



PRIME MINISTER

**ADDRESS BY THE PRIME MINISTER, THE HON P.J. KEATING, MP
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It is a pleasure as usual to be here, even for the nineteenth time.

I thought I should come along and be re-assured that I exist. I was a pretty sure I did; my colleagues assured me, the numerous people with whom I have been consulting, the people on talkback, the people on committees, the Chinese, the Koreans, various Heads of State. They all seemed happy with the degree of my visibility.

But I should have remembered the old maxim - I speak at the National Press Club therefore I am.

Let me begin with a quotation from a very familiar source.

When King George VI died Robert Gordon Menzies made the following observation:

The death of the King has once more reminded us that our great Commonwealth is united, not by legal bonds, not by the Crown as an abstract notion, not by fine-spun constitutional theories, but by a common and all-powerful human emotion which discards form and penetrates instantly to the substantial truth.

It is not very often that I quote the words of Bob Menzies.

My opponents do it enough for all of us.

The Liberal Party is like a hound which cannot be induced to leave its master's grave. It is always scratching around in the dust for a hint, an indication, some sign which will tell them who they are, and what they stand for, and what they should do next.

But I agree with what Bob Menzies said in this instance.

I agree that what unites a nation - or a Commonwealth - has less to do with the law than with feelings held in common.

Menzies developed a very similar philosophy about the Queen. He took her extraordinarily popular visit in 1954 to be evidence that Australians' affection for her - "was one of the most powerful elements converting them from a mass of individuals to a great cohesive nation."

I agree with him there too.

I agree that there is such a thing as national sentiment and that it is a powerful force in the shaping of a nation, in the cohesion of a nation, in the success of a nation.

I agree that in the 1950s and for a surprisingly long time afterwards Australia's unity with Britain was built on something more than friendship - it was built on an implicit sense of unity, on an instinct.

And I agree that in 1954 the Throne of England, and in particular the new Queen, constituted a considerable element of Australia's national sentiment.

I agree with all this. I think more national sentiment is what we need now, and more unity, and cohesion.

We need it because the old affections are not there in the same way.

Even though there is widespread affection for the monarch, there is simply not the same affection for the monarchy.

Our relationship with Britain has changed irreversibly - as irreversibly as our culture and the composition of our people has changed.

We are a very different country in a very different world, faced with entirely new challenges which will have to be met in entirely new ways.

In Asia and the Pacific we have opportunities of a kind we have never been offered before.

To grasp them I believe we need a new sense of unity - a new kind of national sentiment.

And in 1993 it can only come from one place. From Australia - from the democracy, from shared values, shared aspirations, from the necessities we face.

I have been saying it for some time now: we need a sense of common purpose, of fellow feeling - the things which will both inspire Australians and bind them together.

And if you could transport Bob Menzies from the era in which he lived, and put him down in this one with all the necessities it imposes on us, and all the opportunities, I am pretty sure he would say the same.

We cannot expect to change the direction of our trade and commerce, adapt to the revolutionary changes in the processes of production and the nature of work and to the equally radical changes in the global economy without cultural change.

We cannot expect to live in this new era with the institutions, symbols and attitudes of an old one.

We cannot find our place in this new world without finding and cementing the common ground among ourselves.

These are not radical ideas. They are common-sense ideas - pragmatic ideas.

Let me say it again, if only for John Howard's sake: many of the things which bound together the Australians of Menzies' era are either irrelevant or no longer on offer.

In fact there is something much better on offer: there is the chance to make good in our region, which is the fastest growing in the world; and to do it on our own, by our own collective initiative and genius.

In the last decade of the twentieth century the chance exists for this generation of Australians to set Australia up for the next century.

That is why last year I made a deliberate decision to depart from the usual overseas travel priorities of Prime Ministers by concentrating first on Australia's main regional relationships.

So, as you know, I went to Indonesia, Papua New Guinea, Japan, Singapore, Cambodia.

And this year to New Zealand, Korea and China.

To our regional partners I wanted to underline Australia's credentials as an economic and political player in the Asia-Pacific; to emphasise our commitment to economic engagement in the region; and to strengthen our voice in regional affairs.

To the Australian public, I wanted to underline the enormous benefits that will accrue to our country through closer economic integration with the region.

During the 1980s the countries of North-East and South-East Asia grew twice as fast as the rest of the world.

During the 1990s they seem likely to easily repeat that performance.

But one of the main messages I wanted to impress in Korea and elsewhere in Asia, is that Australia is very well placed to expand our exports of technology-based goods and services.

And in both Korea and China there was concrete evidence that the expansion and diversification of our trade is already gathering pace.

The radical reform and continuing growth of the Chinese economy are providing numerous opportunities for Australian companies and, as you know, I was able to witness a number of joint venture signings between Australia and Chinese enterprises.

The Chinese leaders made it clear that they were interested in a long-term strategic relationship with Australia in the development of the Chinese steel and woollen textile industries.

At my discussions in Korea and China there was agreement to strengthen the government-based mechanisms which support these important economic relationships for Australia. And our Trade Minister, Peter Cook, will follow with visits to both countries in September.

I went to Indonesia last year with great enthusiasm.

In the course of that trip and my subsequent ones to other East Asian countries the enthusiasm has become conviction.

I came away from Korea and China last month more than ever convinced of the enormous potential the East Asian economies provide for Australian business - and therefore the potential for Australia's future our integration with the region holds.

I came away more convinced of this, and more convinced of the potential of APEC.

The Korean and Chinese leaders very much agree with our view about the importance of ensuring that the economies of North America and the Western Pacific be locked together in one great and dynamic market.

Since my return, of course, President Clinton has issued his invitation to host an APEC leaders meeting in Seattle this November.

President Clinton's announcement is very good news for Australia. It opens up an historic opportunity to promote the economic integration of the Asia-Pacific region in a way that serves the interest of all members.

It is important that the process of Asia-Pacific economic cooperation provides genuine benefits not only to the advanced economies of the United States and Japan, but also to the rapidly developing economies of South East Asia.

If the Seattle APEC leaders meeting goes ahead as proposed - and I am fairly confident that it will - it will put Australia at a table which really matters:

- . the APEC economies account for half the world's output and forty per cent of world exports
- . three quarters of Australia's exports now go to the APEC region

Establishing a process of periodic leaders' meetings will greatly increase the status and authority of APEC - a forum which, of course, Australia was instrumental in creating and has helped define and promote ever since.

The process is necessarily long-term. But this is the best evidence of progress towards that goal, and the best possible spur for further progress.

There is, then, this extraordinary opportunity for Australia.

We should not overestimate the speed with which the process will occur. But it is even more essential not to underestimate the chance it gives us.

It is essential that we are positive in our approach to it. And essential that we find the common purpose and collective will to grasp it.

It is essential that we find the national unity our effort will require.

Most of you will know that famous story about Menzies which got him into a bit of trouble at the time: how he came back from Britain in 1941 and said to the waiting press how despondent he felt upon returning to all the local petty politicking.

I love politicking - I think it is how the democracy advances - but when I came back from China last month I think I had an inkling of what he experienced.

I thought - here is this fantastic opportunity for Australia, an historic opportunity to which the whole national effort really should be turned.

But what do we hear?

Apart from the usual healthy and not-so-healthy cynicism we always hear, we hear in the debate over the Mabo judgement a mad retreat to parochialism and petty self interest.

We hear politicians playing to the lowest denominator of public opinion.

We hear deliberate misinformation and the encouragement of outright bigotry.

All this on an issue of fundamental importance, not only to the Australian economy, but to the values on which Australian democracy, the Australian ethos, and Australia's reputation abroad are built.

There has been an element of mischievous and ill-informed journalism in the Mabo debate. But the primary debilitating role has been played by the Opposition.

Tim Fischer goes to Hong Kong and assures his audience that there is nothing to fear. In Hong Kong he tells the truth. But in Australia he tells the people that they will lose their backyards. In Australia he tries to whip up fear and panders to the worst feelings in the community.

Yet, we expect this from the National Party. Paranoia and parochialism is to the National Party what grass is to sheep and goats.

But the party which has most failed Australia on the Mabo debate is the Liberal Party. Confronted with a great national issue which needed, above all others in recent times, a great deal of good will and good feeling and a concerted search for consensus, the Liberal Party chose to foster ill-will and ill-feeling. They chose the role of spoiler.

And the chief spoiler has been Dr Hewson. Not only has he refused to distance himself or take issue with outrageous comments from people like Tim Fischer and Hugh Morgan, he has actually joined the little company who claim that people's homes are at risk. Dr Hewson knows that they are not.

Last month we saw him on national television talking about what he called "massive uncertainty" - "are titles secure, is your home secure, your mine secure, your farm secure?", he asked.

Dr Hewson knows the answer to these questions is unequivocally "Yes".

Mabo calls for something much better than this. It calls for nothing more or less than a mature national response.

The High Court judgement entailed recognition that the fiction of *terra nullius* was indeed a fiction; that native title, where it had not been extinguished, continued to exist; and that the appalling treatment of Aboriginal Australians did in fact occur.

It is hardly revelatory. In essence it recognises what we have long known to be true.

The Mabo judgement places great responsibilities upon us, but it seems to me these responsibilities create the opportunity to set right some aspects of Australian life which have long been wrong. It offers a chance to raise the level of dignity on both sides.

And these responsibilities are no greater than the responsibilities which the United States, New Zealand and Canada all confronted last century. These countries faced up to their responsibilities while they were still in their infancy.

I am one of those who believes that in our maturity we too can meet our responsibilities - that we can make a mature national judgement.

It must be a national response: the entire continent was declared *terra nullius*; native title was denied everywhere; the abuses occurred in all the states.

The need to find solutions is a national need. If the word "Australia" still means, as I believe it does, a belief in democracy and social justice, if that remains the national sentiment, then a just national solution must be found.

From the first Cabinet discussion a year ago, the Government has seen as the nub of the matter finding a rational reconciliation of two imperatives: the certainty about land tenure which a resource-based economy requires and the discharge of our deep obligations to Aboriginal and Torres Strait Islander people whose legal rights have been granted them by the highest court in the land.

We have been determined that it must be a reconciliation managed by Governments rather than left to the fate of protracted conflict and unpredictable litigation.

We have moved as quickly as possible. Mabo amounts to the biggest change in Australian land law since we became a nation. That is why I announced last October that we would be taking a year to consult on the issues, consider them carefully and formulate our policy.

I remind you that during the election campaign the Leader of the Opposition supported the process and the timetable.

I will not attend now to any of the shrill and irrational charges that have been made in the course of the debate.

As for the charge that the States have been browbeaten, I won't go back over the twists and turns of discussion and drafting that went on at the COAG meeting in June.

But if it is browbeating the States to ask them to accept one of the most important and positive decisions the High Court has ever taken - if it is browbeating the States to ask them to do more than simply pocket a Commonwealth offer to validate their grants and pick up the entire compensation bill - if it is browbeating the States to ask that effective mechanisms be established to determine native title claims, and that laws be updated to recognise and protect native title - and if it is browbeating the States to get them to understand that Mabo has a significance well beyond the nitty gritty of land management - then the States have been browbeaten.

And the Government will not waver from its view of Mabo as a national issue requiring a national response.

At our initiative, consultations have been held with the States since last year, in every State capital and in multilateral meetings the work has continued since COAG.

I reiterate what I have said to the Premiers and Chief Ministers: in dealing with the land management challenges posed by Mabo, our preferred course is complementary legislation, cooperatively achieved.

That does not mean we will accept the lowest common denominator, or will fail to establish appropriate national standards and mechanisms for dealing with native title.

If Aboriginal and Torres Strait Islander people have one overriding request of the Government it is that the Commonwealth set the benchmarks. And this we will do.

As we work on legislation, we are going to keep the lines of communication open to Aboriginal and Torres Strait Islander representatives, to representatives of industry and to others. The political heat of the issue will not deflect us from that sound, deliberative, consultative course on which we embarked last October.

The legislation we will introduce in the Budget sittings will make Mabo work. It will demonstrate that native title is not incompatible with efficient land management or with the national economic interest.

Dr Hewson made another contribution to the Mabo debate yesterday. He said that Mabo threatened to lead to recession.

Dr Hewson appears unable to live without recessions. When he doesn't have one, he conjures one up. Late last year, you will remember, he said that the recession was deepening. Double dipping. Then he said that we were on the verge of a depression.

Dr Hewson has also been talking about how the Government must not "go beyond" Mabo, as if it is possible to deliver a complete response without paying regard to the wider implications of the judgement.

Let me say that it is not "going beyond" Mabo:

- . to see how the decision, by sweeping aside the doctrine of *terra nullius*, also sweeps aside the foundation of the dispossession of the indigenous Australians
- . or to note that the decision itself talks of Aboriginal dispossession as having underwritten the development of Australia
- . or to consider then what might be done for those who have been dispossessed
- . or to consider also how the apprehensions of land-based industries and the hopes of Aboriginal people for economic improvement might both be addressed by giving the latter a greater sense of involvement in industry
- . or to recognise, as the High Court has now done, Aboriginal customary law and traditions as a source of Australian common law
- . or to recognise why, therefore, the Mabo decision can be seen as a major contribution to the social, cultural and economic standing of Aboriginal and Torres Strait Islander people with the potential to establish a new basis for the relationship between indigenous and other Australians

None of these aims exceed our capacities as a community and a nation: none of them exceeds our democratic or social aspiration. They are, I believe, consistent with our values and beliefs.

The spoilers, no less than the bigots, should know that. And they should know that no amount of sophistry, or denial, or lies will deliver us from the truth. None of it will help Australia escape judgement in the eyes of the world. And none of it is needed.

What we do need and what we will have is a workable solution that will actually improve the quality of our national life, which will build up the values we hold in common, and nourish the reconciliation process.

And there is no doubt that we would be considerably closer to this solution if the Liberal Party had not decided that it was in their interest to subvert the national interest.

But, in fact, as Judith Brett wrote the other day, the Liberal Party is "philosophically bankrupt". They no longer have any idea how to address those things which their founder understood instinctively - the need for unity, the importance of social values, the essential role of a responsible political party to find the means by which a society can cohere around common principles and aspirations.

The Liberal Party, the alternative government, has comprehensively lost its way. This is a fact which in some circumstances might give the Labor Party comfort, but there is no comfort for any Australian in their present behaviour.

And there is little prospect of their improving. Having just lost an election, they number among their leadership aspirants the man who contributed more than any other to the loss.

And having lost it on a Thatcherite program, they allow to be a contender a politician who, in an embarrassingly transparent imitation of Mrs Thatcher before she mellowed, said the other day that government should be "poor", and "the laws of the free market are as immutable as the laws of gravity".

Among their youth two of their brighter sparks are avowed monarchists. The former Hewson adviser, now Hewson-hater, Abbott; and the Melbourne lawyer, Costello.

Abbott and Costello lead the youthful wing of the Liberal Party, along with the likes of the Member for Menzies who, to judge from an article in The Age the other day, makes the man after whom his seat is named look like an Irish rebel.

But no one is more culpable in the present fiasco which is the Liberal Party than the bloke who only six months ago was still believed to be their hope for the future.

In what appears to be a sort of penance for his sins, he now tramps around the country saying things he doesn't believe or he knows to be untrue.

It is well known, for instance, that privately John Hewson will tell you Australia must move on to be a republic. But unlike the Greiners and the Faheys and Sir Rupert Hamer and many other leading Liberals, he will not say so. He will not lead. He does not have the courage of his convictions.

The man who just last year was touted as a visionary now is so reduced he will not engage with the debate on the republic and discourages the goal of reconciliation between Aboriginal and white Australia on the quite extraordinary grounds that he will not cater to Paul Keating's ambitions.

The nation's ambitions apparently no longer enter into Dr Hewson's political equation.

Nothing will persuade Dr Hewson that economics cannot be divorced from social policy, that our economic performance depends in considerable part on the strength of our social bonds and on the development of a uniting spirit.

That our success in Asia will depend on these things as well.

I think it is safe to say that Australian business understands what the political Opposition fails to.

Business knows that in the end it will not be the Australian Government which carries the day in the Asia-Pacific. It will be business.

It will not be Government which ultimately carries the day in Australia. It will be business. Business, unions, the workforce: public and private institutions, schools and universities, communities, individuals.

In the end it will be, as I said, the quality of our national effort which determines our success.

That is what increasingly impresses me in Asia - the number of Australian initiatives which are succeeding. It is what increasingly impresses me here. It's what impressed McKinsey in the survey of 700 new exporters.

We will help business up wherever we can. We won't be shutting down the economy as some people are saying we should. We'll do what we can to sustain demand.

But once it gets going we'll get out of the way.

Right now it is particularly important that governments get the broad parameters of economic policy right.

To generate investment and jobs Commonwealth and State Governments must get their budgets right: they must support the economy in the short run by providing a stimulus to spending; but they have to be able to show that in the medium term deficits will be scaled back to allow private saving to be used to fund business investment.

We cannot allow our private savings to be used solely to fund big budget deficits.

We have to have more business investment and we have to free up our private savings to pay for it.

This is what we did in the 1980s when we built up those big budget surpluses.

More recently, the Treasurer, the National Fiscal Outlook and the Fitzgerald Report have reinforced this simple point.

In the medium term, big budget deficits are not consistent with a strong economy.

That is why the Government is committed to reducing the budget deficit to 1 per cent of GDP by 1996-97; and why we are aiming for a budget deficit of around \$16 billion this year.

The economy has been recovering for seven consecutive quarters - but, while the medium term looks good, the process has been stubbornly slow.

We can be thankful that with more and more of our trade in the Asia-Pacific we are not so dependent on the OECD economies to sustain our export growth.

But sluggish growth in the OECD area has inevitably made it difficult for us in Australia.

There are some forecasters suggesting that the GDP growth in 1993-94 might be little different from 92-93.

Private consumption conceivably could weaken.

The economy could therefore do with the stimulus this financial year that the One Nation tax cuts are scheduled to bring next year.

On the other hand, because inflation is much lower, the One Nation tax cuts are now more generous than they were intended to be when they were announced in February 1992.

It is for these two reasons that the Government is considering how the One Nation tax cuts can be best put into place - best for the economy and best for taxpayers.

The tax cuts now legislated are to be paid in two parts - one in July 1994 and the second in January 1996.

We are now in the process of considering the extent to which the first leg can be brought forward to boost the economy, and the second put back to secure the savings task in the interim.

As I said earlier, when the tax cuts were announced in February 1992, they were intended to encompass fiscal drag. The subsequent better performance on inflation now implies that they are substantially more than fiscal drag - substantially more than was intended.

Delaying the introduction of the second leg will bring the tax cuts back into line with what was intended and announced in February 1992 - while still seeing the tax cuts paid.

In this way the incidence of income tax will not rise, savings will be boosted, and the economy will receive a fillip at a time when it's still needed.

These tax cuts will be delivered in full this financial year. They will be L A W - law.

And what is more, they are R E S P O N S I B L E - responsible law.

I began by talking about Australia's national values; or, if you like, this system of belief which unites us.

I have said before that this a country which has got its basic values right.

Those values remain, by and large, democratic, egalitarian, tolerant and - far more than before - open.

But I do think we need to be more generally aware of them, and they should be reflected more obviously in our national symbols and institutions.

I think as Australia changes and old affections inevitably fade it is essential that we get these things right for future generations.

It seems to me that there is no better recent evidence of the need for this than the Mabo debate - particularly where it has been led by our conservative opponents.

In the end, however, I am supremely confident that the better instincts of the vast majority of Australians will prevail.

I recognise, just the same, that none of this can be divorced from our economic performance - our ability to provide long term security and prosperity.

That, despite the slow recovery, is now on offer as never before. It is what the government, and a great many Australians, have been seeking for some time.

There are profound reasons to believe we will succeed - and in the end nothing will be more important than belief itself.