



# PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

ADDRESS BY THE PRIME MINISTER  
NATIONAL PRESS CLUB  
CANBERRA - 5 MARCH 1986

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I THANK YOU MADAM PRESIDENT, AND THROUGH YOU, THE NATIONAL PRESS CLUB, FOR THE OPPORTUNITY ONCE AGAIN, TO REPORT TO THE PEOPLE OF AUSTRALIA THROUGH THIS MOST IMPORTANT FORUM.

THIS IS IN EVERY WAY AN APPROPRIATE PLACE AND OCCASION TO MARK THE THIRD ANNIVERSARY OF MY GOVERNMENT'S ELECTION - IN THE PRESENCE OF SO MANY OF YOU WHO HAVE BEEN THE CHRONICLERS OF THOSE THREE YEARS.

AND LET ME SAY AT ONCE - IN THE SPIRIT OF THE OCCASION, MAGNANIMOUS IN VICTORY - YOU HAVE CARRIED OUT THE TASK RESPONSIBLY, OBJECTIVELY, IMPARTIALLY AND, IT ALMOST GOES WITHOUT SAYING, WITH TOTAL ACCURACY AT ALL TIMES.

HAVING SAID THAT, LADIES AND GENTLEMEN, I NOW PROCEED TO THE TASK IN HAND.

IT IS NOT MY INTENTION TO GIVE A COMPREHENSIVE CATALOGUE OF THE ACHIEVEMENTS OF THE PAST THREE YEARS. AND I'M SURE YOU'LL BE RELIEVED TO HEAR THAT.

FAR MORE IMPORTANT IS WHAT CAN BE ACHIEVED IN THE NEXT THREE YEARS, AND BEYOND - WHERE AUSTRALIA IS HEADING AND THE CHALLENGES WHICH FACE US - NOT CHALLENGES FOR THE GOVERNMENT ALONE, BUT CHALLENGES FOR US ALL, AS AUSTRALIA ENTERS ITS THIRD CENTURY.

IN ONE SENSE, THE THREE YEARS FROM 5 MARCH 1983 HAVE BEEN FOUNDATION YEARS.

THEY HAVE NOT BEEN ONLY YEARS OF ACHIEVEMENT IN THEMSELVES, BUT YEARS IN WHICH MY COLLEAGUES AND I HAVE TRIED TO KEEP FIRMLY IN VIEW THE LONGER TERM RESPONSIBILITY TO BUILD FOR AUSTRALIA'S FUTURE - TO BUILD A STRONGER ECONOMY AND A FAIRER SOCIETY.

AT THE OUTSET, THERE IS A POINT OF SUPREME IMPORTANCE WHICH I MUST EMPHASISE. IT IS ABSOLUTELY FUNDAMENTAL TO MY PHILOSOPHY AND FUNDAMENTAL TO THE PHILOSOPHY OF THE PARTY AND GOVERNMENT I LEAD.

IT IS TRUE THAT FOR THE PAST THREE YEARS THE PROBLEMS OF ECONOMIC MANAGEMENT HAVE BEEN AT THE FOREFRONT OF OUR CONCERNS. THAT WAS INEVITABLE GIVEN OUR INHERITANCE OF AN ECONOMY IN DEEP CRISIS ON 5 MARCH 1983.

IT IS TRUE THAT THE RESTORATION OF GROWTH AND THE CREATION OF JOBS HAVE BEEN AMONG OUR MOST CONSPICUOUS SUCCESSES. AND THE PURSUIT OF SOUND RESPONSIBLE ECONOMIC MANAGEMENT WILL REMAIN DOMINANT IN OUR POLICY CONSIDERATION.

BUT I EMPHASISE THAT THE LONGER TERM OBJECTIVE OF OUR ECONOMIC POLICIES IS TO USE THE FRUITS OF GROWTH TO CREATE NOT ONLY A MORE PROSPEROUS SOCIETY BUT A MORE EQUITABLE SOCIETY.

AND THAT IS THE WIDER MEASURE BY WHICH OUR RECORD OF THE PAST THREE YEARS AND OUR PERFORMANCE AS A LABOR GOVERNMENT IN THE YEARS TO COME MUST ULTIMATELY BE JUDGED.

WE ARE CERTAINLY PREPARED TO BE JUDGED ON OUR ECONOMIC MANAGEMENT AND OUR ECONOMIC ACHIEVEMENT.

WE WILL MORE THAN CHEERFULLY BE JUDGED ON OUR RECORD AND OUR POLICIES AGAINST THE ALTERNATIVE - THE DISASTERS THEY WROUGHT AND THE DISASTERS THEY PROPOSE.

BUT THOSE ARE NOT THE ONLY STANDARDS BY WHICH WE WOULD CHOOSE TO BE JUDGED. WE WISH ALSO TO BE JUDGED BY THE STANDARDS OF ACHIEVEMENT WHICH OUR PHILOSOPHY, OUR OBJECTIVES, OUR ASPIRATIONS SET FOR US AS A LABOR GOVERNMENT.

TO PUT IT IN SPORTING TERMS, WE WANT TO BE JUDGED ULTIMATELY AGAINST OUR PERSONAL BEST - THE BEST LABOR STANDARDS, THE BEST LABOR TRADITIONS, THE BEST LABOR ASPIRATIONS.

THERE CAN BE NO DOUBT WHATSOEVER ABOUT THE GREATEST SINGLE ACHIEVEMENT OF THE PAST THREE YEARS.

THREE YEARS AGO I MADE, ON BEHALF OF THE AUSTRALIAN LABOR PARTY, A COMMITMENT TO THE CREATION OF 500,000 JOBS IN OUR FIRST THREE YEARS. THAT WAS AS IMPORTANT AND FUNDAMENTAL AN UNDERTAKING AS HAS EVER BEEN GIVEN BY ANY LABOR LEADER SEEKING ELECTION.

WE HAVE IN FACT BETTERED OUR COMMITMENT. SINCE APRIL 1983, OVER 600,000 NEW JOBS - 608,300 TO BE PRECISE - HAVE BEEN CREATED IN AUSTRALIA.

AND I BELIEVE THAT'S A REAL CAUSE FOR CELEBRATION, NOT JUST FOR A LABOR GOVERNMENT ON ITS THIRD ANNIVERSARY, BUT FOR ALL AUSTRALIANS.

BUT ALMOST AS IMPORTANT AS WHAT HAS BEEN ACHIEVED IS THE WAY IT HAS BEEN ACHIEVED.

IT HAS NOT BEEN ACHIEVED BY SETTING OFF A NEW SPIRAL OF INFLATION, BY GOING FOR EXCESSIVE FISCAL STIMULUS.

ON THE CONTRARY, WE HAVE MORE THAN HALVED THE BUDGET DEFICIT BEQUEATHED TO US BY OUR PREDECESSORS AND HAVE NOW SET INFLATION FIRMLY ON A DOWNWARD PATH, DESPITE THE SIGNIFICANT UPWARD PRESSURES STEMMING FROM LAST YEAR'S DEPRECIATION.

WE HAVE NOT BEEN IN THE BUSINESS OF PURCHASING TEMPORARY POLITICAL GAIN AT THE EXPENSE OF OUR LONGER TERM ECONOMIC AND SOCIAL OBJECTIVES.

FOR US, THE CREATION OF JOBS HAS NOT ONLY BEEN A CENTRAL OBJECTIVE OF OUR ECONOMIC POLICIES, IT IS CENTRAL TO OUR SOCIAL OBJECTIVES - OUR OBJECTIVES OF GREATER EQUITY, NOT ONLY FOR THOSE ABLE TO TAKE PART IN THE PRODUCTIVE PROCESSES DIRECTLY, BUT FOR THOSE OF OUR FELLOW AUSTRALIANS WHO DEPEND UPON A COMPASSIONATE SOCIETY IF THEY ARE TO SHARE EQUITABLY IN THE FRUITS OF GROWTH.

UNEMPLOYMENT ITSELF IS ACKNOWLEDGED AS THE SINGLE MOST IMPORTANT CAUSE OF POVERTY IN AUSTRALIA. CLEARLY, UNEMPLOYMENT CAN BE LOWERED PERMANENTLY ONLY THROUGH SUSTAINED ECONOMIC GROWTH.

SIMILARLY IT IS CLEAR THAT THE CAPACITY OF SOCIETY PROGRESSIVELY TO REDISTRIBUTE INCOME IN FAVOUR OF THE POOREST IS GREATER IN A GROWING ECONOMY. AND ECONOMIC GROWTH CAN BE MAXIMISED ONLY THROUGH THE PURSUIT OF ECONOMIC EFFICIENCY.

I WANT TO DISPEL UTTERLY THE ILLUSION, FOSTERED SO ASSIDUOUSLY, AND INSIDIOUSLY IN CERTAIN QUARTERS, THAT FOR A LABOR GOVERNMENT, THE REQUIREMENTS OF SOUND ECONOMIC MANAGEMENT AND OUR HIGHER SOCIAL OBJECTIVES ARE INCOMPATIBLE.

THERE IS NO CONFLICT BETWEEN EFFICIENCY AND EQUITY.

ON THE CONTRARY IN TODAY'S WORLD, IN TODAY'S ECONOMY, THERE CAN BE NO EQUITY WITHOUT EFFICIENCY.

WHILE ECONOMIC EFFICIENCY CANNOT OF ITSELF GUARANTEE GREATER EQUITY, IT IS CERTAINLY A NECESSARY CONDITION FOR THE CREATION OF A FAIRER SOCIETY.

IT JUST STATES PART OF OUR CASE TO SAY THAT ONLY A LABOR GOVERNMENT POSSESSES THE WILL TO PURSUE THE TWIN GOALS OF EFFICIENCY AND EQUITY - SIMULTANEOUSLY - AS WE HAVE DONE FOR THE PAST THREE YEARS.

CERTAINLY, GREATER EQUITY, A FAIRER SOCIETY, IS NOT AND HAS NEVER BEEN ON THE AGENDA OF OUR OPPONENTS.

BUT NEITHER IS ECONOMIC EFFICIENCY.

FOR PROOF OF THAT, YOU DO NOT HAVE TO GO BACK TO THEIR PERFORMANCE IN THE YEARS BEFORE 1983.

THEY HAVE MADE IT CLEAR, UNDER THEIR CURRENT LEADERSHIP, THAT THEY ARE COMMITTED TO THE ABANDONMENT OF THE VERY

CONDITIONS UPON WHICH THE ACHIEVEMENTS OF THE PAST THREE YEARS HAVE BEEN SECURED, AND UPON WHICH THE NATION'S PROSPECTS FOR SUSTAINED AND SUSTAINABLE GROWTH CHIEFLY REST.

A STRIKING PARADOX OF OUR AGE IS THAT THE CONSERVATIVES WHO PROFESS SOME CONCERN FOR HISTORY APPEAR INCAPABLE OF EVER LEARNING THE LESSONS OF HISTORY.

AND HISTORY SHOWS US CLEARLY THAT ECONOMIC PROGRESS IS FASTEST WHEN THE COMMUNITY SHARES COMMON GOALS AND HAS AGREED PRIORITIES.

THAT IS MOST LIKELY TO BE THE CASE WHEN ALL PARTICIPANTS ARE SURE THAT THE FRUITS OF GROWTH ARE TO BE FAIRLY DISTRIBUTED. FOR EXAMPLE, IT IS NOW WIDELY ACCEPTED THAT THE ECONOMIC RECOVERIES OF THE SEVENTIES PROVED SHORT-LIVED, BECAUSE DISPUTES OVER INCOME CLAIMS COULD ONLY BE RECONCILED AT THE PRICE OF GROWTH-DESTROYING INFLATION.

FURTHER, IT IS ALSO PLAIN THAT PEOPLE ARE MORE WILLING TO ACCEPT STRUCTURAL CHANGES WHICH COULD ADVERSELY AFFECT THEM IN THE SHORT TERM, BUT WHICH ARE ULTIMATELY DIRECTED AT PROMOTING ECONOMIC GROWTH, IF THEY BELIEVE THAT BENEFITS OF THAT HIGHER GROWTH PERFORMANCE ARE TO BE SHARED EQUITABLY.

AND OF COURSE, OUR RECOGNITION OF THESE PRINCIPLES HAS BEEN AT THE HEART OF OUR APPROACH FROM DAY ONE - FROM THE DAY WE SET ABOUT THE PROCESS OF NATIONAL RECONCILIATION, RECOVERY AND RECONSTRUCTION.

IT IS AN APPROACH WHICH HAS FOUND ITS MOST EFFECTIVE EXPRESSION IN THE ACCORD - NOT JUST THE DOCUMENT CALLED THE PRICES AND INCOMES ACCORD - BUT IN ITS ACTUAL OPERATION.

THERE IS NOTHING MORE CURIOUS IN THE CURRENT POLITICAL SCENE - AND LET ME SAY, NOTHING MORE SPURIOUS - THAN THE LINE PEDDLED, CHIEFLY BUT NOT EXCLUSIVELY BY OUR OPPONENTS, THAT THIS LABOR GOVERNMENT IS TOO CLOSE TO BUSINESS AND TOO CLOSE TO THE UNIONS.

LET ME MAKE IT ABSOLUTELY CLEAR THAT I MAKE NO APOLOGY WHATSOEVER FOR THE EXTENT TO WHICH WE HAVE BEEN ABLE TO ESTABLISH WITH THE KEY ECONOMIC GROUPINGS IN THE COMMUNITY AN UNPRECEDENTED LEVEL OF UNDERSTANDING ABOUT COMMON GOALS, PRIORITIES AND PROBLEMS.

I MAKE NO APOLOGY FOR A PROCESS AND AN APPROACH THROUGH WHICH 600,000 JOBS HAVE BEEN CREATED IN THREE YEARS.

I MAKE NO APOLOGY FOR A PROCESS WHICH HAS REDUCED INDUSTRIAL DISPUTATION TO THE LOWEST LEVEL FOR SIXTEEN YEARS.

I MAKE NO APOLOGY FOR AN APPROACH WHICH HAS LED TO THE RESTORATION OF THE PROFIT SHARE AND THE CORRESPONDING DECLINE IN REAL UNIT LABOUR COSTS TO THE LEVELS OF THE LATE 1960'S AND EARLY 1970'S.

I MAKE NO APOLOGY FOR THE FACT THAT OUR INTERNATIONAL

COMPETITIVENESS HAS NOW BEEN RESTORED TO THE LEVELS OF 15 YEARS AGO AND THAT THAT IMPROVEMENT IS EXPECTED SUBSTANTIALLY TO BE RETAINED OVER THE LIFE OF THE ACCORD MARK II.

AND I MAKE NO APOLOGY FOR AN APPROACH WHICH HAS CREATED THROUGHOUT THE COMMUNITY A NEW AWARENESS AND ACCEPTANCE OF THE NEED FOR FUNDAMENTAL RESTRUCTURING OF KEY SECTORS OF THE AUSTRALIAN ECONOMY, NOW UNDER WAY.

AND IF CLOSENESS MEANS OUR CAPACITY TO CONSULT AND CO-OPERATE, TO AN EXTENT UNMATCHED BY ANY PREVIOUS AUSTRALIAN GOVERNMENT, I MAKE NO APOLOGY FOR THAT EITHER.

THIS HAS BEEN AN APPROACH WHICH IS SERVING AUSTRALIA WELL. IT MUST CONTINUE.

AND TWO THINGS HAVE TO BE UNDERSTOOD ABOUT THE ACCORD, IN ITS WIDEST MEANING.

FIRST, IT PROVIDES A FRAMEWORK OF CERTAINTY AND PREDICTABILITY, YET AT THE SAME TIME IT IS FLEXIBLE ENOUGH TO COPE WITH UNFORESEEN CHANGES IN ECONOMIC CIRCUMSTANCES.

AND SECONDLY, THE ACCORD GOES FAR BEYOND BEING A UNIQUELY SUCCESSFUL METHOD OF INCREASING EMPLOYMENT, REDUCING INDUSTRIAL DISPUTATION AND CONTROLLING INFLATION. IT IS A COMPLEX OF AGREEMENTS AND UNDERSTANDINGS ABOUT ECONOMIC AND SOCIAL GOALS FOR THIS NATION - THE GOALS WHICH ARE FUNDAMENTAL TO THIS LABOR GOVERNMENT'S VISION FOR AUSTRALIA.

BUT WE COULD NOT HAVE MOVED SO FIRMLY AND SUCCESSFULLY TOWARDS THE ACHIEVEMENT OF THOSE GOALS IF SUPPORT FOR THEM HAD BEEN CONFINED TO THOSE GROUPS AND INTERESTS TRADITIONALLY DEFINED AS LABOR.

WHEN WE UNDERTOOK THREE YEARS AGO TO TURN THE ECONOMY AROUND, LABOR PRESENTED AUSTRALIA WITH A NEW APPROACH DESIGNED TO ENLIST THE WIDEST POSSIBLE COMMUNITY SUPPORT. THE ACCORD WAS PART OF THE APPROACH. SO WAS THE SUMMIT.

AND LET ME REMIND YOU THAT THE SUMMIT COMMUNIQUE REPRESENTED WIDE AGREEMENT ON SOCIAL AS WELL AS ECONOMIC GOALS.

MANY COMMENTATORS WERE SCEPTICAL OF OUR APPROACH.

NOW OF COURSE NOBODY HERE WAS AMONG THE RANKS OF THE CYNICS.

IN PARTICULAR THERE WERE THOSE WHO WERE SCEPTICAL ABOUT THE ABILITY OF THE ACCORD TO ENDURE AND TO SECURE SUSTAINED GROWTH WITHOUT A RE-EMERGENCE OF UNCONTROLLED INFLATION.

THE RECORD SPEAKS FOR ITSELF. IT REPRESENTS A SUBSTANTIAL DOWNPAYMENT ON OUR PROMISE TO DELIVER LONG-TERM GROWTH. BUT A DOWNPAYMENT IS NOT ENOUGH. WE HAVE SET ABOUT CASTING ASIDE THE MANY OBSTACLES TO GROWTH LEFT ALONG THE TRACK BY PREVIOUS COALITION GOVERNMENTS.

WE HAVE ENCOURAGED INDUSTRY AND COMMERCE TO BECOME MORE ROBUST AND INTERNATIONALLY COMPETITIVE, MORE EXPORT-ORIENTED, MORE WILLING TO SEEK OUT MARKET OPPORTUNITIES, MORE READY TO TAKE ADVANTAGE OF DEVELOPMENTS IN TECHNOLOGY AND MODERN BUSINESS PRACTICE, AND LESS RELIANT ON GOVERNMENT ASSISTANCE AND INTERVENTION.

WAGE RESTRAINT THROUGH THE ACCORD, STRONG PRODUCTIVITY GROWTH, AND THE SIGNIFICANT DEPRECIATION OF THE AUSTRALIAN DOLLAR IN 1985, HAVE MADE OUR MANUFACTURING INDUSTRIES MORE INTERNATIONALLY COMPETITIVE THAN THEY HAVE BEEN FOR AT LEAST FIFTEEN YEARS.

AND IT IS HEARTENING TO SEE THAT THE MANUFACTURING SECTOR IS RESPONDING TO THAT OPPORTUNITY. THERE IS FIRM EVIDENCE OF INCREASING MANUFACTURING INVESTMENT AND RISING PRODUCTIVITY, TOGETHER WITH GREATER TECHNOLOGICAL AWARENESS, AND A MORE CO-OPERATIVE APPROACH BETWEEN EMPLOYERS, UNIONS AND GOVERNMENT.

THE GOVERNMENT'S CAREFULLY CO-ORDINATED, WIDE-RANGING PROGRAM OF POLICY INITIATIVES FOR AUSTRALIAN INDUSTRY HAS CONTRIBUTED IMPORTANTLY TO THIS NEW-FOUND VIGOUR.

IN PARTICULAR, THE GOVERNMENT HAS ESTABLISHED SPECIAL SECTORAL PLANS FOR ADDRESSING THE PROBLEMS FACING CERTAIN LARGE AND PREVIOUSLY AILING INDUSTRIES SUCH AS STEEL AND MOTOR VEHICLES.

AND WE HAVE PROMOTED AN UPGRADING OF THE TECHNOLOGICAL CAPACITY OF MANUFACTURING INDUSTRY BY BRINGING ABOUT A SUBSTANTIAL INCREASE IN THE R & D EFFORT OF PRIVATE INDUSTRY, BETTER LINKING INDUSTRY TO THE PUBLIC RESEARCH INSTITUTIONS, AND PROVIDING A BETTER BASIS FOR NEW PRODUCTS, PROCESSES AND ENTERPRISES UPON WHICH FUTURE GROWTH DEPENDS.

IN ADDITION WE HAVE ALREADY TAKEN SUBSTANTIAL STEPS TO REMOVE UNNECESSARY OR OUTMODED REGULATIONS AND RESTRICTIONS - ESPECIALLY, BUT NOT EXCLUSIVELY, IN THE FINANCIAL SECTOR.

IN EACH CASE OUR OBJECTIVE HAS BEEN TO SECURE FOR AUSTRALIA AN ENVIRONMENT WHICH WILL PERMIT AND ENCOURAGE EFFICIENT, COMPETITIVE AUSTRALIAN INDUSTRIES TO CONTRIBUTE THEIR FULL POTENTIAL TO INCREASING AND SUSTAINING ECONOMIC GROWTH IN AUSTRALIA.

THE SAME APPROACH HAS CHARACTERISED THE GOVERNMENT'S RESPONSE TO THE DIFFICULTIES FACED BY THE RURAL SECTOR.

WE ARE SEEKING DOMESTICALLY TO MITIGATE THE IMPACT OF ESCALATING FARM COSTS ON OUR RURAL PRODUCERS. THE RECENT GOVERNMENT DECISION ON FUEL COSTS IS EVIDENCE OF THIS.

WE HAVE SOUGHT AT THE SAME TIME TO PROMOTE MORE EFFICIENT MARKETING AND PRODUCTION PRACTICES WITHIN THE RURAL SECTOR. THE REFORMS WE HAVE INTRODUCED IN PRIMARY INDUSTRY STATUTORY MARKETING AUTHORITIES, AND THE PLANS WE HAVE DEVELOPED FOR THE DAIRY AND SUGAR INDUSTRIES, TESTIFY TO OUR COMMITMENT TO

SEEING AUSTRALIAN RURAL INDUSTRIES SURVIVE AND PROSPER.

FINALLY, WE ARE WORKING TO SECURE A REVERSAL OF THE POLICIES OF OTHERS, WHICH ARE CORRUPTING INTERNATIONAL MARKETS. DURING THE PERIOD WE HAVE BEEN IN OFFICE WE HAVE CONSISTENTLY MADE CLEAR TO THE EEC OUR CONCERN ABOUT THE DISASTROUS EFFECTS OF ITS COMMON AGRICULTURAL POLICY ON WORLD TRADE IN AGRICULTURAL COMMODITIES. MORE RECENTLY WE HAVE EXPRESSED OUR CONCERN TO SENIOR MEMBERS OF THE UNITED STATES ADMINISTRATION AND CONGRESS ABOUT THE FURTHER ADVERSE CONSEQUENCES FOR OUR RURAL PRODUCERS OF THEIR EXPORT ENHANCEMENT PROGRAM.

IN EACH CASE THE GOVERNMENT HAS NOT HESITATED TO PUT ITS VIEWS STRONGLY TO THE EEC AND THE UNITED STATES BECAUSE, DESPITE OUR CLOSE FOREIGN POLICY AND HISTORICAL TIES WITH THESE COUNTRIES, WE WILL NOT STAND IDLY BY WHILE THEIR AGRICULTURAL POLICIES AND PROGRAMS DAMAGE OUR VITAL RURAL SECTOR.

I AM, THEREFORE, PLEASED TO ANNOUNCE TODAY THAT I HAVE RECEIVED A POSITIVE RESPONSE FROM PRESIDENT REAGAN FOR AN EARLY MEETING WITH HIM AND WITH OTHER SENIOR MEMBERS OF HIS ADMINISTRATION. THEY HAVE SUGGESTED, AND WE HAVE AGREED, THAT THESE MEETINGS SHOULD TAKE PLACE ON 17 APRIL. ON THIS VISIT I WOULD ALSO EXPECT TO MEET WITH SENIOR CONGRESSIONAL LEADERS.

THESE MEETINGS IN WASHINGTON WILL DISCUSS WAYS OF ENSURING THAT THE EXPORT ENHANCEMENT PROGRAM DOES NOT HAVE A NEGATIVE IMPACT ON OUR RURAL SECTOR, AND HOW BEST TO PROMOTE A MORE RATIONAL INTERNATIONAL TRADING SYSTEM IN AGRICULTURAL PRODUCTS AT THE FORTHCOMING ECONOMIC SUMMIT OF THE HEADS OF GOVERNMENT OF THE LEADING INDUSTRIALISED COUNTRIES.

LADIES AND GENTLEMEN

AT THIS POINT I WISH TO REVERT TO MY BASIC THEME AND TO EMPHASISE AGAIN THAT FOR THIS LABOR GOVERNMENT THE GOALS OF GREATER EFFICIENCY AND GREATER EQUITY ARE INDISSOLUBLY LINKED.

CENTRAL TO OUR POLICIES IS THE UNDERSTANDING THAT ONLY A GROWING ECONOMY CAN FULFILL THE LEGITIMATE ASPIRATIONS OF ALL AUSTRALIANS ENGAGED IN PRODUCTIVE ACTIVITY TO IMPROVED LIVING STANDARDS AND A BETTER QUALITY OF LIFE.

BUT IT IS EQUALLY TRUE THAT AN EXPANDING ECONOMY CAN BEST PROVIDE THE OPPORTUNITIES TO SATISFY ASPIRATIONS OF AUSTRALIANS TO CARE FOR THE NEEDY AND THOSE LESS ABLE TO CARE FOR THEMSELVES.

OUR WELFARE INITIATIVES HAVE CONCENTRATED ON THOSE IN GREATEST NEED - THE UNEMPLOYED, LOW INCOME FAMILIES WITH CHILDREN AND SOCIAL SECURITY BENEFICIARIES RENTING PRIVATELY.

INDEED THE IMPACT OF THESE INITIATIVES HAS BEEN TO INCREASE

THE REAL DISPOSABLE INCOME OF PEOPLE ON SOCIAL SECURITY BY UP TO 20 PER CENT SINCE 1983. DESPITE THE SHARP DROP IN THEIR REAL INCOMES IN THE YEARS 1976-77 TO 1982-83, ALMOST EVERYONE ON A FULL PENSION NOW HAS A HIGHER DISPOSABLE INCOME THAN THEY DID A DECADE AGO, SOME BY UP TO 10 PER CENT.

A MORE GENERAL INDICATOR OF OUR WILLINGNESS TO RE-ORDER PRIORITIES TO ASSIST THE NEEDY IS THE FACT THAT THE SHARE OF COMMONWEALTH OUTLAYS (EXCLUDING PUBLIC DEBT INTEREST) DIRECTED TO HEALTH, WELFARE AND HOUSING HAS RISEN STEADILY IN EACH OF OUR BUDGETS, AND IS NOW OVER 3 PERCENTAGE POINTS HIGHER THAN IN THE 1982-83 BUDGET.

THE SWEEPING TAXATION REFORMS WE HAVE ANNOUNCED WILL ENHANCE SOCIAL EQUITY THROUGH THE MEASURES TO REDUCE POVERTY TRAPS AND THROUGH THE CLOSURE OF TAX SHELTERS. AND THE REFORMS WILL CONTRIBUTE TO GROWTH BY PROVIDING GREATER INCENTIVE TO UNDERTAKE PRODUCTIVE WORK.

OUR POLICIES IN THE CRITICAL FIELD OF EDUCATION ARE DIRECTED TO IMPROVING THE QUALITY AND RELEVANCE OF EDUCATION, ENSURING EQUALITY OF OPPORTUNITY AND ENCOURAGING STUDENTS TO REMAIN LONGER IN EDUCATION AND TRAINING.

WE HAVE DONE SO IN RECOGNITION NOT ONLY OF THE MAJOR ECONOMIC BENEFITS WHICH WOULD FLOW FROM A MORE ADAPTABLE, MORE HIGHLY SKILLED WORKFORCE BUT ALSO IN RECOGNITION OF THE INESTIMABLE VALUE TO INDIVIDUAL STUDENTS OF A MORE RELEVANT EDUCATION.

INDEED, A HIGH PRIORITY HAS BEEN ACCORDED TO INTRODUCING A PHASED PROGRAM TO RATIONALISE AND ENHANCE YOUTH INCOME SUPPORT ARRANGEMENTS TO ENSURE THAT OUR YOUNG PEOPLE HAVE MORE INCENTIVE TO CONTINUE IN EDUCATION RATHER THAN OPT OUT INTO UNEMPLOYMENT.

THIS WAS PART OF A PACKAGE OF INTEGRATED MEASURES IMPLEMENTED IN THE 1985-86 BUDGET - PRIORITY ONE - THAT ESTABLISHED FOR THE FIRST TIME, A COHERENT SET OF POLICIES AND PROGRAMS TO PROVIDE GREATLY ENHANCED OPPORTUNITIES FOR YOUNG PEOPLE TO CONTINUE EDUCATION, TO ACQUIRE SKILLS AND TO UNDERTAKE PRODUCTIVE EMPLOYMENT.

A CENTRAL ELEMENT OF PRIORITY ONE IS THE TRAINEESHIP SCHEME WHICH WILL PROVIDE YOUNG PEOPLE WITH A MAJOR IMPROVEMENT IN VOCATIONAL TRAINING OPPORTUNITIES AND ESPECIALLY IN THEIR TRANSITION FROM SCHOOL TO WORK.

AND LET ME HERE MAKE THIS POINT - AN ESSENTIAL ELEMENT IN THE WORKING OF PRIORITY ONE IS THE NEED FOR UNIONS, EMPLOYERS - AND THE YOUNG PEOPLE THEMSELVES - TO GET BEHIND IT. IT IS A SPECIFIC EXAMPLE OF THE WAY IN WHICH IN THE FINAL ANALYSIS, THE FULL SUCCESS OF OUR ECONOMIC AND SOCIAL INITIATIVES REQUIRES COMMUNITY SUPPORT AND COMMUNITY CO-OPERATION, IN THE SPIRIT OF THE ACCORD ITSELF.

LADIES AND GENTLEMEN.



A BALANCED ACCOUNT OF THE PAST THREE YEARS MUST, OF COURSE, INCLUDE REFERENCE TO AUSTRALIA'S ENHANCED INTERNATIONAL STANDING - AS REFLECTED IN THE RECORD VOTE WE RECEIVED IN 1984 FOR OUR MEMBERSHIP OF THE UNITED NATIONS SECURITY COUNCIL. WE HAVE TAKEN AS OUR GUIDING PRINCIPLES THE IMPERATIVE OF AUSTRALIA'S INDEPENDENCE AND NATIONAL SECURITY; THE ASPIRATIONS OF THE AUSTRALIAN PEOPLE TO LIVE IN A WORLD FREE OF THE THREAT OF NUCLEAR WAR; AND THE STRATEGIC AND ECONOMIC FACTS OF AUSTRALIA'S POSITION IN THE ASIA-PACIFIC REGION.

FACED BY THE DIFFICULTIES IN THE RELATIONSHIP BETWEEN THE UNITED STATES AND NEW ZEALAND, WE HAVE WORKED SUCCESSFULLY TO ENSURE THE CONTINUING STRENGTH OF OUR SECURITY ARRANGEMENTS WITH THE UNITED STATES UNDER ANZUS. AT THE SAME TIME, WE HAVE STRIVEN TO ENSURE THAT OUR CLOSE RELATIONSHIPS WITH NEW ZEALAND, INCLUDING THE DEFENCE RELATIONSHIP, IS IN NO WAY DIMINISHED.

WE WILL CONTINUE TO MAKE WHATEVER CONSTRUCTIVE CONTRIBUTION WE CAN TO ENCOURAGE THE RESTORATION OF TRILATERAL CO-OPERATION UNDER ANZUS, AND AT ALL EVENTS TO ENSURE THAT OUR TWO-WAY COMMITMENTS TO AND WITH THE UNITED STATES REMAIN FULLY OPERABLE AND IN FORCE.

AUSTRALIA SHARED WITH MOST OTHER COUNTRIES AROUND THE WORLD A GREAT SENSE OF RELIEF WHEN THE SUPER-POWERS RESUMED SERIOUS NEGOTIATIONS ON ARMS CONTROL AND DISARMAMENT. WE SHOULD NOT, HOWEVER, UNDERESTIMATE THE DIFFICULTIES WHICH LIE ON THE PATH TO AGREEMENT. NOR SHALL WE IN ANY WAY RELAX OUR OWN EFFORTS IN THIS AREA.

OUR MAJOR ACHIEVEMENT IN THE ARMS CONTROL AREA IS OUR INITIATIVE TO DEVELOP THROUGH THE SOUTH PACIFIC FORUM THE SOUTH PACIFIC NUCLEAR FREE ZONE TREATY. THE CONCLUSION OF THE TREATY SIGNALS OUR DETERMINATION TO DO WHATEVER WE CAN IN THE FIELD OF ARMS CONTROL. IT ALSO EXEMPLIFIES THE PRIORITY WHICH WE HAVE GIVEN TO AUSTRALIA'S OWN PART OF THE WORLD, THE ASIA-PACIFIC REGION.

FROM THE OUTSET OF ITS TIME IN OFFICE, THE GOVERNMENT HAS INVESTED THE HIGHEST POSSIBLE ENERGY AND RESOURCES TO THE DEVELOPMENT OF AUSTRALIA'S RELATIONS WITH ALL ITS NEIGHBOURS. THE FRUITS OF THESE EFFORTS CAN BE SEEN IN MANY WAYS.

I WOULD MENTION ONLY ON THIS OCCASION THE CONSTRUCTIVE DISCUSSIONS WHICH BILL HAYDEN HAS JUST HAD WITH INDONESIA LEADERS ON A NUMBER OF SUBJECTS, INCLUDING THE SEA BED BOUNDARY; THE DEVELOPMENT OF A COMPREHENSIVE RELATIONSHIP WITH CHINA, WHICH I LOOK FORWARD TO VISITING AGAIN IN MAY; AND OUR RESPONSE TO THE DEVELOPING SITUATION IN THE PHILIPPINES, AS A RESULT OF WHICH I WOULD SUGGEST THAT NO COUNTRY IS BETTER PLACED THAN AUSTRALIA TO ESTABLISH A CO-OPERATIVE RELATIONSHIP WITH THE GOVERNMENT OF PRESIDENT AQUINO.

LADIES AND GENTLEMEN,

IN THIS NECESSARILY VERY GENERAL ACCOUNT OF THE PAST THREE YEARS I HAVE TRIED TO PLACE OUR ACHIEVEMENTS FIRMLY IN THE CONTEXT OF OUR GOALS OF GREATER EFFICIENCY AND GREATER EQUITY.

THIS DISCUSSION OF OUR ACHIEVEMENTS IS NOT TO DENY THAT IN MANY RESPECTS THE KEY ECONOMIC DECISIONS WE MUST NOW MAKE ARE MORE DIFFICULT AND COMPLEX THAN THOSE THAT FACED THE GOVERNMENT IN 1983.

THE IMMEDIATE GOALS OF A GOVERNMENT ELECTED, AS WE WERE, TO DEAL WITH THE WORST ECONOMIC CRISIS FOR FIFTY YEARS, WERE RELATIVELY SIMPLE, ALTHOUGH THERE WAS CERTAINLY NOTHING SIMPLE OR EASY ABOUT THE MEANS BY WHICH THAT CRISIS COULD BE BROUGHT TO AN END AND SUSTAINED RECOVERY COULD BE ACHIEVED.

IN A SENSE, THE DIFFICULT ECONOMIC ISSUES WE MUST NOW ADDRESS ARE IN FACT THE PRICE WE PAY FOR THE VERY SUCCESS OF OUR POLICIES, AND THE STRENGTH OF THE GROWTH THAT HAS BEEN ACHIEVED IN THE ECONOMY.

IN ADDRESSING THESE ISSUES WE MUST ACCEPT THAT THE WORLD DOES NOT OWE US A LIVING. WE CANNOT EXPECT TO RAISE AUSTRALIA'S LIVING STANDARDS JUST BY CALLING TO AN EVER GROWING EXTENT ON THE WORLD'S SAVINGS.

AUSTRALIA MUST TO BE PREPARED TO LOOK CLOSELY AT ITS INDUSTRIAL STRUCTURES AND BE PREPARED TO EMBRACE CHANGES WHICH WILL INCREASE OUR POTENTIAL TO COMPETE.

WE NEED TO BE PREPARED TO UNDERTAKE THE INVESTMENT NECESSARY TO LIFT OUR PRODUCTIVITY AND PRODUCE GOODS AND SERVICES OF THE KIND AND QUALITY WHICH IS DEMANDED IN WORLD TRADE.

INCREASINGLY SUCH DECISIONS ARE LIKELY TO REQUIRE A WILLINGNESS ON OUR PART TO EXAMINE CLOSELY WHERE OUR COMPARATIVE ADVANTAGE LIES IN WORLD TRADE, AND TO SEEK TO SHIFT RESOURCES OUT OF AREAS WHERE OUR ADVANTAGES ARE LEAST INTO THOSE AREAS WHICH WILL MAXIMIZE OUR CHANCES TO SELL IN OUR REGION.

AND, NOW AS MUCH AS ANYTIME IN THE PAST THREE YEARS, AUSTRALIA NEEDS THE SAME HIGH QUALITY OF ECONOMIC DECISION-MAKING, AND THE SAME COMMITMENT TO FISCAL AND MONETARY DISCIPLINE, AND THE SAME ACCORD-BASED APPROACH TO INCOMES POLICY TO ENSURE NON-INFLATIONARY LONG-TERM GROWTH AS HAS SERVED US SO WELL OVER THE PAST THREE YEARS.

WE WILL NOT BE DIVERTED FROM OUR TASK OF RESPONSIBLE MACROECONOMIC MANAGEMENT. OUR INCOMES POLICY HAS BEEN SECURED FOR A FURTHER TWO YEARS. OUR COMMITMENT TO THE TRILOGY OF FISCAL RESPONSIBILITY IS FIRM. AND OUR MONETARY POLICY WILL BE FIRM BUT ACCOMMODATING TO A RATE OF ECONOMIC GROWTH WHICH IS CONSISTENT WITH LOW INFLATION.

WE WILL CONTINUE TO REMOVE PROGRESSIVELY THE REMAINING OBSTACLES TO GROWTH AT A PACE WHICH CAN BALANCE THE COMPETING INTERESTS OF THOSE DIRECTLY AFFECTED.

THERE CAN BE NO DOUBT THAT THE MONTHS IMMEDIATELY AHEAD WILL CALL FOR CAREFUL, DIFFICULT AND SOMETIMES TOUGH DECISIONS.

THOSE DECISIONS WILL REFLECT OUR CONTINUING COMMITMENT TO THE ACHIEVEMENT OF SOCIAL PROGRESS, REFORM AND EQUITY THROUGH SUSTAINABLE ECONOMIC GROWTH. IN THE FINAL ANALYSIS, THOSE DECISIONS ARE THE ULTIMATE AND INESCAPABLE RESPONSIBILITY OF THE ELECTED GOVERNMENT OF AUSTRALIA. WE ACCEPT THAT RESPONSIBILITY UNRESERVEDLY.

YET, JUST AS THE SUCCESS OF THE PAST THREE YEARS COULD NOT HAVE BEEN ACHIEVED WITHOUT THE WORK AND CO-OPERATION OF ALL SECTIONS OF THE AUSTRALIAN COMMUNITY, AND JUST AS THOSE ACHIEVEMENTS ARE, IN A VERY REAL SENSE, THE ACHIEVEMENTS OF THE AUSTRALIAN PEOPLE, SO IN THE YEARS AHEAD OUR SUCCESS AS A NATION WILL BE A SHARED RESPONSIBILITY.

SUCCESS IS NOT AUTOMATICALLY GUARANTEED TO ANY NATION, EVEN ONE SO FUNDAMENTALLY FORTUNATE AS OURS. NOW MORE THAN EVER, IT IS SOMETHING THAT HAS TO BE WORKED AT AND WORKED FOR, UNREMITTINGLY - NOT ONLY BY GOVERNMENTS, BUT BY THE WHOLE COMMUNITY.

I AM PROUD TO BE AT THE HEAD OF SUCH A GOVERNMENT, AS I AM IMMENSELY PROUD TO BE AT THE HEAD OF SUCH A PEOPLE AND SUCH A NATION - DURING THESE THREE GREAT YEARS AND THE EVEN GREATER YEARS OF ACHIEVEMENT FOR AUSTRALIA TO COME.

YET LET ME SAY THIS IN CONCLUSION: THE THREE YEARS DURING WHICH I HAVE HAD THIS HIGHEST OF PRIVILEGES OF LEADING THIS GREAT COUNTRY HAVE CONFIRMED, MONTH BY MONTH AND YEAR BY YEAR, MY DEEPEST CONVICTION THAT IF THE SUCCESS WE ALL SO DEEPLY DESIRE FOR OUR COUNTRY IS TO BE SECURED FOR THIS AND FUTURE GENERATIONS, THEN IT WILL BE ONLY UNDER THE LEADERSHIP OF A LABOR GOVERNMENT, ACTING ON TRUE LABOR PRINCIPLES IN THE AUTHENTIC LABOR TRADITION.

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