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PRIME MINISTER

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SPEECH FOR THE PRIME MINISTER

T.J. RYAN MEMORIAL LECTURE
"THE DIRECTION FOR AUSTRALIA"
24 September 1985

Distinguished Guests, Members of the Queensland University ALP,
Ladies and Gentlemen.

I am deeply honoured that you have invited me to deliver the sixth
in a series of the T J Ryan Memorial Lectures.

The late Denis Murphy, at the conclusion of his masterful
biography on Thomas John Ryan, observed that Ryan remained
something of a forgotten figure in Australian history.
Thankfully, these memorial lectures, which Denis Murphy did so
much to establish, are redressing this lamentable situation.

The annual lecture has, in fact, done much to promote the
intellectual richness of the great Australian Labor Party.
Occasions such as tonight, and events such as the Chifley
centenary address which I had the honour of delivering just last
Saturday in Bathurst, contribute considerably to the development
of labour thought, and that is something which is important to the
health of the political process and to our Party's vigour.

Ryan was primarily a highly successful Queensland Premier. His was
one of the most innovatory of social democratic governments. It
was a Government based on economic development and stability. It
was progressive, particularly in social welfare and industrial
relations.

Ryan was invited to enter Federal Parliament in October 1919. The
Party's Federal Conference extended the invitation after
representations from the State Executives of Queensland, NSW, and
Tasmania - the only time this has ever been done. He was elected
MHR for West Sydney and later, in September 1920, he became the
Assistant Leader of the Federal Parliamentary Labor Party.

If Ryan had not died tragically of pneumonia whilst campaigning in the Maranoa by-election on the first of August, 1921, he unquestionably would have replaced Tudor as Leader in 1922. Australia was the worse for his death.

Ryan was a leader in the great tradition of moderate Labor. He had a clear vision of the direction his government should take, and he took it. Ryan's was a first class example, in fact, of the need for direction in government, of the need for reform - but reform with realism and moderation - and the need to face up to the challenges of a changing world.

There are many parallels to be drawn between the experiences of Ryan and other great Labor traditionalist leaders such as Chifley and Curtin, and our own experience today.

So I want to talk tonight about the direction of the present government in the context of both the challenges we face as a nation, and the achievement of the vision we share for a better Australia.

There is no question that Australia is at a watershed in its political, economic and social development.

The challenges of the future, the legacy of the past and imperatives of the present have demanded new approaches, new methods of dealing with problems and the need for hard decisions to firmly re-establish our long term prosperity and our objectives as a nation.

Just on two and a half years ago, the Federal Labor Government came to office with the promise of a New Direction for Australia and for the Australian people.

It was a troubled period in our history.

At the time, in March of 1983, we were a nation immersed in economic chaos, dispirited and paralysed by recession. There was little hope of quick recovery.

Worst of all, we had a government bereft of inspiration, devoid of direction and ideas about how the situation could be retrieved:

The turnaround since 1983 has been dramatic. Our policies are succeeding. Ours is now a nation of optimism, of growth and increasing vitality. We have recovered our morale and dignity as a nation.

Under this Government, Australia HAS been given a New Direction.

But this does not signal the end of our effort - our national efforts to get our economy back on the track to sustainable economic growth and prosperity, where our people have jobs and live in an atmosphere of equality and freedom.

We have achieved a remarkable reconciliation and recovery, but our task of reconstruction is only just beginning.

But we must also be realistic. We all have our hopes and our dreams of a better Australia. But we have to accept that we live in a world of finite resources. We simply do not have the means to realise every dream, no matter how laudable.

The task of government is to match our hopes with the available resources, to ensure that those resources are directed to where they can be used most efficiently, to bring us closer to realising those dreams.

This Government has been about creating the conditions of sustainable economic growth - growth which will generate the wealth we need to implement the changes which will make Australia a fairer society.

Sustained growth is the prerequisite for everything we want to do. It is impossible to have fundamental and lasting change in a static economy.

The evidence of our economic and social recovery is everywhere.

Remember that in the year before we came to Government 160,000 jobs disappeared and unemployment increased by over a quarter of a million. Under Labor, in just 28 months, 430,000 jobs have been created.

I do not believe that there has been a comparably important socio-economic achievement in Australia for over three decades. Our success so far places us well on the track to meeting the target of 500,000 new jobs in our first three years of office.

We have turned the economy from a situation in which it was actually shrinking, to one in which we have now had two successive years of five per cent growth. We have one of the fastest growing economies in the world and we are recognised increasingly around the world for our success.

We have freed our financial sector from those regulatory devices which have proved unnecessary and stifling of our development. This is a central element in making us competitive with the rest of the world. We floated the dollar, freed up most interest rates, and admitted foreign banks.

Industrial disputes are at a record low. We have removed wages from the arena of direct disputes and employers now have a far stronger assurance of stability.

Profits have been restored to the levels of the late '60s-early 70s - the sort of levels which make it worthwhile for employers to reinvest and to create more jobs. We have maintained the real value of wages at the same time as inflation has been virtually halved.

We have simultaneously brought unemployment down from record levels. And we will bring it down still further.

Underpinning everything we are doing is our commitment to the Prices and Incomes Accord and to the trilogy. The trilogy involves our undertakings to restrain our spending, the deficit and taxation as proportions of GDP. This has given us a definite yardstick by which to measure our restraint.

No government has ever imposed such a discipline upon itself. We met these commitments in our last budget - the first time in 17 years that any government has done so. The Opposition said we couldn't do it.

Right from the outset, we were convinced that an effective prices and incomes policy was an essential vehicle for achieving sustained, non-inflationary recovery. The Opposition said it would fall apart.

Indeed, the Accord remains at the head of the issues which really matter to Australians - the security of incomes and employment, freedom from unnecessary industrial disruption, low inflation and fairness in the treatment of the needy.

It is also the reason why this recovery has taken place without the sort of wages explosion which has, very often in the past, snuffed out recoveries before they have taken hold.

The Accord goes far beyond being simply a unique - and a uniquely Australian - method of controlling inflation and reducing unemployment. It is a complex of agreements and understandings about economic and social goals for the nation as a whole - the goals which are fundamental to Labor's vision for Australia.

And it is this interpretation of the Accord which makes our common commitment - as a Government and as a movement - so fundamental to Labor's cause and to Australia's course. We reject a narrow commitment to growth for growth's sake. We embrace growth as the means to build a better and a fairer Australia.

The value and the significance of the Accord was demonstrated again by the recent agreement between the Government and the ACTU to renew the Accord for another two years.

Under this agreement, the union movement has accepted specific and further restraint in wages and conditions claims. And the Government has agreed to a fundamental reform of superannuation arrangements. As a result of the agreement, up to 100,000 new jobs will be created because the beneficial effects of the devaluation will not be lost in a new bout of inflation.

The Accord has also provided the basis for sectoral policies which have rejuvenated some major Australian industries, particularly steel, motor vehicles and housing.

I have spoken many times of the need to restructure our industry and to enmesh our economy with those rapidly developing and dynamic economies of Asia and the Pacific. Our long term survival as a prosperous and relevant nation depends upon this.

Australia has been lucky in the past, riding home on the sheep's back, the wheat grower's harvester and on the miner's conveyor belt. But instead of relying only on commodities, our manufacturing and services sectors must become more export-oriented. This involves fundamental changes in the image our industries have of themselves. We have to look overseas to expand.

The Government is encouraging the appropriate conditions for this to occur.

Deregulation has made our economy more responsive to market conditions and reduced distortions relative to our overseas competitors.

We have also placed emphasis on research and development and on removing unnecessary regulations which hinder the effective operations of all kinds of industry, and thus inhibit their competitiveness.

We are encouraging a liberalisation of world trade through our regional initiative on a new round of multi-lateral trade negotiations.

Our emphasis on internationalism in our industry policy is nowhere more forward looking than in our relations with China. China's modernisation offers the potential of a huge new market for our producers. The possible linkage of our two iron and steel industries is one example.

Contact between the Australian and Chinese governments and between Australian and Chinese industry will become increasingly important. The China-Australia relationship has enormous potential to influence Australia's prosperity and our economic relevance in the world for decades into the future.

Despite our remarkable success so far, we still have a long way to go on the road to long term economic stability. We cannot slacken off now.

Our policies have been credible because they are relevant both to the immediate and the long terms.

Many of them have appeared tough, because they have been taken with an eye to the future as well as to the present.

It is always much harder to apply solutions which will carry us into the future - solutions which will create our future for us.

I have provided a broad overview of our record tonight because I think it is important that our achievements so far should be placed in their proper context.

We should never forget what the alternative is to our policies and to our own approach to government.

It is a choice between a government which has brought about strong growth with significantly reduced inflation and a coalition which promises only a return to the economic and social chaos of the early 1980s - laced with obsessions and ideological hang-ups.

We have produced hope, optimism and growth. They offer a reversion to the spectres of the past - confrontation, economic stagnation and despair. They espouse the politics of privilege. They strike empty postures which are irrelevant to Australia's future.

It would be pointless to deny that the new leadership of the Liberal Party has put a sharper focus on the Opposition than previously. But that does not mean that their policies will be any better or any newer, or are likely to be any more effective than the policies which were tried by our predecessors in office, and which failed dismally.

It is the recipe as it was concocted for the seven years before March 1983. At the heart of it lay the confrontation with the trade union movement, the attack on the arbitration system and on the Conciliation and Arbitration Commission, and the undermining and subsequent abandonment of centralised wage fixation.

The result of these policies was a wages explosion, followed by a new bout of inflation, and the worst recession for fifty years culminating in zero growth, record inflation, record unemployment and record industrial disputation.

What we have from the Opposition that is new is simply more strident rhetoric to convince us of the merits of ideas which have been tried and found wanting. They are more fervid in their polemics, more rabid in their obsessions.

In policy, our opponents this week stand for

- deregulation of the labour market
- savage and peremptory cuts in spending; and
- privatisation of our great national institutions.

Let's have a closer look at these elements.

Labour market deregulation would break down the centralised, national approach to wage fixing which has brought us simultaneously low inflation and lower unemployment and a restoration of the sort of profit levels which make it worthwhile again for businesses to reinvest and create the jobs and growth which will re-establish our national prosperity.

Far from applying - if I could put it this bluntly - a laxative to the labour market, deregulation would create the law of the jungle in our economy. Neither rational economic considerations nor Australian social imperatives would be served by a return to that sort of chaos, which plunged this country into the deepest recession in 50 years.

Our opponents have also declared that they would cut three billion dollars off the deficit in each of their first two budgets.

This is a hollow commitment if ever there was one. Never forget - they were the architects of our high deficits. They created them in a frenzy of spending in an unsuccessful effort to avoid losing office in 1983. Our management, in just three budgets, has gone a long way to correcting this mess. We have halved the deficit as a proportion of GDP. That is as severe as we could bear without destabilising and dislocative economic and social effects.

The Opposition does not have the courage to nominate the precise cuts they would make. But the Australian people know that they would cut in the disadvantaged areas where people really need the help and support of the nation.

The third element of their policies is their commitment to privatise some of our greatest and most valuable national institutions. They have nominated a list of them, including the Commonwealth Bank, QANTAS and Telecom. They have said they don't mind if these institutions end up in foreign hands.

Our opponents would sell off institutions which have been built up over generations. They should be left to serve our children as well as they have served our parents.

What would happen if they were sold off? Ask yourselves the question. Our opponents have already acknowledged the need for government subsidies to allow the continued cross-subsidisation of the services these institutions provide. They say the subsidies would be financed by the taxation of their profits.

So on the one hand, we would have the privatisation of the profits. And on the other hand, the government's revenue - which should be applied to social needs - would be used to subsidise the private activities that our opponents would tell you are far more effectively conducted by private enterprise.

There are some national activities which can only be undertaken by government. We are concerned with securing the most efficient use of the resources which must be applied to them in the national interest.

The key elements of our opponents' propaganda are unworkable and empty. They are unnecessary and unwanted. If they were ever put into practice they would cause damage to the entire community and leave ordinary Australians far worse off. What the coalition advocates is socially offensive.

We are a Government and a Party with strong traditions as adopted by great figures such as T J Ryan, John Curtin and Ben Chifley. We are concerned with social justice. We take the view that we have a national and a natural obligation to help the disadvantaged in our community to realise the aspirations for their own personal development which the more privileged take as a matter of course.

Unlike the Opposition, this Labor Government does not treat people as stereotypical economic units. We have defined a program of social security and social justice which is compatible with the broader objective of economic growth. The two goals are inseparable. You cannot achieve only one unless it is at the expense of the other.

Government has always been about blending economic rationality with humanity. Most governments err to one side or the other. We are achieving the fairest and most realistic balance seen in this country for decades.

In our first three budgets, the government has directed to the disadvantaged in our community almost \$1.5 billion in new and increased social security benefits over and above those resulting from established indexation arrangements. We have in most areas recovered - and even substantially improved upon - the ground lost during the seven years of conservative rule.

These are extraordinary advances in an economy still suffering very much from those dark years. But we have managed it without dislocation because we have implemented our policies gradually and directed benefits to those most in need.

The best way I can illustrate our achievements - how we combine our obligations to the economy and to ordinary people - is to refer to two areas of current activity - and they are taxation reform and our new initiatives to help our young people.

It is true that the taxation reforms which have now been announced are not as extensive as we had originally intended. We tried. But we could not attract the widespread community support which is required for any political reform to succeed.

That was the decision of the Australian people.

But that still leaves us with a series of significant reforms to our taxation system. We have dramatically reformed personal income tax scales, broadened the income tax net to catch those people who have been avoiding tax for years and forcing heavier burdens on to lower income earners. We will make sure that everyone meets their proper taxation responsibilities.

We will implement changes which are long overdue - changes which were not made in the past because previous conservative governments lacked the courage to tackle them.

Our taxation reforms will institute a realism and a fairness in the taxation system with substantial social benefits. They will stabilise the revenue base from which governments work to provide the services that all Australians need.

Our initiatives in youth policy are also directed at the future - at our future as a society and at our future as a nation equipped to meet the economic challenges of an increasingly competitive world.

Australia's future is in the hands of our young people. They are our greatest asset. But they were left by the wayside over the years of recession. If our young people have no future, then Australia has no future.

The coalition presided over a situation where teenage employment fell by 19 per cent in their last five years. Their response to the tragedy that they created is a simplistic call for cuts in youth wages.

We have been painstaking in our development of a solution to this problem. It is a multi-faceted approach to improve our young people's job prospects by making sure they have better opportunities to be trained in relevant skills.

This involves a traineeship scheme which will complement the apprenticeship system. It will allow young people to receive training at the same time as job experience. It involves support for employers to encourage them to help us achieve these objectives.

Our proposals involve income support for young people to encourage them to remain in formal education if they wish, so they are not forced to drop out of school through economic or social necessity.

And we will increase the positions available for young people at TAFE colleges.

Our proposals represent a comprehensive and integrated approach to solving the problems of the people who will inherit our country.

The effect is not simply to improve their chances of getting a job. The result will be a better trained, and a far more capable and productive workforce for all of Australia. It will mean a more secure place for Australia in the world. We will not be confined to the economic backwaters because we will have a population and a workforce capable of meeting these challenges.

It is the difference between nurturing the talent, the energy, the creativity of young Australia ... or letting that talent and creativity wither on the vine. And Australia's future would wither on the vine alongside them.

Our programs are aimed at our long term future. They are aimed at creating an economically secure Australia, as well as a secure and peaceful world. Testimony to this is our support for the international non-proliferation regime, for disarmament measures and our successful advocacy of the South Pacific Nuclear Free Zone Treaty - now made even stronger by Papua-New Guinea signing the Treaty during my visit to Port Moresby a week ago.

Unless people, and we as a nation, are able to live in an atmosphere of peace and security, we will not be able to devote our energies and our resources to our economic and social security.

Our gradual change will leave Australia as a stronger, a more stable society. Our people will not be divided by such destructive and negative motivations as unequal opportunity, by elitism or by envy. They will aspire to self-improvement, not at the expense of their neighbours but in co-operation with them.

Their opportunities to realise their aspirations will be fairer - unlike the past, when privilege and opportunity were unequal, and unlike the attitude taken by our opponents, which would entrench privilege and power in their existing balances.

This is really the essence of the campaign being waged by the new, so-called drier leadership of our opponents. They are obsessed with what they call "corporatism". Their campaign is to destroy what they describe as the "corporate alliance" between "big government, big unions and big business".

This is a sinister and a cheap means of deriding the co-operative relationship, the partnership which has produced the most remarkable economic turnaround in the world today. Of course the conservatives object to it. It has kept the Labor Government in office, and it has kept the conservatives out of office.

The difference between the two sides is really over whether we together take a national approach to issues and problems which are essentially national issues and problems, requiring national solutions.

The essence of the conservatives' approach is that they would break down our national approach into a hotch-potch series of cheap little deals, with every self interested group of workers or bosses in every enterprise or industry, and every social group in Australia fighting each other to get the most that they can.

It would be dog eat dog in its crudest form.

Far from giving little people more power and more choice, this sort of approach would serve only to break down the national co-operation which has worked so well for all Australians. It would do nothing to advance the cause of our national economic and social well-being. It would leave the strong stronger and the weak weaker.

If there is one thing that the success of our co-operative approach has demonstrated so far, it is that none of us can be winners unless we are all winners. And so far, we ARE all winners.

It is the difference between national compassion and action on the one hand, and the abrogation of national government responsibility on the other.

It is easy to see why our opponents advocate their particular approach. After all, they are the representatives of entrenched inequality. They represent a party that was set up primarily to oppose Labor, to protect their own already comfortable, privileged positions. And we should never forget that.

The Labor Party has always been the party of ideas in Australia. It has always been the party of compassion and humanity. Labor has tried to blend the twin objectives of economic and social well-being, of fairness and justice.

Labor has fought the fight for moderate reform with concern for all the people of Australia. We are not a sectional party. We are a party for all Australians, delivering the growth and the policies which benefit all Australians.

It is every person's legitimate expectation that they should be able to live their lives the way they want to live them, free from government interference, and subject only to the constraint that they should not, in the process of living their lives, infringe the rights and freedoms of others.

We have no interest in cutting down the achievers in our society. Far from it. No society can thrive without the positive contributions of those who stand out. We are intent upon encouraging achievement.

But we are also concerned to create the conditions to ensure that everyone has the opportunity to develop their own skills and potential, to take a full, creative and productive role in society - to become an achiever - should they possess the talent and the inclination to do so.

They should not be barred by accidents of birth, by accidents of race, of social status or of location.

Our task is to create a society in which opportunities are open to all, in which mothers and fathers will not worry for their children's future, because their future will be secure from the threat of unemployment, destitution and discrimination and - as far as possible - free from the threats of war and violence.

This is our way. It is the way of the vast majority of the Australian people. It is the true Labor way, in the great Labor tradition.

It is up to us as a government to create the conditions to make sure that these goals can be met.

We do not believe in Big Government. We do believe in efficient, compassionate and responsive government. We believe in government which is equipped to provide the services and support that we all need to realise the hopes and dreams that we all have.

We have much in common with such great Labor figures as T J Ryan, who had an abiding confidence in the tolerance, judgement and intelligence of the Australian people. Ryan held a view of humanity which I share. He believed in the essential goodness of people and he understood their aspirations.

Ryan's hallmarks were his intelligence, his capacity for hard work, and his ability to understand people and their problems. He understood the particular nuances of the ALP. He was prepared to stand his ground and not to be intimidated by his opponents.

These characteristics, I believe, are also those of the current Australian Labor Government.

Under this Government, we have emerged once again as a nation to be respected in the world. We have rejected conflict and confrontation and replaced it with co-operation and compassion.

We have ended the drift, the division, the lack of direction, the loss of confidence, the absence of leadership and the blindness about where Australia was headed and what we could achieve together.

We are creating a better, more caring, more tolerant, more diverse, and more realistic Australia. It is a more cohesive, richer and enriched Australia - an Australia of which T.J. Ryan would justly be proud.
