE-WAR DECADES,

CURTIN RECOGNISED THE PARAMOUNT NEED TO SECURE THE CO-OPERATION OF BUSINESS. HE MADE NO APOLOGY WHATSOEVER FOR HARNESSING THE ABILITY AND LOYALTY OF GREAT CAPTAINS OF INDUSTRY LIKE ESSINGTON-LEWIS AND W.S. ROBINSON, TO THE COMMON CAUSE - THE CAUSE OF AUSTRALIA ITSELF.

BUT IN THE SEARCH FOR CONSENSUS - AND SOMETIMES, IN THE STRUGGLE FOR CONSENSUS - CURTIN NEVER LOST SIGHT OF THE LIMITS UPON CONSENSUS IN A FREE AND DEMOCRATIC SOCIETY.

NOR DID HE FAIL TO ACKNOWLEDGE THE LIMITS UPON CONSENSUS WITHIN A FREE, OPEN AND DEMOCRATIC PARTY LIKE THE AUSTRALIAN LABOR PARTY.

AND INDEED IT MAY BE SAID THAT, IN THE FINAL ANALYSIS, HIS FINEST ACHIEVEMENT WAS THE FORGING OF A CONSENSUS IN WAR-TIME, WITHOUT IMPAIRING THE FREEDOMS OF THE PARTY AND THE NATION.

THE RECOGNITION OF THE LIMITS OF CONSENSUS BECOMES VERY EVIDENT, IF ONE STUDIES THE SKILL, PERSEVERANCE AND PERSUASIVENESS WITH WHICH HE SECURED WITHIN THE LABOR PARTY A CONSENSUS - BUT NONETHELESS A LIMITED CONSENSUS - ON THE NEED TO INTRODUCE CONSCRIPTION FOR MILITARY SERVICE OVERSEAS.

IT WAS A STRUGGLE THAT PERHAPS BROKE HIS HEART, BUT CERTAINLY NEVER HIS SPIRIT.

6.

BUT IF ANYONE IN THE AUSTRALIAN LABOR PARTY OR OUTSIDE IT ASSERTS THAT HIGH NATIONAL OR PARTY INTERESTS CAN NEVER ADMIT COMPROMISE, NOT ON FUNDAMENTAL PRINCIPLES, BUT THE IMPLEMENTATION OF PRINCIPLES, LET THEM PONDER THE EXAMPLE OF JOHN CURTIN.

BUT THE MOST IMPORTANT TRUTH OF ALL ABOUT CURTIN AND CURTIN'S LEADERSHIP, WAS THAT EVEN IN THE DARKEST AND MOST DEMANDING DAYS OF THE WAR, HE NEVER LOST SIGHT OF LABOR'S PEACETIME OBJECTIVES AT HOME AND ABROAD.

HE DID NOT SEEK TO USE THE CRISIS OF WAR AS AN ALIBI AGAINST REFORM.

AND IT IS A DISTORTED PERCEPTION OF THE PERFORMANCE OF THE CURTIN LABOR GOVERNMENT FROM 1941 TO 1945, TO SEE IT ONLY IN TERMS OF WAR LEADERSHIP, THE WAR EFFORT, OR MILITARY SURVIVAL AND MILITARY VICTORY.

THE WIDER TRUTH IS THAT CURTIN'S WAS A GREAT REFORM LABOR GOVERNMENT, NOT ONLY FOR ITS OWN ACHIEVEMENTS IN SOCIAL REFORM, BUT FOR THE FOUNDATIONS IT LAID FOR THE MASSIVE PROGRAM OF POST-WAR REHABILITATION AND RECONSTRUCTION. INDEED THE DEPARTMENT OF POST-WAR RECONSTRUCTION BECAME THE FOCAL POINT OF AUSTRALIA'S ADMINISTRATIVE TALENT AND DEDICATION TO THE TASK OF BUILDING A MODERN NATION IN THE POST-WAR YEARS. CURTIN AND CHIFLEY TOGETHER SET IN TRAIN THE GREAT REFORM PROGRAM BY WHICH THE CHIFLEY GOVERNMENT ITSELF TRANSFORMED AUSTRALIA.

INTERNATIONALLY, CURTIN RECOGNISED THE FUNDAMENTAL CHANGES WHICH HAD OCCURED IN THE BALANCE OF FORCES IN THE WORLD AND IN AUSTRALIA'S STRATEGIC SITUATION. ONE OF HIS GREATEST ACHIEVEMENTS WAS TO FORGE THE RELATIONSHIP WITH THE UNITED STATES, WHICH SUBSEQUENT GOVERNMENTS HAVE SEEN AS A KEYSTONE OF AUSTRALIA'S SECURITY.

IN SHORT, THE WORK OF OVERCOMING THE CRISIS, PROFOUND AS IT WAS, AND THE WORK OF REBUILDING AUSTRALIA, THE WORK OF REFORM, AND OF PREPARING THE NATION FOR FUNDAMENTAL CHANGES IN ITS INTERNATIONAL RELATIONS, CONTINUED SIDE BY SIDE.

I HAVE ATTEMPTED TO IDENTIFY SOME OF THE CHARACTERISTICS OF CURTIN AND HIS APPROACH TO THE LEADERSHIP OF OUR NATION DURING AN UNPARALLELED CRISIS. IF WE CANNOT LEARN FROM HIS SHINING EXAMPLE OF VISION, STEADFASTNESS AND PERSERVERANCE, THEN WE SHOULD BE JUST TEARING OUT ONE OF THE MOST SPLENDID CHAPTERS IN OUR HISTORY - OUR PARTY'S HISTORY, OUR NATION'S HISTORY - AND FORGETTING THE HARDEST-LEARNED LESSON IN OUR ANNALS.

THE TASK OF NATIONAL RECONCILIATION

I HAVE TAKEN AS THE CENTRAL THEME FOR THIS LECTURE:
"AUSTRALIA - THE WAY AHEAD".

THE COURSE ON WHICH MY GOVERNMENT HAS EMBARKED IS ONE OF REFORM WITHIN THE FRAMEWORK OF AN ESSENTIAL CONTINUITY IN AUSTRALIAN TRADITIONS AND INSTITUTIONS.

LET ME EMPHASISE AT THE OUTSET THAT THERE IS NOTHING CONSERVATIVE, NEGATIVE, OR DEFEATIST IN THIS RECOGNITION OF CERTAIN NECESSARY ELEMENTS OF CONTINUITY IN OUR DEMOCRATIC SYSTEM.

ON THE CONTRARY, PRUDENT RECOGNITION OF WHAT CAN BE PRESERVED AND CONTINUED, IS THE BEST BASIS FOR ACHIEVING THE TRANSITION FROM A CONSERVATIVE ERA TO AN ERA OF REAL REFORM AND PROGRESS, AND THE BEST BASIS FOR ENSURING THAT OUR REFORMS WILL ENDURE, AND WILL THEMSELVES BE CONTINUED AND MAINTAINED.

AT THE SAME TIME, THE SHEER WEIGHT OF OUR INHERITANCE, THE SIZE OF THE DIFFICULTIES, NOT ONLY BUT ESPECIALLY, THE ECONOMIC DIFFICULTIES WE INHERITED, CAN NEVER BE OVERSTATED.

AND I DO NOT REFER JUST TO THE LEGACY OF SEVEN YEARS OF FRASER AND FRASERISM, OR TO SPECIFIC MATTERS SUCH AS THE \$9.6 BILLION DEFICIT WITH WHICH WE WERE CONFRONTED ON THE DAY WE TOOK OFFICE.

IT GOES FAR BEYOND THAT.

9.

IN A VERY REAL SENSE, THE BACKLOG WE HAVE INHERITED, THE DEAD WEIGHT WE HAVE TO REMOVE FROM THIS NATION, GOES BACK, NOT MERELY SEVEN YEARS, BUT NEARLY THIRTY-FIVE YEARS, TO THE END OF THE CHIFLEY GOVERNMENT IN 1949.

IN ALMOST THIRTY-FIVE YEARS, LABOR HAS FORMED FEDERAL GOVERNMENTS FOR LESS THAN FOUR.

THE REMARKABLE RESURGENCE OF LABOR THROUGHOUT AUSTRALIA, FEDERAL AND STATE, CROWNED SO SPLENDIDLY BY THE VICTORY HERE IN FEBRUARY - THE HERALD OF THE NATIONAL VICTORY ON THE 5TH OF MARCH - CANNOT AT ONCE CANCEL OUT THE DEEPLY ROOTED LEGACY OF THIRTY YEARS AND MORE OF CONSERVATIVE HEGEMONY THROUGHOUT AUSTRALIA.

THE FIRST PART OF OUR TASK HAS BEEN TO ATTEMPT TO BRING ABOUT CHANGES IN ENTRENCHED ATTITUDES WHICH THEMSELVES, IF THEY PERSISTED WOULD PREVENT OR RETARD THE SUCCESSFUL IMPLEMENTATION OF THESE MEASURES AND POLICIES OF REFORM.

WE HAVE RECOGNISED THAT ONLY AN AUSTRALIA UNITED AROUND GREAT NATIONAL GOALS OF PROVIDING ADEQUATELY FOR ALL AUSTRALIANS, IS CAPABLE OF ECONOMIC RECOVERY. A DIVIDED AUSTRALIA - LIKE THE AUSTRALIA OF THE SEVEN YEARS AND FIVE MONTHS PRECEDING MY GOVERNMENT'S ACCEPTANCE OF OFFICE ON MARCH 11, IS DESTINED FOR THE SWAMPS AND SHALLOWS OF A STAGNANT ECONOMY.

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WE HAVE ALSO RECOGNISED - AS ONLY A LABOR GOVERNMENT CAN IN AUSTRALIA - THAT A UNITED AUSTRALIA MUST BE BUILT AROUND WIDELY SHARED VALUES OF EQUITY AND FAIRNESS. OUR COMMITMENT TO GREATER EQUITY IN THE DISTRIBUTION OF THE OPPORTUNITIES PROVIDED TO CITIZENS OF AUSTRALIA STANDS IN ITS OWN RIGHT IN THE FRONT RANK OF OUR OBJECTIVES; BUT IT IS ALSO AN ESSENTIAL PRECONDITION FOR THE DEVELOPMENT OF A SENSE OF NATIONAL PURPOSE, AND THEREFORE OF NATIONAL ECONOMIC RECOVERY.

NEITHER DO WE LOSE SIGHT OF THE REALITY THAT THE GREAT GOALS OF EQUITY IN THE DISTRIBUTION OF INCOME AND POWER, AND OF NATIONAL RECONCILIATION, WILL BE UNATTAINABLE IN THE ABSENCE OF A STRONG NATIONAL ECONOMY. THUS OUR EMPHASIS ON SOUND ECONOMIC MANAGEMENT DIRECTED AT SUSTAINING GROWTH IN THE VALUE OF OUR NATIONAL PRODUCTION OVER LONG PERIODS, IS PART OF OUR PROGRAMME OF EQUITY AND NATIONAL RECONCILIATION.

OUR EFFORTS TO BRING AUSTRALIANS TOGETHER SHOULD BE SEEN ALONGSIDE THE TRADITIONAL LABOR CONCERN FOR EQUITY, AND OUR CONCERN FOR NATIONAL ECONOMIC RECOVERY, EACH AS AN INTERDEPENDENT PART OF THE ONE GREAT PROGRAMME.

MY 1979 BOYER LECTURES TOOK AS THEIR THEME:

THE RESOLUTION OF CONFLICT. I DO NOT BELIEVE THAT I WAS OVERSTATING THE CASE IN ANY WAY, WHEN I SAID IN THE THIRD OF THOSE LECTURES:

"AUSTRALIA STANDS POISED ON THE THRESHOLD OF THE 1980s MORE DIVIDED WITHIN ITSELF, MORE UNCERTAIN OF THE FUTURE, MORE PRONE TO INTERNAL CONFLICT, THAN AT ANY OTHER PERIOD IN ITS HISTORY."

IN THE LECTURES, I SOUGHT TO IDENTIFY THOSE ASPECTS OF OUR CONSTITUTIONAL, POLITICAL, ECONOMIC AND SOCIAL SYSTEM WHICH CREATED, OR ACCENTUATED, THE DIVISIONS AND CONFLICT IN OUR SOCIETY.

THERE CAN BE LITTLE DOUBT THAT IN THE LATE SEVENTIES, THERE WERE EXCEPTIONAL FACTORS OF A POLITICAL AND INDEED, PERSONAL, NATURE, WHICH WORKED TO EXACERBATE THE DIVISIONS OF THE TIME. I REFER PARTICULARLY TO THE AFTERMATH OF THE CRISIS OF 1975, CULMINATING IN THE INFAMY OF THE 11TH OF NOVEMBER, 1975. IT IS CLEAR THAT THOSE EVENTS RADICALLY CHANGED THE PERSPECTIVES OF A SIGNIFICANT NUMBER OF AUSTRALIANS, ESPECIALLY IN THE LABOR MOVEMENT, ABOUT THE NATURE, USE, AND ABUSE OF POWER IN OUR SYSTEM; AND DID INJECT AN ELEMENT OF CYNICISM INTO THE ATTITUDES OF MANY OF THOSE WHO HAD HITHERTO BEEN FOREMOST IN UPHOLDING THE SYSTEM, AND MOST COMMITTED TO MAKING IT WORK. INDEED, IT IS TESTIMONY TO THE BASIC STRENGTH AND RESILIENCE OF THE AUSTRALIAN LABOR PARTY, AND THE STRENGTH OF ITS COMMITMENT TO PARLIAMENTARY DEMOCRACY, THAT IT HAS COME FROM THE DESPAIR OF 1975 TO ITS PRESENT BRILLIANT POSITION IN THE STATES AND THE NATION.

IT DID SO AGAINST THE BACKGROUND OF A PERIOD DURING WHICH ATTITUDES OF FRUSTRATION, DESPAIR, BITTERNESS AND VINDICTIVENESS HAD COME TO CHARACTERISE MUCH OF OUR NATIONAL LIFE. ACROSS THE SPECTRUM - IN THE FIELD OF COMMONWEALTH-STATE RELATIONS, IN INDUSTRIAL RELATIONS, AND OVER THE WHOLE RANGE OF THE POLITICAL AND SOCIAL PROCESSES - CONFRONTATION HAD BECOME THE DOMINANT STYLE, THE LINE OF FIRST RESORT.

BEFORE I OUTLINE BRIEFLY THE APPROACH OUR GOVERNMENT HAS TAKEN - OUR GENERAL ATTITUDES AND SPECIFIC MEASURES, TO DIMINISH THE CLIMATE OF CONFRONTATION, I ENTER THIS QUALIFICATION. I SAID BEFORE THAT JOHN CURTIN RECOGNISED THE LIMITS ON CONSENSUS, EVEN IN WAR-TIME.

IN A FREE AND DEMOCRATIC SOCIETY, THE LEGITIMATE CONFLICT OF INTERESTS, THE OPEN CONTEST BETWEEN COMPETING CLAIMS, IS NOT ONLY INEVITABLE, BUT INTRINSICALLY VALUABLE.

BUT, AS I SOUGHT TO POINT OUT IN THE BOYER LECTURES, AUSTRALIAN SOCIETY, PARTICULARLY IN RECENT YEARS, HAS BEEN DAMAGED BY AN EXCESS OF NEGATIVE AND DESTRUCTIVE CONFLICT AND DIVISION - FREQUENTLY ARTIFICIALLY PROMOTED FOR SELF-SEEKING PURPOSES - WHICH IS IN NO SENSE CREATIVE AND INDEED CAN ONLY HOLD BACK THE ACHIEVEMENT OF AUSTRALIA'S GREAT POTENTIAL.

A PARTICULAR AREA OF CONCERN IS THE POTENTIAL DISTORTION OF THE ROLE OF THE SENATE, WHICH WAS ESSENTIALLY SET UP TO PROTECT THE RIGHTS OF STATES, BUT IN RECENT YEARS HAS TOO FREQUENTLY ACTED ON PARTISAN GROUNDS TO FRUSTRATE THE POLICIES FOR WHICH THE GOVERNMENT HAS HAD A MANDATE FROM THE AUSTRALIAN PEOPLE.

AS A GOVERNMENT WHAT WE HAVE TRIED TO DO IS TO SEEK TO IDENTIFY OURSELVES, AND, BY THE DISSEMINATION OF KNOWLEDGE AND INFORMATION, TO ASSIST THE COMMUNITY TO IDENTIFY, THE AREAS OF CONFLICT WHICH ARE ESSENTIALLY ARTIFICIAL AND THE AREAS OF COMMON INTEREST AND SHARED PURPOSE IN WHICH AGREEMENT IS ACHIEVABLE, WITHOUT ANY SECTION OR GROUP BEING REQUIRED TO SACRIFICE THEIR REAL INTERESTS OR LEGITIMATE GOALS.

THE FIRST SIX MONTHS

I SHALL NOT TAKE YOU IN DETAIL THROUGH THE VARIOUS EVENTS AND MEASURES BY WHICH WE HAVE SOUGHT TO TAKE AUSTRALIA ALONG THIS NEW ROAD - AWAY FROM CONFRONTATION TOWARDS RECONCILIATION AND CO-OPERATION.

THERE ARE CERTAIN CLEAR LANDMARKS - THE PRICES AND INCOMES ACCORD, THE NATIONAL ECONOMIC SUMMIT CONFERENCE, THE JUNE PREMIERS' CONFERENCE, WHICH AGREED, FOR THE FIRST TIME SINCE THE WAR, TO A JOINT COMMUNIQUE ON NATIONAL ECONOMIC POLICY, THE ESTABLISHMENT OF THE ECONOMIC PLANNING ADVISORY COUNCIL, AND THE NATIONAL WAGE CASE DECISION.

INDEED, AS TO THE LAST, THE DECISION HANDED DOWN BY SIR JOHN MOORE LAST FRIDAY, IT MAY BE SEEN AS SETTING THE SEAL ON A GREAT DEAL OF ALL THE WORK OF THE PAST SIX MONTHS, BUT ESSENTIAL TO THE FULFILMENT OF ALL THAT HAS BEEN ACHIEVED, IS THAT THE SPIRIT OF THE JUDGMENT BE ACCEPTED BY ALL PARTIES. IN PARTICULAR, THERE SHOULD BE NO WAGE CLAIMS OUTSIDE THE CENTRALISED WAGE SYSTEM WE HAVE NOW ESTABLISHED. THE SUCCESSFUL IMPLEMENTATION OF THIS JUDGMENT, IN COMPANY WITH OUR OTHER POLICIES, ESTABLISHES A FIRM BASE FOR NATIONAL ECONOMIC RECOVERY.

NOW OF COURSE, THE GOAL OF ECONOMIC RECOVERY AND THE RESTORATION OF GROWTH IS NOT THE EXCLUSIVE PROPERTY OF A LABOR GOVERNMENT. THERE IS PRESUMABLY NO GOVERNMENT IN THE WESTERN WORLD WHICH DOES NOT CLAIM IT AS AN OBJECTIVE.

WHAT IS IMPORTANT FOR A LABOR GOVERNMENT, FOR THIS AUSTRALIAN LABOR GOVERNMENT, IS THE QUALITY OF THE RECOVERY - THE DEGREE TO WHICH IT CAN BE SUSTAINED WITHOUT RENEWED INFLATION - AND THE EQUALITY OF THE RECOVERY - THE DEGREE TO WHICH ITS BENEFITS CAN BE FAIRLY SHARED BY THE WHOLE COMMUNITY.

AND IT IS ON THE BASIS OF THOSE FOUR OBJECTIVES - QUALITY AND EQUALITY - THAT WE HAVE PROCEEDED SO FAR AND WILL CONTINUE TO PROCEED.

ACCORDINGLY, WITHIN AN ENVIRONMENT OF GREATER CO-OPERATION, BETTER CONSULTATION AND MORE INFORMATION-SHARING, WE HAVE ESTABLISHED A COHERENT AND INTEGRATED FRAMEWORK FOR ECONOMIC DECISION-MAKING, UNPRECEDENTED IN AUSTRALIA. WE HAVE SOUGHT TO INVOLVE, ON A CONTINUING BASIS, THE RELEVANT SECTIONS OF THE COMMUNITY - OTHER GOVERNMENTS, BUSINESS, INCLUDING SMALL BUSINESS, THE UNIONS, THE RURAL SECTOR, COMMUNITY GROUPS - WHICH ALL HAVE SUCH A HIGH STAKE IN THE SUCCESS OF OUR POLICIES, IN BOTH THE SHORT AND LONGER TERM.

TO MATCH THE IMPROVED QUALITY OF DECISION-MAKING AND ECONOMIC PLANNING, WE HAVE MOVED SIMULTANEOUSLY TO ESTABLISH THE BASIS FOR GREATER EQUALITY IN THE NATION'S SOCIAL AND ECONOMIC FABRIC.

IN THIS CONTEXT - THE CONTEXT OF WHAT HAS ALREADY BEEN DONE IN THE PAST SIX MONTHS - I NEED NO MORE THAN BRIEFLY MENTION:

- WE HAVE MOVED RAPIDLY TO IMPLEMENT THE PRICES AND INCOMES ACCORD AND PUT IN PLACE - THROUGH THE ECONOMIC SUMMIT AND THE ECONOMIC PLANNING AND ADVISORY COUNCIL - A CONSULTATIVE APPARATUS AND INTEGRATED BASIS FOR CONSISTENT LONG-TERM ECONOMIC PLANNING UNPRECEDENTED IN AUSTRALIAN EXPERIENCE

- WE HAVE DIRECTLY ASSISTED EMPLOYMENT CREATION THROUGH CEP AND BY EXPANDING GOVERNMENT CAPITAL EXPENDITURE. AS A MATTER OF PARTICULAR PRIORITY WE HAVE DIRECTED ADDITIONAL WELFARE PAYMENTS TO THOSE MOST SEVERELY AFFECTED BY THE RECESSION, NOTABLY SINGLE UNEMPLOYED AND PENSIONERS WITH CHILDREN. BY MAY 1984 WE SHALL HAVE INCREASED THE BENEFIT FOR THE SINGLE UNEMPLOYED BY 22%. ASSISTANCE FOR THE CHILDREN OF PENSIONERS WILL BE INCREASED BY 20% FROM NOVEMBER.
- WE HAVE, THROUGH MEDICARE, INTRODUCED A FAIRER METHOD OF FINANCING THE HEALTH SYSTEM BASED ON ABILITY TO PAY
- WE HAVE INCREASED EDUCATION ALLOWANCES AND FUNDING, WITH A MORE EQUITABLE DISTRIBUTION OF RESOURCES ACCORDING TO NEED.
- WE HAVE ABOLISHED OR REDUCED SOME OF THE MORE BLATANT HANDOUTS AND TAX INEQUITIES THAT WERE INTRODUCED OR CONDONED BY OUR PREDECESSORS. THIS INCLUDED LONG OVERDUE ACTION ON SUPERANNUATION TAXATION, ASSET TESTING ON PENSIONS, RESTRICTING ELIGIBILITY FOR THE OVER SEVENTIES PENSION TO THOSE IN MOST NEED. WE HAVE ALSO TIGHTENED TAX AVOIDANCE LEGISLATION, STRENGTHENED SECTION 26A, SO AS TO IMPROVE OUR ABILITY TO TAX CAPITAL GAINS, AND REDUCED A NUMBER OF OTHER SECTIONAL TAX OR SPENDING CONCESSIONS.
- WE HAVE REFORMED THE ASSISTANCE PROVIDED TO HOME BUYERS BOTH TO IMPROVE EQUITY AND TO STIMULATE HIGHER ACTIVITY.
- WE HAVE TAKEN FIRM FIRST STEPS TO REDRESS THE DISADVANTAGED STATUS OF SOME MAJOR GROUPS OF AUSTRALIANS, INCLUDING WOMEN THROUGH A RANGE OF MEASURES INCLUDING THE SEX DISCRIMINATION BILL, AND ABORIGINES THROUGH NEW PROGRAMS AND A 28 PER CENT INCREASE IN FUNDING FOR ABORIGINAL AFFAIRS.

ALL OF THIS HAS BEEN DONE WITHIN THE FRAMEWORK OF OUR SEEKING TO ESTABLISH A SOCIAL SECURITY SYSTEM WHICH CAN MEET THE REAL NEEDS OF OUR PEOPLE ON THE BASIS OF JUSTICE AND EQUITY.

THE INTERNATIONAL ECONOMIC CRISIS OF RECENT YEARS - OR RATHER, AN INTER-RELATED SERIES OF CRISES GOING BACK TO 1973 - HAVE ALTERED PRE-EXISTING PATTERNS AND PROSPECTS. IN A WAY BEYOND OUR PREVIOUS EXPERIENCE, DOMESTIC AND INTERNATIONAL CONCERNS NOW INTERLOCK. WE CAN NO LONGER PUT NATIONAL POLICIES AND INTERNATIONAL POLICIES IN SEPARATE COMPARTMENTS. AN UNDERSTANDING OF OUR CHANGED ROLE IN THE WORLD, ESPECIALLY IN OUR REGION, AND THE CHALLENGES AND OPPORTUNITIES WHICH SPRING FROM THAT CHANGED ROLE, IS ESSENTIAL TO A PROPER UNDERSTANDING OF OUR PROSPECTS AT HOME.

THIS RECOGNITION OF THE LINKAGE BETWEEN DOMESTIC AND INTERNATIONAL ISSUES IS REFLECTED IN THE APPROACH WE HAVE BROUGHT TO AUSTRALIA'S INTERNATIONAL RELATIONS IN THE PAST SIX MONTHS.

WE ARE ALSO VERY MUCH AWARE THAT IN THE CONDUCT OF OUR INTERNATIONAL RELATIONS IT IS NOT ALWAYS POSSIBLE TO SEPARATE OUT THE FOREIGN POLICY, DEFENCE AND SECURITY, AND TRADE ASPECTS. INDEED THERE ARE MORE OCCASIONS THAN NOT WHEN THIS IS THE CASE, ALTHOUGH WE FULLY RECOGNISE THE LIMITATIONS OF SEEKING TRADE-OFFS BETWEEN THE VARIOUS ELEMENTS OF OUR BILATERAL RELATIONS WITH OTHER COUNTRIES.

WE HAVE EXPLODED THE MYTH, ASSIDUOUSLY PROPAGATED BY OUR POLITICAL OPPONENTS, THAT A LABOR GOVERNMENT IS SOMEHOW NOT ABLE TO MAINTAIN STABLE AND PRODUCTIVE RELATIONS WITH THE UNITED STATES. JOHN CURTIN WOULD HAVE RIDICULED SUCH A PROPOSITION, SO DO I.

THERE COULD BE NO MORE APPROPRIATE OCCASION THAN THIS FOR ME TO ASSERT THAT WE HAVE REAFFIRMED AND CLARIFIED THAT FUNDAMENTALLY IMPORTANT RELATIONSHIP, WHICH HAS NEVER BEEN ON A BETTER OR MORE BALANCED FOOTING THAN IT IS NOW.

WE HAVE COMPLETED A REVIEW OF THE ANZUS TREATY, FIRST AS A NATIONAL ACT AND THEN IN ASSOCIATION WITH AUSTRALIA'S ALLIANCE PARTNERS. AS BILL HAYDEN PUT IT TO THE HOUSE OF REPRESENTATIVES ON 15 SEPTEMBER:

"THE REVIEW HAS LED US TO A FIRM AND UNEQUIVOCAL REAFFIRMATION OF THE ALLIANCE AS FUNDAMENTAL TO AUSTRALIA'S NATIONAL SECURITY AND FOREIGN AND DEFENCE POLICIES."

IN REACHING THIS CONCLUSION, WE IN NO WAY IMPINGE ON AUSTRALIA'S INDEPENDENCE OF ATTITUDE OR ACTION OR SURRENDER OUR BASIC RESPONSIBILITY TO PULL OUR FULL WEIGHT IN ENSURING OUR OWN SECURITY. ON THE CONTRARY, WE HAVE IDENTIFIED THE MUTUALITY OF OUR BASIC INTERESTS WITH THE UNITED STATES AND AT THE SAME TIME EMPHASISED OUR PREPAREDNESS AS A CLOSE BUT INDEPENDENT FRIEND AND ALLY TO SPEAK OUT AND ACT WHERE NECESSARY IN SUPPORT OF OUR OWN NATIONAL INTERESTS.

WHILE DOING THIS WE HAVE MADE IT CLEAR TO AUSTRALIA AND THE REST OF THE WORLD THAT OUR FUTURE MUST BE SEEN AS BEING PREDOMINANTLY WITH, AND DETERMINED BY EVENTS IN, THE REGION OF ASIA AND THE PACIFIC. WE HAVE ESTABLISHED FIRM AND CONSTRUCTIVE RELATIONS BETWEEN OUR GOVERNMENT AND THE ASEAN COUNTRIES, CHINA AND JAPAN WHILE DEMONSTRATING A CAPACITY FOR DIALOGUE WITH VIETNAM. WE ARE USING THESE VIRTUALLY UNIQUE SETS OF RELATIONS TO PLAY A ROLE IN ATTEMPTING TO ASSIST THE PROCESS OF A PEACEFUL RESOLUTION OF THE PROBLEMS IN INDOCHINA.

WE HAVE ALSO STRENGTHENED THE BONDS BETWEEN AUSTRALIA AND PAPUA NEW GUINEA, WHILE INCREASING PAPUA NEW GUINEA'S CAPACITY FOR SELF-RELIANCE IN THE LONGER TERM.

OUR GOVERNMENT HAS GIVEN A NEW DIMENSION TO THE COMMITMENT TO DISARMAMENT AND ARMS CONTROL. IN PARTICULAR WE HAVE APPOINTED AN AMBASSADOR WITH SPECIAL RESPONSIBILITY IN THIS FIELD AND WE ARE PRESSING IN ALL RELEVANT FORUMS FOR THE ESTABLISHMENT OF A SOUTH PACIFIC NUCLEAR FREE ZONE IN A MANNER CONSISTENT WITH OUR ANZUS TREATY COMMITMENTS.

THE CHANGING ENVIRONMENT

I HAVE TRIED, SO FAR, TO BRING TOGETHER THE KEY ELEMENTS OF OUR GOVERNMENT'S CONDUCT OVER THE PAST SIX MONTHS, BECAUSE WE CANNOT SEE WHERE WE ARE GOING WITHOUT SEEING WHERE WE HAVE BEEN. I ALSO WANT TO MAKE IT CLEAR TO YOU AND TO THE AUSTRALIAN PEOPLE THAT THE

WHOLE RANGE AND TOTALITY OF OUR DECISIONS OVER THE PAST SIX MONTHS - EACH DECISION SEPARATELY AND EACH AS PART OF THE WHOLE - ARE THE FOUNDATIONS ON WHICH WE PROPOSE TO BUILD AUSTRALIA'S FUTURE INTO THE NEXT CENTURY.

THE DIFFICULTY OF SOME OF THE DECISIONS WE HAVE HAD TO TAKE REFLECT NOT MERELY THE TOUGHIENESS OF THE PROBLEMS WE INHERITED AND THE PROBLEMS AS THEY EXIST IN 1983. JUST AS MUCH, THEY REFLECT OUR PERCEPTION OF THE DIFFICULTIES, INDEED THE DANGERS, THAT LIE AHEAD FOR AUSTRALIA, IF WE DO NOT ACT NOW, WITH FORESIGHT AND COURAGE, TO MEET THEM. WE DO NOT INTEND, ANY MORE THAN CURTIN DID, TO PASS ON INSOLUBLE PROBLEMS TO A FUTURE GENERATION, JUST BECAUSE WE HAVE INHERITED SO MANY DIFFICULTIES FROM THE PAST.

OUR CENTRAL TASK, AS WE SEE IT, CAN BE FAIRLY READILY STATED. AND WHEN I SAY "OUR" TASK, I DO NOT MEAN THE TASK OF THE AUSTRALIAN GOVERNMENT ALONE; IT IS A TASK FOR US ALL. AND THAT TASK IS TO SHAPE AN AUSTRALIA WHICH WILL BE PLACED IN THE BEST POSSIBLE POSITION TO GROW ECONOMICALLY IN REAL TERMS, AND SO PLACED TO GIVE ALL ITS CITIZENS THE BEST OPPORTUNITIES FOR THE FULFILMENT OF THEIR NEEDS, FOR THEIR PERSONAL DEVELOPMENT AND SELF-FULFILMENT, IN AN ATMOSPHERE OF FREEDOM, SECURITY, TOLERANCE, CO-OPERATION AND GOODWILL.

TO THESE GREAT ENDS, WE MUST ALL UNDERSTAND THAT THE RELATIVELY EASY YEARS WHICH CHARACTERISED MOST OF THE FIFTIES AND SIXTIES AND EARLY SEVENTIES, ARE BEHIND US. THE LOTUS YEARS ARE OVER. IF WE HAVE LEARNED THAT LESSON, THE HARDSHIPS OF THE PAST SEVEN YEARS MAY NOT, PERHAPS, HAVE BEEN ENTIRELY WASTED.

THERE MAY BE A CERTAIN PARADOX ABOUT THE COMPLETENESS OF JOHN CURTIN'S ACHIEVEMENT IN SAVING AUSTRALIA AND BUILDING ITS FUTURE. BY HIS OWN SUPREME EFFORT, HE MAY HAVE SHIELDED AUSTRALIANS FROM A RECOGNITION OF THE REALITY OF THE PERIL IN WHICH THEY HAD STOOD. HOWEVER THAT MAY BE, THIS NATION, UNRAVAGED ON ITS HOME SOIL BY THE WAR ITSELF, BEGAN DURING THOSE YEARS TO BUILD UP A MORE DIVERSE ECONOMIC BASE AND A STRONGER WORKFORCE, INCLUDING THE BEGINNINGS OF THE REVOLUTION OF THE PARTICIPATION OF WOMEN IN THE INDUSTRIAL WORKFORCE.

THE COMMON STRUGGLE OF THE WAR-TIME YEARS, AND THE COMMON CONCERN TO MAKE A FREE POSTWAR AUSTRALIA AN EQUITABLE SOCIETY WORTHY OF THE SACRIFICES THAT HAD BEEN MADE DURING THE WAR, PROVIDED A MORAL BASIS FOR UNPRECEDENTED ECONOMIC GROWTH IN AUSTRALIA. THE INNOVATIONS OF THE CURTIN AND CHIFLEY GOVERNMENTS IN ESTABLISHING THE AUSTRALIAN WELFARE STATE AND THE INSTRUMENTS FOR EFFECTIVE NATIONAL MACRO-ECONOMIC POLICY ALLOWED AUSTRALIA TO BUILD ON THESE HOPES AND OPPORTUNITIES, PROVIDING A BROAD FRAMEWORK FOR MANAGEMENT OF AUSTRALIA FOR MORE THAN TWO DECADES.

THE DEMOCRATISATION OF ACCESS TO HIGHER EDUCATION,
AND TO PROFESSIONAL AND MANAGERIAL OCCUPATIONS,
RELEASED HUGE ENERGIES FOR PROPELLING AUSTRALIAN
DEVELOPMENT IN THE IMMEDIATE POSTWAR PERIOD.

IN THE IMMEDIATE POSTWAR YEARS, A DEVASTATED WORLD NEEDED,
AND PAID HIGH PRICES FOR, OUR PRIMARY PRODUCTS.
THEN AS THE FRENETIC PACE OF RECONSTRUCTION IN WAR-TORN
EUROPE AND JAPAN GAVE WAY TO TWO DECADES OF SUSTAINED
ECONOMIC EXPANSION UNPARALLELED IN THE HISTORY OF THE
WORLD, INTERNATIONAL ECONOMIC CONDITIONS CONTINUED
TO BE HIGHLY FAVOURABLE TO ECONOMIC PROGRESS IN
AUSTRALIA. WITHIN THE NEW FRAMEWORK OF MONETARY AND
FISCAL POLICY, SUPPORTED BY THE WELFARE STATE WITH ITS
INCREASED PERSONAL SECURITY FOR ALL AUSTRALIANS AND ITS
OPPORTUNITY FOR GREATER UNITY OF PURPOSE, WE SAW
RAPID EXPANSION OF MANUFACTURING AND TERTIARY INDUSTRY.
FOR MORE THAN TWO DECADES OUR NATION WAS ABLE TO PROVIDE
FULL EMPLOYMENT AND INCREASING REAL WAGES FOR A RAPIDLY-
GROWING POPULATION. DESPITE AN OCCASIONAL HICCUP, SUCH
AS OCCURRED IN 1960-61, THESE FEATURES OF OUR ECONOMY
CAME TO BE REGARDED AS PART OF THE NATURAL ORDER IN
AUSTRALIA, REQUIRING LITTLE EFFORT OR PLANNING, AND
NO INNOVATION, ON THE PART OF GOVERNMENTS OR BUSINESS
OR UNIONS.

BUT AS I HAVE SAID, THOSE DAYS ARE OVER AND MUST NOW BE UNDERSTOOD TO BE OVER. IF WE ARE TO HARNESS OUR RESOURCES AND OPTIMISE GROWTH, EMPLOYMENT AND THE OPPORTUNITIES FOR PERSONAL FULFILMENT, THEN GOVERNMENTS HAVE TO PREPARE FOR IT AND PEOPLE HAVE TO WORK TOGETHER, FOR IT.

THE END OF THE POSTWAR ERA OF EASY PROSPERITY IN AUSTRALIA AND MUCH OF THE WORLD DID NOT COME SUDDENLY WITH THE FIRST OIL SHOCK IN 1973. THE GRADUAL TRANSFORMATION OF THE POSTWAR WORLD REFLECTED A NUMBER OF SOCIAL, ECONOMIC AND TECHNOLOGICAL CHANGES THAT CONTINUE TODAY.

SOME SIGNS OF THE CHANGED CIRCUMSTANCES WERE APPARENT FROM THE LATE SIXTIES, WITH TENDENCIES TOWARDS HIGHER INFLATION AND MONETARY AND ECONOMIC INSTABILITY. THERE WERE SIGNS, TOO, OF THE CORROSION OF THE POSTWAR MORAL LEGACY OF NATIONAL COHESION AROUND WIDELY SHARED GOALS OF INCREASING STANDARDS OF LIVING FOR ALL AUSTRALIANS, ACCELERATED BY THE TERRIBLE DIVISIVENESS OF THE WAR IN VIETNAM.

OVER THE LAST DECADE OR SO, THE OBJECTIVE CONDITIONS OF WORLD ECONOMIC PROGRESS HAVE BEEN CHANGING IN WAYS THAT HAVE MADE IT INCREASINGLY DIFFICULT TO MAINTAIN THE OLD PROSPERITY BY THE OLD FORMULAE. IN OUR TRADING PARTNERS, UNSTABLE ECONOMIC CONDITIONS, GREATLY REDUCED AVERAGE RATES OF ECONOMIC GROWTH, AND EXPECTATIONS ABOUT ECONOMIC GROWTH, HAVE DIMINISHED OUR OWN OPPORTUNITIES FOR ECONOMIC EXPANSION IN THE POSTWAR PATTERN.

TECHNOLOGICAL CHANGE HAS BEEN PROGRESSING IN WAYS THAT ARE CREATING DUAL LABOUR MARKETS IN THE ADVANCED INDUSTRIAL ECONOMIES, INCLUDING AUSTRALIA. WHILE THE NEW TECHNOLOGIES PROVIDE OPPORTUNITIES FOR CONTINUED OVERALL ECONOMIC GROWTH, AND EMPLOYMENT GROWTH, AND WHILE THEIR EMBRACE IS ESSENTIAL TO BOTH IN THE COMPETITIVE MODERN WORLD, THEY HAVE GREAT POTENTIAL FOR INCREASING INEQUALITIES IN THE AUSTRALIAN WORKFORCE AND SOCIETY. LEFT TO THEMSELVES, THEY TEND TO DIVIDE AUSTRALIANS INTO THOSE IN "PRIMARY" JOBS, WITH HIGH WAGES, JOB SECURITY AND SATISFACTION, AND OPPORTUNITIES FOR PROMOTION, AND THOSE IN "SECONDARY" JOBS, WITH ALL OF THE OPPOSITE CHARACTERISTICS. LEFT TO THEMSELVES, THE NEW TECHNOLOGIES WOULD PERMANENTLY REDUCE THE RELATIVE STANDING OF LESS ADVANTAGED GROUPS OF AUSTRALIANS, WOMEN PARTICULARLY.

THE HUGE SHIFT IN THE CENTRE OF GRAVITY OF WORLD INDUSTRIAL PRODUCTION TOWARDS THE EAST ASIAN REGION OVER THE PAST TWO DECADES, AND TOWARDS DEVELOPING COUNTRIES IN THAT REGION OVER THE PAST DECADE, LIKE THE NEW TECHNOLOGIES, PROVIDES VAST OPPORTUNITIES FOR THE GROWTH OF PRODUCTION AND EMPLOYMENT IN AUSTRALIA. BUT AS WITH THE NEW TECHNOLOGIES, UNCONSTRAINED USE OF THESE OPPORTUNITIES COULD LEAD TO INCREASED INEQUALITIES WITHIN AUSTRALIA IN THE ABSENCE OF DELIBERATE POLICIES TO AVOID THEM.

IT HAS TAKEN AUSTRALIANS A LONG TIME TO COMPREHEND THE MAGNITUDE OF THE CHANGES WHICH HAVE BEEN ACCUMULATING SINCE THE LATE 1960'S, AND PROBABLY BEFORE, WHICH HAVE CULMINATED IN THE WORLD AND AUSTRALIAN ECONOMIC CRISIS OF RECENT YEARS. BUT THE GROWING COMMUNITY AWARENESS THAT FUNDAMENTALLY CHANGED CIRCUMSTANCES REQUIRE NEW APPROACHES WAS AN IMPORTANT FACTOR BEHIND THE ELECTION OF MY GOVERNMENT IN MARCH, AND THE SUCCESS OF THE NATIONAL ECONOMIC SUMMIT CONFERENCE IN APRIL.

IN THE NEW CIRCUMSTANCES, WE ALL HAVE TO UNDERSTAND THE NEED FOR CHANGES IN WORK PATTERNS, INDUSTRIAL STRUCTURES, AND PATTERNS OF TRADE. AND WE ALL HAVE TO UNDERSTAND THE NEED FOR DELIBERATE MEASURES TO ENSURE THAT THESE CHANGES DO NOT REDUCE GROUPS OF AUSTRALIANS TO PERMANENTLY MARGINAL POSITIONS IN OUR SOCIETY.

IF WE CAN ACHIEVE THAT KIND OF COMMUNITY UNDERSTANDING - AN UNDERSTANDING OF THE INEVITABILITY OF CHANGE, THE NEED TO ADAPT, AND THE NEED FOR THE COMMUNITY TO ENSURE THAT ALL AUSTRALIANS ARE ABLE TO BENEFIT FROM GENERAL ECONOMIC GROWTH - THEN WE SHALL HAVE ESTABLISHED THE BASIS BY WHICH GOVERNMENTS, BUSINESS, UNIONS AND REPRESENTATIVE GROUPS CAN CO-OPERATE ON THE WIDE RANGE OF DECISIONS NECESSARY TO ACHIEVE THE OBJECTIVES OF GROWTH, EMPLOYMENT, AND AN ENHANCED QUALITY AND EQUALITY OF LIFE FOR ALL.

YOU WILL HAVE NOTICED THAT MY STRESS ON NATIONAL COHESION, CO-OPERATION, EQUITY AND CONSULTATION - ALL GREAT PRINCIPLES OF SOCIAL DEMOCRACY - ARE THE ANTITHESIS TO THE ECONOMICALLY LIBERTARIAN APPROACH WHICH HAS FLOURISHED IN THE STAGNANT, DIVIDED INDUSTRIAL WORLD IN RECENT YEARS.

SUCH AN APPROACH OFFERS NO SOLUTION TO THE PROBLEMS OF MODERN AUSTRALIA, ANY MORE THAN ITS EARLIER MANIFESTATION AS LAISSEZ-FAIRE CAPITALISM OFFERED SOLUTIONS TO A NINETEENTH CENTURY WORLD IN THE TORMENT OF EARLY INDUSTRIALISATION.

IT WAS THE LIBERTARIANISM OF MR HOWARD AND HIS COLLEAGUES THAT INVITED AUSTRALIAN WORKERS TO DO THE BEST THEY COULD FOR THEMSELVES IN THE MARKET PLACE IN 1981 AND 1982, AND WHICH GENERATED THE WAGE EXPLOSION THAT IS PART OF THE CAUSE OF OUR CURRENT PROBLEMS. IT WAS THE ECONOMIC LIBERTARIANISM OF OUR PREDECESSORS THAT CONDONED A HUGE DECLINE IN TAXATION MORALITY FROM THE MID-1970'S, UNTIL THE SUDDEN REALISATION IN THE LIFE OF THE LAST PARLIAMENT THAT IT THREATENED THE STABILITY OF OUR FISCAL SYSTEM. THE INROADS OF THESE VALUES SAW THE GROWTH OF VENALITY IN THE PROFESSIONS IN RECENT YEARS, WITH A DAMAGING DECLINE IN THEIR PUBLIC STANDING.

SOCIAL DEMOCRATS HAVE NO REASON TO DENY THE CAPACITY OF MARKETS TO ALLOCATE RESOURCES EFFICIENTLY, OR THE GREAT PRODUCTIVE POWER THAT IS ASSOCIATED WITH THIS

CAPACITY. I SEE NO VIRTUE IN REGULATION OF ECONOMIC ACTIVITY FOR ITS OWN SAKE, AND BELIEVE THAT WHERE MARKETS ARE WORKING EFFICIENTLY THEY SHOULD BE LEFT TO DO THEIR JOB UNLESS THERE ARE CLEAR REASONS IN EQUITY FOR GOVERNMENT INTERVENTION.

BUT IT IS PURE NAIVETY TO BELIEVE THAT CONTEMPORARY VERSIONS OF LAISSEZ-FAIRE CAN PROVIDE THE MAIN IDEA AROUND WHICH A SUCCESSFUL MODERN SOCIETY CAN BE ORGANISED. SUSTAINED SOCIAL AND ECONOMIC PROGRESS REQUIRE WIDESPREAD AGREEMENT ABOUT BROAD NATIONAL GOALS. AND IN TODAY'S ECONOMY AND SOCIETY, MORE THAN EVER BEFORE IN THE HISTORY OF HUMANITY, THIS SOCIAL COHESION REQUIRES EFFECTIVE ACTION BY GOVERNMENT TO ENSURE THAT ECONOMIC PROGRESS DOES NOT LEAVE A LARGE PART OF SOCIETY PERMANENTLY BEHIND.

WHAT I HAVE OUTLINED TO YOU ARE THE GENERAL PRINCIPLES THAT HAVE SHAPED OUR APPROACHES AND RESPONSES, AS WELL AS SOME OF THE IMMEDIATE ISSUES WHICH WE HAVE HAD TO FACE OVER THE PAST HALF YEAR. I WOULD NOW LIKE TO DEFINE BRIEFLY SOME OF OUR APPROACHES AND A FEW OF THE MORE FUNDAMENTAL PROBLEMS THAT THE NATION WILL FACE OVER THE REMAINDER OF THIS CENTURY.

THE ECONOMIC POLICY FRAMEWORK

FISCAL AND MONETARY POLICY ARE THE STUFF OF SHORT-TERM ECONOMIC MANAGEMENT - OF ANNUAL BUDGETS, AND LEVELS OF ECONOMIC ACTIVITY FROM YEAR TO YEAR. BUT THEY ARE AT THE HEART OF PROGRESS TOWARDS LONG-TERM GOALS AS WELL, BOTH BECAUSE SUSTAINED GROWTH IS FEASIBLE ONLY IN THE CONTEXT OF A REASONABLE DEGREE OF ECONOMIC STABILITY, AND ALSO BECAUSE THE ACCUMULATED EFFECTS OF DECISIONS ON TAXATION AND EXPENDITURE, BUDGET BY BUDGET OVER MANY YEARS, HAVE A DECISIVE EFFECT ON THE QUALITY AND EQUALITY OF ECONOMIC GROWTH OVER LONG PERIODS.

WE HAVE NO SYMPATHY WITH THE MONETARIST PANACEA - THE IDEA THAT TIGHT CONTROL OF THE MONEY SUPPLY ALONE CAN GENERATE LOW INFLATION AND LOW UNEMPLOYMENT, WITHOUT RECOURSE TO OTHER INSTRUMENTS OF ECONOMIC POLICY. BUT WITHIN THE OVERALL FRAMEWORK OF POLICIES DESIGNED TO ACHIEVE SUSTAINED GROWTH WITH LOW INFLATION UNDERPINNED BY THE PRICES AND INCOMES ACCORD, WE SEE A ROLE FOR MONETARY TARGETS, SO LONG AS THEY ARE APPLIED FLEXIBLY TO TAKE ACCOUNT OF CHANGED CIRCUMSTANCES IN THE REAL ECONOMY.

OUR APPROACH IS TO ALLOW STEADY EXPANSION OF THE MONEY SUPPLY, AT A RATE WHICH FACILITATES THE MAXIMUM SUSTAINABLE RATE OF GROWTH IN REAL ECONOMIC ACTIVITY, WITHOUT FINANCING AVAILABLE INFLATION. ALREADY WE HAVE ESTABLISHED OUR CREDENTIALS IN THE FINANCIAL MARKETS AS BEING PREPARED TO TAKE THE DETAILED POLICY DECISIONS ON THE EXCHANGE RATE, BOND SALES AND THE BUDGET DEFICIT THAT ARE NECESSARY FOR OUR APPROACH TO SUCCEED.

IN OUR FISCAL POLICY, WE AIM TO PROVIDE AN APPROPRIATE LEVEL OF STIMULUS TO ECONOMIC ACTIVITY, CONSISTENTLY WITH THE AVOIDANCE OF COUNTER-PRODUCTIVE PRESSURES IN FINANCIAL MARKETS ASSOCIATED WITH EXCESSIVE BUDGET DEFICITS. IN THE CURRENT CIRCUMSTANCES OF DEEP RECESSION, A HIGH LEVEL OF BUDGETARY STIMULUS IS JUDGED TO BE APPROPRIATE - A BUDGET DEFICIT REPRESENTING 4.7 PER CENT OF GDP, THE SECOND HIGHEST IN OUR POST-WAR HISTORY. BUT IN FUTURE CIRCUMSTANCES OF INCREASED ECONOMIC ACTIVITY AND HIGHER PRIVATE SECTOR DEMANDS ON FINANCIAL MARKETS, WE WILL TAKE THE STEPS THAT ARE NECESSARY TO REDUCE THE DEFICIT. WHILE WE CAN NO LONGER HAVE THE CONFIDENCE OF THE EARLY POST-WAR YEARS IN THE EFFICACY OF VARIATIONS IN THE BUDGET DEFICIT TO MAINTAIN ECONOMIC ACTIVITY ON A STEADY UPWARD PATH, WE NEVERTHELESS BELIEVE THAT VARIATIONS WITHIN CAREFULLY JUDGED LIMITS CONTRIBUTE TO ECONOMIC STABILITY.

OURS IS A DISCIPLINED APPROACH TO PUBLIC EXPENDITURE - A COMMITMENT TO NEW PROGRAMMES WHERE THEY ARE NECESSARY, WITHIN A HARD FRAMEWORK OF EXPENDITURE PRIORITIES. WE SEE THIS AS ESSENTIAL TO THE SUCCESS OF OUR REFORM PROGRAMME. THE EXPENDITURE REVIEW COMMITTEE, WHICH WORKED SO WELL IN THE PREPARATION OF THE MAY STATEMENT AND THE BUDGET, HAS BECOME A PERMANENT CENTRAL FEATURE OF OUR DECISION-MAKING PROCESSES. ITS TASK IS TO ENSURE THAT SUBSTANTIAL LEVELS OF NEW PUBLIC EXPENDITURE ON HIGH PRIORITY ACTIVITIES ARE NOT BLOCKED BY THE INERTIA OF ESTABLISHED PROGRAMMES.

REFORM OF THE TAXATION SYSTEM IS ALSO GOING TO BE CRUCIAL TO THE DEVELOPMENT OF THE LABOR GOVERNMENT'S OBJECTIONS. THE AUSTRALIAN TAXATION SYSTEM HAS DEVELOPED IN A HAPHAZARD WAY OVER EIGHT DECADES, UNTIL TODAY IT IS AT THE SAME TIME BOTH INEQUITABLE AND INEFFICIENT. SOME OF THE MORE STRAIGHT-FORWARD WEAKNESSES WERE REMOVED THIS YEAR. FOR THE FUTURE, THERE WILL BE A THOROUGH REVIEW OF THE EQUITY AND EFFICIENCY OF THE TAX BASE, TO BE FOLLOWED BY PURPOSEFUL CHANGE.

INDUSTRY POLICY

INDUSTRY POLICY WILL BE DIRECTED AT PUTTING AUSTRALIAN RESOURCES TO THEIR MOST ECONOMICALLY PRODUCTIVE USES, UNLESS THERE IS A CLEAR CASE IN EQUITY FOR AN ALTERNATIVE ALLOCATION OF RESOURCES. THIS WILL REQUIRE ACTIVE POLICIES TO CORRECT FOR FAILURES IN CAPITAL OR OTHER MARKETS. IT WILL ALSO REQUIRE THE FACILITATION OF STRUCTURAL CHANGE IN THE ECONOMY, TO ALLOW BETTER USE OF NEW TECHNOLOGY OR OPPORTUNITIES FOR TRADE, AND IN RESPONSE TO HIGH LEVELS OF INVESTMENT FROM HOME AND ABROAD.

WE EXPECT THAT THE GREAT RURAL AND MINING INDUSTRIES WILL PROSPER AND EXPAND. BUT THEY WILL NOT BE LARGE EMPLOYERS OF LABOUR, ANY MORE THAN THEY HAVE BEEN IN THE RECENT PAST.

IF WE ARE TO ARREST THE DECLINE OF MANUFACTURING INDUSTRY AS A SOURCE OF EMPLOYMENT, WE MUST ACTIVELY DEVELOP INDUSTRIES WHICH HAVE A POTENTIAL NOT ONLY TO SATISFY LOCAL REQUIREMENTS BUT TO MEET THE INCREASINGLY VARIED DEMANDS OF THE STRONGLY GROWING ECONOMIES OF OUR REGION. WE MUST ALSO MAKE EFFECTIVE USE OF NEW TECHNOLOGIES, WHETHER DEVELOPED IN AUSTRALIA OR ABSORBED FROM ABROAD.

SOME EXISTING INDUSTRIES WILL DECLINE AND NEW ONES MUST BE ENCOURAGED. IN THIS PROCESS, GOVERNMENT WILL HAVE A ROLE IN PROVIDING ASSISTANCE, FOR EXAMPLE BY WAY OF ASSISTING RESEARCH AND DEVELOPMENT, AND BY ENSURING THAT THE BURDENS OF CHANGE WHICH ARE NECESSARY IN THE COMMUNITY INTEREST, WILL IN PART BE BORNE BY THE COMMUNITY ITSELF, AND NOT EXCLUSIVELY BY CAPITAL AND LABOUR WHICH ARE AT THE FACE OF CHANGE.

THE BEST WAY TO MAXIMISE THE POSITIVE SOCIAL EFFECTS OF NEW TECHNOLOGY, AND TO REDUCE THE NEGATIVE, IS THROUGH THE FULL PARTICIPATION OF ALL CONCERNED IN DELIBERATIONS ON HOW THE NEW TECHNOLOGY IS INTRODUCED. A COMMON THREAD RUNNING THROUGH THE EXPERIENCE OF THOSE COUNTRIES MOST SUCCESSFUL IN HANDLING THE INTRODUCTION OF MODERN TECHNOLOGIES HAS BEEN THE WILLINGNESS OF THE SOCIAL PARTNERS - OF GOVERNMENT, UNIONS AND EMPLOYERS - TO CONSULT WITH EACH OTHER AT THE NATIONAL, INDUSTRY AND ENTERPRISE LEVEL AND TO ANTICIPATE AND RESOLVE PROBLEMS WHICH SEEM TO BE OF CONCERN. THE INTRODUCTION OF NEW TECHNOLOGY MUST BE ACCOMPLISHED IN A MANNER WHICH ENSURES THAT ALL PARTICIPATE IN THE LONG TERM BENEFIT.

EDUCATION AND TRAINING

OUR EDUCATION AND TRAINING POLICIES ARE CRUCIAL TO OUR NATION'S ABILITY TO BENEFIT FROM THE PROFOUND REVOLUTION OF TECHNOLOGY.

IT MUST BE SAID OF COURSE, THAT OUR PARTY AND OUR GOVERNMENT DO NOT PERCEIVE EDUCATION PURELY AS A PROCESS OF EQUIPPING PEOPLE FOR EMPLOYMENT. OUR WHOLE PHILOSOPHY ENVISAGES EDUCATION, NOT ONLY AS THE KEY INSTRUMENT TOWARDS ACHIEVING GENUINE EQUALITY OF OPPORTUNITY, BUT AS A FUNDAMENTAL PART OF THE PROCESS OF ENABLING EACH PERSON TO DEVELOP HIS OR HER

INDIVIDUALITY, CREATIVITY, AND ENJOYMENT OF THE RICHNESS AND DIVERSITY OF LIFE, IN ALL THE INFINITE VARIETY OF HUMAN NEEDS AND CAPACITIES. NOT LEAST IT WILL OPEN THE DOORS TO ALL THAT RICHNESS TO THOSE WHO ARE DISADVANTAGED, HANDICAPPED, DISABLED, AND UNDER-PRIVILEGED.

BUT, THE FIRST TASK OF EDUCATION MUST BE TO ENCOURAGE A HIGH DEGREE OF NUMERACY AND LITERACY, INCLUDING IN OUR MODERN ERA COMPUTER LITERACY, IN ALL AUSTRALIANS. THIS IS THE CASE WHETHER OUR AIM IS TO PREPARE CHILDREN FOR EMPLOYMENT FOR THEIR OWN SAKE, OR FOR THE SAKE OF ECONOMIC PROGRESS IN AUSTRALIA, OR TO PREPARE CHILDREN FOR A RICH LIFE WITHIN OUR CULTURE, OR TO PROMOTE EQUALITY OF OPPORTUNITY IN AUSTRALIA.

IN A RAPIDLY CHANGING ECONOMIC ENVIRONMENT, THE ENTIRE EDUCATION, TRAINING AND RE-TRAINING SYSTEM MUST BE PLACED UNDER CONSTANT REVIEW TO ENSURE ITS MAXIMUM RELEVANCE TO THE REQUIREMENTS OF A CHANGING ECONOMIC ENVIRONMENT. THE FUTURE PATTERN OF EMPLOYMENT WILL BE ONE IN WHICH PEOPLE IN THE WORKFORCE ARE LIKELY TO HOLD SUCCESSIVELY TWO, THREE OR MORE, KINDS OF JOBS IN THE COURSE OF THEIR WORKING LIVES. THE STRUCTURE AND CONTENT OF THE EDUCATION TRAINING AND RE-TRAINING SYSTEMS MUST BE SHAPED TO TAKE ACCOUNT OF THIS FACT. AGAIN, PROFICIENCY IN THE BASIC SKILLS WILL BE THE KEY TO SUCCESS OF INDIVIDUAL AUSTRALIANS, AND OF AUSTRALIA.

EMPLOYMENT

THE GENERAL QUESTION OF EDUCATION AND TRAINING IS CLOSELY LINKED TO THE QUESTION OF UNEMPLOYMENT ITSELF.

THE MOST IMPORTANT SINGLE GOAL OF OUR FISCAL POLICY, THE PRICES AND INCOMES ACCORD WHICH UNDERPINS OUR ECONOMIC POLICIES, AND OUR INDUSTRIAL POLICIES, AS WELL AS OUR EDUCATION POLICIES, IS THE REDUCTION OF UNEMPLOYMENT, THE EXPLOSION OF WHICH HAS BEEN THE MAIN SYMBOL OF AUSTRALIAN FAILURE IN RECENT YEARS.

HOWEVER UNPALATABLE IT MAY BE, WE CANNOT REASONABLY EXPECT IN THE FORESEEABLE FUTURE, TO RETURN TO THE EXPERIENCE OF THE POST-WAR GENERATION WHERE THE CONVENTIONAL ECONOMY PROVIDED FULL EMPLOYMENT, IN THE HISTORICAL SENSE, FOR EVERYBODY WHO SOUGHT WORK. WE CANNOT REDUCE THE UNPALATABILITY OF THIS FACT BY IGNORING IT OR REFUSING TO FACE UP TO IT. THOSE OF US WHO GREW UP, OR MADE OUR CAREERS, IN A TIME WHEN THE DEFINITION OF FULL EMPLOYMENT WAS MORE CONVENTIONAL VACANCIES THAN CONVENTIONAL JOB-SEEKERS, CANNOT RATIONALLY EXPECT OUR CHILDREN EVER TO ENJOY THAT EXPERIENCE.

AS A GOVERNMENT, WE CAN AND WE WILL CREATE MORE JOBS BY THE EMPLOYMENT OF A CO-ORDINATED RANGE OF ECONOMIC POLICIES INCLUDING SPECIFIC JOB CREATION PROGRAMS, TO LIFT THE GENERAL LEVEL OF ECONOMIC ACTIVITY FROM ITS PRESENT DEPRESSED LEVELS.

BUT GENERAL POLICIES FOR OVERALL ECONOMIC GROWTH MUST NOW BE SUPPLEMENTED BY THE USE OF PUBLIC RESOURCES TO ASSIST THE CREATION OF ALTERNATIVE OPPORTUNITIES FOR THE CONSTRUCTIVE DEVELOPMENT OF THE GREAT HUMAN POTENTIAL EXISTING AMONG THIS YOUNG GENERATION OF AUSTRALIANS - THE BEST AND BRIGHTEST GENERATION WE HAVE EVER PRODUCED. EITHER THAT - OR WE DRIFT ALONG, CONTINUING AND CONDONING THE TOTALLY NEGATIVE NEXUS REPRESENTED BY THE DOLE CHEQUE.

WE SHALL ALSO HAVE TO FACE UP TO REDUCING THE LENGTH OF THE WORKING LIFE OF THE AVERAGE AUSTRALIAN. A SUBSTANTIAL IMPACT WILL BE MADE BY POLICIES DESIGNED TO ENCOURAGE YOUNG PEOPLE TO REMAIN IN THE EDUCATION SYSTEM LONGER, AND BY OFFERING THEM A COMPREHENSIVE YOUTH POLICY, WHICH OFFERS THE ALTERNATIVE OF EDUCATION OR A RANGE OF EMPLOYMENT OUTSIDE THE CONVENTIONAL LABOUR FORCE, PROVIDING OPPORTUNITIES FOR CONSTRUCTIVE COMMUNITY WORK, TRAINING AND EXPERIENCE.

THE PLAIN FACT IS THAT NO GOVERNMENT IN AUSTRALIA WILL NOW, OR IN THE FORESEEABLE FUTURE, SOLVE THE PROBLEM OF UNEMPLOYMENT SOLELY THROUGH THE AVAILABLE METHODS OF INCREASING THE SUPPLY OF JOBS. AT LEAST EQUAL ATTENTION MUST BE PAID TO THE QUESTION OF REDUCING THE DEMAND FOR JOBS BY HELPING TO PROVIDE SOCIALLY CONSTRUCTIVE ALTERNATIVES.

SOCIAL SECURITY SYSTEM

THESE CONSIDERATIONS LEAD US INTO THE LARGE QUESTION OF THE FUTURE OF THE SOCIAL SECURITY SYSTEM AND ITS EQUITY IN OUR FUTURE SOCIETY. JUST AS WE HAVE TO TAKE ACCOUNT OF THE ECONOMIC REALITIES IMPOSED ON OUR YOUNGER PEOPLE, SO WE HAVE TO PAY CLOSE ATTENTION TO THE ECONOMIC REALITIES FACING THE OLDER GENERATION. WE HAVE TO FACE THE FACT THAT WE ARE GOING TO LIVE IN A SOCIETY WITH AN AGEING POPULATION. IT IS IMPERATIVE, THEREFORE, THAT WE CREATE CONCEPTS AND MECHANISMS GOVERNING OUR SOCIAL SECURITY SYSTEM WHICH WILL ENSURE THAT EXPENDITURES ARE MORE CLOSELY RELATED TO THE REAL NEEDS OF THE PEOPLE.

PUT BLUNTLY, A SMALLER PROPORTION OF THE POPULATION WILL BE IN EMPLOYMENT AND ABLE TO SUSTAIN THOSE IN RETIREMENT AFTER THEIR PRODUCTIVE EMPLOYMENT, AND THOSE WITHOUT ANY EMPLOYMENT AT ALL.

IF WE ARE TO RAISE SIGNIFICANTLY THE GENERAL LEVEL OF BENEFITS TO ALL WHO NEED THEM, THEN WE HAVE TO REDUCE THE SPECIAL AND UNNECESSARY PRIVILEGE OF SOME.

THAT IS A FACT OF LIFE IN THESE TIMES OF GREAT ECONOMIC DIFFICULTY. BUT IT WILL REMAIN A FACT - INDEED, ITS FORCE WILL INCREASE - AS THE NUMBER OF AUSTRALIANS DEPENDENT ON THE PENSION GROWS AS A PROPORTION OF THOSE IN THE WORKFORCE.

LET ME BE MORE SPECIFIC ABOUT THE DEMOGRAPHIC FACTS. OVER THE NEXT TEN YEARS THE NUMBER OF WORKING-AGE AUSTRALIANS FOR EACH PERSON OVER 65 WILL DROP TO ABOUT FIVE. LOOKING FURTHER INTO THE FUTURE, FIFTY YEARS FROM NOW THIS NUMBER IS EXPECTED TO DROP TO ABOUT THREE.

SO IN THE MAY 19 STATEMENT AND IN THE BUDGET ITSELF WE SET IN TRAIN DECISIONS WHOSE REAL RESULTS WILL COME NOT THIS FINANCIAL YEAR OR EVEN NEXT, BUT WILL BEGIN TO BEAR FRUIT IN THE YEARS AHEAD.

IT WOULD BE TRAGIC IF SHORTSIGHTED CONSIDERATION OF SHORT-TERM POLITICAL OR PERSONAL ADVANTAGE WERE ALLOWED TO RETARD THE REFORM OF THE SOCIAL WELFARE AND TAXATION SYSTEMS UPON WHICH WE HAVE EMBARKED.

INTER-GOVERNMENTAL RELATIONS

THERE CAN BE NO SUSTAINED ECONOMIC AND SOCIAL PROGRESS IN AUSTRALIA WITHOUT CO-OPERATIVE INTER-GOVERNMENTAL RELATIONS.

WE APPROACH THE END OF THE TWENTIETH CENTURY WITH A CONSTITUTION AND DIVISION OF POWERS BETWEEN THE COMMONWEALTH AND THE STATES BASICALLY DETERMINED IN THE 1890's.

WE PROPOSE TO TAKE EVERY OPPORTUNITY TO REFORM AND MODERNISE THAT CONSTITUTION. BUT IT WOULD BE LESS THAN REALISTIC TO BELIEVE THAT THE PATH OF CONSTITUTIONAL REFORM CAN, OF ITSELF, PROVIDE QUICK, OR READY SOLUTIONS TO THE COMPLEX SOCIAL AND ECONOMIC PROBLEMS WE NOW FACE.

THE ELECTION OF LABOR GOVERNMENTS THROUGHOUT AUSTRALIA NEVERTHELESS PROVIDES THE BASIS FOR A MORE CO-OPERATIVE AND CONSTRUCTIVE USE OF THE CONSTITUTION AS AN INSTRUMENT FOR PROGRESS AND REFORM UNPARALLELED IN THE HISTORY OF FEDERATION.

IT SHOULD NOW BE POSSIBLE FOR THE ELECTED GOVERNMENTS OF AUSTRALIA TO DEVISE A PATTERN OF RELATIONSHIPS, IN A SPIRIT OF CO-OPERATION AND CONSULTATION, WHICH ARE MOST ATTUNED TO THE CIRCUMSTANCES OF OUR TIME - A SET OF RELATIONSHIPS WHICH MORE EFFECTIVELY MATCHES THE CAPACITIES AND RESPONSIBILITIES OF THE RESPECTIVE LEVELS OF GOVERNMENT (INCLUDING LOCAL GOVERNMENT) THAN WE HAVE EVER KNOWN IN AUSTRALIA. WE TOOK THIS GOAL TO OUR FIRST PREMIERS'

CONFERENCE, WHICH BEYOND ITS AGREEMENT ON SHORT-TERM ECONOMIC POLICY, ESTABLISHED A WORKING PARTY TO MAKE RECOMMENDATIONS ON THE WHOLE STRUCTURE OF FEDERAL-STATE FINANCIAL RELATIONS.

THE REGIONAL FOCUS

THE PROGRAM WE HAVE EMBARKED ON IS NOT ONE WE CAN HOPE TO PURSUE IN ISOLATION FROM THE WORLD AROUND US.

A CRITICALLY IMPORTANT TASK IS TO GIVE GREATER SUBSTANCE TO AND OBTAIN GREATER COMMUNITY AWARENESS OF OUR LINKS WITH THE ASIA/PACIFIC REGION, THE FASTEST-GROWING REGION OF THE WORLD ECONOMY. IT IS NOT ENOUGH THAT IMPORTANT SECTIONS OF GOVERNMENT, THE BUREAUCRACY, BUSINESS AND THE ACADEMIC WORLD ARE CONSCIOUS THAT AUSTRALIA'S DESTINY IS INEXTRICABLY ASSOCIATED WITH THIS REGION.

WE CAN NO LONGER AFFORD TO LOOK DOWN ON OR PATRONISE PEOPLES WHOSE ACHIEVEMENTS IN ECONOMIC DEVELOPMENT OVER RECENT YEARS HAVE BEEN AMONG THE MOST IMPRESSIVE IN THE WORLD. AND WITHOUT COMPROMISING OUR OWN WESTERN-DERIVED VALUE SYSTEM, WE MUST BE PREPARED TO SHOW GREATER UNDERSTANDING OF NEIGHBOURING SOCIETIES WHOSE TRADITIONS AND VALUES ARE VERY DIFFERENT FROM OURS, BUT NO LESS FIRMLY BASED. AUSTRALIA'S EDUCATION SYSTEM AND OUR INFORMATION MEDIA HAVE A MAJOR ROLE TO PLAY IN BRINGING THESE REALITIES TO US.

CONCLUSION

THE BROAD OBJECTIVES OF MY GOVERNMENT HAVE ALREADY BEEN LAID DOWN, AND THEY HAVE BEEN REFLECTED IN THE POLICIES OF OUR FIRST SIX MONTHS OF OFFICE.

THEY WILL CONTINUE TO SHAPE THE DEVELOPMENT AND IMPLEMENTATION OF NEW POLICIES. IN GENERAL THESE ARE TO ACHIEVE IN AUSTRALIA A STRONGER AND MORE SOUNDLY-BASED NATIONAL ECONOMY AND TO ESTABLISH A FAIRER AND MORE EQUITABLE SOCIETY. EXTERNALLY WE AIM TO STRENGTHEN OUR LINKS WITH THE ASIA/PACIFIC REGION, AND TO CONTRIBUTE TO REDUCTION OF INTERNATIONAL TENSIONS.

AND HOWEVER MUCH WE MAY RECOGNISE THE LIMITATIONS IMPOSED UPON US, ON A FEDERAL LABOR GOVERNMENT IN A VERY COMPLEX SYSTEM, HOWEVER MUCH WE MAY RECOGNISE THE LIMITATIONS OF OUR ECONOMIC EFFORTS AND ASPIRATIONS IMPOSED BY THE INHERITANCE OF PAST GOVERNMENTS, HOWEVER MUCH WE MAY RECOGNISE THE LIMITATIONS UPON AUSTRALIA ITSELF BY ITS COMPARATIVELY SMALL SIZE AND INFLUENCE, WE WILL AT ALL TIMES USE OUR BEST ENDEAVOURS TO IMPROVE THE STANDARD AND QUALITY OF LIFE OF OUR PEOPLE AND THE INTERNATIONAL CAUSE OF PEACE.

YET THOSE ENDEAVOURS MUST AT ALL TIMES BE INFORMED BY A SENSE OF REALISM AND AN UNDERSTANDING OF WHAT IS ACHIEVABLE. MERE POSTURING IN THE NAME OF PEACE WILL DO NOTHING TO ACHIEVE PEACE, ANY MORE THAN MERE POSTURING IN THE NAME OF ECONOMIC GROWTH AND EQUITY WILL DO ANYTHING TO ACHIEVE THESE OBJECTIVES FOR OUR NATION.

THESE ARE THE REALITIES. THEY ARE THE REALITIES WHICH JOHN CURTIN, MORE RELEVANTLY THAN ANY OTHER AUSTRALIAN IN OUR HISTORY, ACKNOWLEDGED AND CONFRONTED - IN HIS TIME, JUST AS WE MUST DO NOW, IN OUR TIME.

WE ARE HIS HEIRS. LET US STRIVE TO BE WORTHY OF THAT SPLENDID INHERITANCE.

HE LEFT US AN INHERITANCE OF AN AUSTRALIA SAFE, STRONG, UNITED,
FOR HIM, IT WAS IMPOSSIBLE TO DISTINGUISH BETWEEN THE
AUSTRALIAN LABOR PARTY AND AUSTRALIA. FOR HIM, SERVICE AND
COMMITMENT TO THE ONE WAS SERVICE AND COMMITMENT TO THE
OTHER. FORTY YEARS ON, AS HIS PRIVILEGED SUCCESSOR, IN THE
GREAT OFFICE OF LEADER OF THE AUSTRALIAN LABOR PARTY AND
PRIME MINISTER OF AUSTRALIA, I DO NOT FIND IT NECESSARY TO
REVISE OR QUALIFY HIS ESSENTIAL ASSESSMENT OF HIS ROLE AND DUTY,
EITHER TO THE PARTY OR TO THE NATION. IF WE AUSTRALIANS CAN
APPROACH THE SPLENDID EXAMPLE HE HAS LEFT US, THEN I BELIEVE WE
NEED NOT FEAR FOR THE FUTURE OF OUR GOVERNMENT, OUR PARTY,
OR OUR NATION.

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