

THE STATE OF THE NATION.

In the present social conditions of the civilized world nothing is clearer than that there is some deep and widespread wrong in the distribution, if not in the production of wealth.

Henry George

As we move through the last years of the twentieth century we may look back upon our celebration of the Bicentenary of European settlement in Australia with mixed feelings and some sense of disappointment.

Of that event, noted Australian historian Professor Geoffrey Blainey said "In many ways the European history of this land has been a remarkable achievement. Today this land feeds fifty times as many Australians as it fed in aboriginal times. We clothe hundreds of millions of people across the seas, we feed millions in other lands".

From another quarter, the renowned British historian and social analyst Paul Johnson, observing Australia a little ahead of the Bi-Centenary, wrote "The development of Australia rates as one of mankind's great achievements. With five years to go before the double century one of the most advanced and prosperous societies on earth has been created. It is an achievement with few parallels in the history of human adventure.....there are far more tales of heroism and sacrifice in the penetration of the Australian outback than in the whole history of the American far west".

But beyond some pageantry the Bi-Centenary managed to overlook the tribute we owe to our forbears. Our Governments, and their authorities, spent a lot of taxpayers' money on environmental and related projects all identified as "bi-centenary" but did little to encourage

remembrance of and thanksgiving for the tremendous achievements of our forbears who established sound foundations for a new nation, born as a penal colony in an inhospitable environment which, today, is rich in promise and opportunity if we have the wit to grasp it.

But there was no shortage of zealots seeking to use the occasion to promote utopian dreams of rights without obligations, equality of outcomes rather than equality of opportunity and on through a long list of social engineering initiatives all presided over by Tribunals and Commissions exercising the most extraordinary legal authority. Almost forgotten was a reminder to the nation of what we have inherited or won in democracy and the rule of law, freedom for enterprise in a free market economy, freedom of speech and association and much more. But it might be well also to remind ourselves that some of these values remain under threat for reasons of dubious legitimacy.

Ahead of us lies the centenary of Federation when the colonies finally came together in reluctant surrender of such of their powers as was necessary to form Australia the Nation and to produce a Constitution for its future development.

The Constitution, having established the national administrative machinery, then went on to deal with the division of political powers and the limitation of the power of the Commonwealth Government. States and Commonwealth have been arguing about their respective powers ever since whilst the Commonwealth Government has sought always to extend its powers through such devices as uniform taxation, tied grants to the States and the ever increasing use of the External Affairs power in matters covered by international convention over which Australia would have had little influence. In every one of these matters we surrender more of our political

independence.

Not unimportant have been the additions to Commonwealth power brought about by decisions of the High Court invariably allowed to stand without legislative correction so confirming that in respect to those matters the High Court virtually usurped the powers of the Government to become the law maker.

The Constitution is a remarkable document having survived almost intact despite efforts of social engineers generally wanting to endow the Government with more and more stringent authority and control over the people who elect them. That the people could be persuaded to permit amendment on so few occasions is less a tribute to their thoughtful concern than it is to their instinctive distrust of politicians.

"Modernisation" of the Constitution becomes a crusade as the centenary of federation approaches. The current push for Australia to become a republic calls for little change in the Constitution but will certainly be used as a vehicle for "reform". But it is not the purpose of this volume to comment except to express the hope that changes of any kind will come about by the will of thoroughly informed Australians and not by default through ignorance and apathy. Parliamentarians will, no doubt, seek to dominate any process of amendment. But the Constitution is for the protection of the people, not least from Governments and their bureaucracies. The rich talent and experience outside of parliaments must be heard which places a great responsibility upon the Board of the Constitutional Centenary Foundation recently established.

At Federation something under four million people inhabited a territory of three million square miles, clinging obstinately to the seaboard and concentrating very much in the south east corner of the continent where settlement began. Nearly a hundred years later, despite the growth of

population to eighteen millions, that region still dominates even if under challenge by the remarkable developments and potential of Western Australia and Queensland.

For a small population spread over such an area what has been accomplished in communications in all of its forms and in the establishment of industry, both rural and secondary, has been remarkable. But with late entry to world affairs our development lagged considerably behind that of older nations so that our rich resources have been traded off as raw materials thus denying us the gains of beneficitation. We can, and must, correct that situation for the benefit of our future position in the developing Pacific region and world market.

Our rural industries, as efficient as any, are squeezed between ever rising costs of production at home and subsidised competition in overseas markets. Our primary producers are getting a poor deal despite the fact that their output largely sustained our economy and continues to do so. Our secondary industries remain generally uncompetitive with the emerging industrial giants in Asia.

Our manufacturing base is contracting as manufacturers, foreign and domestic, either retire from Australia altogether or move their production offshore. Industrial productivity is low and static.

Noteworthy is the fact that some forms of manufacture, of which the electronics industry is only one example, have all but disappeared from the Australian scene. Emerging from World War 2 with a strong electronics industry, our small domestic market, the advance of technology and commercial aggression by intellectual resource rich foreign countries now leaves the Australian industry with a bare toehold in the domestic market. That position moves from the dangerous to the downright tragic when contemporary technological

developments clearly demonstrate that modern industry and even more importantly defence, depends absolutely on electronics. Australia is vulnerable when we depend too heavily on foreign suppliers. The absence of manufactures even denies us the training ground for technicians and design engineers. Similar conditions exist elsewhere in other industries. All of this puts our future industrial independence seriously at risk. Here and there is an example of an individual or a company, mostly small, whose innovative skill or entrepreneurial management has earned a niche in the domestic or export market. But in all too many cases the entrepreneurs have met only apathy and discouragement. Unless there is significant change in our industrial environment and attitudes we will certainly offer no challenge to the rising industrial powers of Asia or sustain anything like a competitive position in world markets

In science and technology Australia cannot yet field the facilities or funds for in depth research and development to match overseas agencies with their years of experience and access to world markets. But within present restraints Australians have made remarkable contribution. We have, nevertheless, undervalued research and development. It is a matter for great concern that in failing to create an economic-industrial climate conducive to the commercial application of such outstanding discovery and invention as has occurred, new industries have been lost to Australia together with promising scientific talent. In production, the Australian workman, *when motivated*, is as good or better than his counterpart anywhere. The key word is "motivation". That must come from inspiration and incentive.

This, surely, is an appropriate occasion to take stock of the nations affairs and to reflect on the use we have made of the golden opportunities which have strewn our path and to seek new ways of surmounting the obvious

difficulties which confront us.

How well equipped are we to grapple with the problems which lie immediately ahead in a changing world environment? How strong is our National spirit as we move ever deeper into a multi-racial society in which one in five of our population was born overseas, a circumstance which can be either a source of great strength or of equally great tensions and divisions not least between minorities who choose Australia as their future home but bring with them all their old tribal hates and jealousies? Will the future present a picture of ethnic minorities living as such in Australia or a unified Australian nation of diverse ethnic origins?

We may change our flag to signify our national maturity. We may opt to discharge the Monarchy in favour of a Republic to signal our independence which is already absolute. Neither of these events can contribute to the solution of our national problems.

For urgent and more realistic attention is a daunting array of problems with which we have been grappling for a century with obvious lack of success. The day of reckoning is here. We need new initiatives and determination to solve, or at least substantially ameliorate, the tragedy of unemployment and its attendant poverty, the breakdown of family life, the persistence of inflation which forces even the provident to dependence. The growth of debt, personal and corporate, stands urgently in need of attention as does the housing crisis.

We aspire to be an industrial nation in a global market but instead of encouraging industry to fulfil our national ambitions and relieve our social problems we blame industry for creating them, then tax, regulate and control until industries, one after the other, either close or move offshore.

Overall is the obvious helplessness of governments

to lead us out of the morass to solutions for recurring depressions, adverse trading performance, increasing debt together with high unemployment and its consequences officially acknowledged as unavoidable until perhaps the end of the century and probably beyond. The turn of another century has no magic to solve our problems.

The major political parties once found mutual respect and personal friendships within differing philosophies of how best to serve the people. Now they stand at arms length. Personal abuse too often replaces reasoned debate. Standards of conduct within parliaments generally are falling. With substantial assistance from the media, public respect for and confidence in our parliamentary representatives, which once they earned, is on the decline. Government and opposition are both mired in the mechanics of politics. Both are busy about the next electoral auction, formulating their plans to buy votes with the electors' own money.

No session of the Federal Parliament passes without a flood of new legislation generally with emphasis on additions and amendments to tax legislation where even "revenue neutral" proposals merely shift the tax burden less for the comfort of the taxpayer than in the hope that he can be made to carry more.

Through circumstances not of our own making our primary industries have fallen on hard times with long periods of drought and adverse export marketing conditions. But we have allowed to develop an environment and attitudes which inhibit industry and shrink our industrial base. Then we turn to imports.

Horrendous adverse balance of payments figures and rising overseas debt bear testimony to the state of our trading activities which must be corrected. Behind high tariff barriers we have sheltered industries until efficiency has been lost and the high cost of production turns into the

high cost of living.

Our leaders call upon us to become the clever country. It would be a new experience. The clever thing would be to acknowledge the superficial effects of the everlasting changes in tariffs, taxes, regulations, tax-wage trade-offs and "accords" with the trades unions who represent only a diminishing fraction of the nations work force but had, for years, been virtually admitted to partnership in government. Contrived devices merely delay the inevitable day when we must face up to basic reform.

Statistics indicate that at the turn of the century, before the tremendous industrial and social development which added significantly to the widening gap between rich and poor, Australia was regarded as the most affluent country in the world on the basis of G.D.P per head of population. By 1930 our position had slipped a little from first to fifth and the progress was downward to eighth in 1970, fourteenth in 1980 and by 1989 to fifteenth marking forty years of steady decline in the economic welfare of the nation. The decline continues.

This is a sad picture of deterioration made no more palatable by the daily reminder that we are selling off our national assets like any potential bankrupt. Our nation is in danger of going into decline before it has flowered.

There is deep and widespread perception within the nation that something is seriously wrong with our economic and social regime.

Beyond that, parliamentary debate usually ranges very wide of the subject under debate to the point of irrelevance. Neither the few who read the proceedings in Hansard or the few more who listen to Parliamentary broadcasts find it impossible intelligently to follow the debate without a copy of the draft legislation in hand. There is no dearth of television interviews with Ministers,

sometimes with members. They are almost invariably adversarial in form and tend to run "out of time" without reaching conclusions. They shed heat rather than light

The press, long the source of reliable information, has seen the ladies and gentlemen of that medium forsake reporting for "journalism". The emphasis is on political trivia and information takes second place to the opinions of the writers. There is widespread belief that much reporting and comment is politically biased. Federally at least the Press Gallery virtually dictates the political agenda by their decisions as to what will have priority in the news pages or the sequence of news bulletins . Thus a generally disinterested and apathetic people, insulated from real knowledge of political activities by inadequate media reporting, is hardly aware of what it's Government is doing.

The strength of democracy depends on a well informed public encouraged to a more responsible and active intellectual involvement in public affairs, Australian democracy, perhaps like democracies everywhere, needs some renovation.