

EMBARGO: 8.15 P.M.

PARRAMATTA BY-ELECTION

SPEECH BY THE PRIME MINISTER, MR. E.G. WHITLAM, Q.C., M.P.,

PARRAMATTA TOWN HALL,

FRIDAY, 14 SEPTEMBER 1973

A fortnight ago, I launched Labor's campaign for Parramatta. Tonight, I launch another campaign - not a campaign on behalf of the Australian Labor Party, but a campaign on behalf of the Australian people. And this campaign is not a test for the Australian Labor Party but a test for the Australian people themselves. And it is a test for great, important, and vocal sections of the Australian community. The Australian Government shall, before Christmas, submit to you, the people, a referendum to give the national government power over prices. The Australian Government is determined to combat inflation. We shall all have the opportunity within the next few days, within the next few weeks, within the next few months, to see whether that determination is shared by the individuals and groups who have been so vocal on this matter so recently.

In particular you will all be able to judge within the next few days, how sincere the Liberal Party, the Country Party, and the five Senators currently engaged in courtship with the Country Party, are about the fight against inflation. The acid test will come next week. We have heard the Leader of the Opposition demanding a prices and incomes freeze. The National Government - a Whitlam Government, any more than a McMahon Government, even with so brilliant a Treasurer as Mr. Snedden - has not the power to freeze prices or incomes. The Liberals know this; the writers of editorials know this; the people of Australia know this. We propose to ask the people to change it. - to give us at least the power which governments in any comparable country, whatever their systems, unitary or federal, already have. We shall be seeking that power; but before we can do so, we have to get the Parliament to authorise us to refer the matter to the people. And whether that reference is made now lies fairly and squarely with our opponents. We await their declaration of intent.

There are other people involved in this matter, other people responsible for the course that the Government has felt impelled to take. I refer to the Premiers in the three eastern States - the anti-Labor Premiers. The basic reason why the Government has felt obliged to take this course is because of the refusal of these Premiers either to use their powers - the undoubted powers of these States - or to refer their powers to the National Government. These Premiers blather and bleat about inflation; yet they would not budge an inch towards helping the National Government do its job. I acknowledge, rather, I proclaim, the fundamental responsibility of the National Government for the economic management and the well-being of this nation. I do not slide away from that at all. But the Premiers in the anti-Labor States have refused point blank to give us the constitutional and legal power to do our job. It is because of that refusal that we now propose to go direct to the people of Australia.

At Ermington, a fortnight ago, I undertook to ask the Premiers of New South Wales and Victoria to refer this power. I put the proposition to them on the opening day of the Constitutional Convention, last Monday. I said:

"The Australian Paradox is that the National Government is in a stronger position vis a vis the States in financial matters than the national governments in any other federal system; but it is in a weaker position in economic powers than national governments in any other federal system. There is the matter of prices, for example. The Nixon Administration had the power to introduce price freezes. The Australian Government has not - the McMahon Government no more than the Whitlam Government. There may be arguments about the economic effectiveness of such freezes, but there can be no question that if they are to be in any way effective whatsoever, they must be immediate and unchallenged in their application. I do not assert and I do not concede that the Australian Parliament could not enforce an effective prices policy by legislating under the corporations power. I do, however, assert, and I have to concede, that such legislation would be challenged in the High Court and its application would be stalled for many, many months in the process. The crucial element of immediacy would be lost. Unquestionably, the Australian Parliament should have legislative power over prices, whatever the Government in office. The Parliament can try to obtain the power by referendum but that would take some months - the number of months depending upon whether the Bill was passed or rejected by the Senate. Alternatively, the Parliament can obtain the power by reference, by some or all State Parliaments. That is something which could be done in a matter of weeks. The reference of power could be permanent or temporary. If, however, the Governments in the two great States of New South Wales and Victoria, Governments which currently have a majority in both Houses of their Parliaments, decline to introduce a Bill, then the reference would be ineffective. I venture to say that without New South Wales and Victoria, it would be a largely futile exercise, while, with those two States alone referring, it could be made effective throughout Australia. If the Premiers of New South Wales and Victoria were to offer such a reference, then this Convention would be indeed a landmark in Australian economic, political and constitutional history."

But those Premiers have refused to refer this power to the national government.

The National Government of Australia should have reasonable constitutional powers to manage the nation's economy. We have not got it; we now seek it. The States - the anti-Labor States - will not do their job; we now have to ask you to equip us to do the job.

I recognise, and everybody recognises, that the kind of inflation we are now experiencing is not only a matter of prices. There is the matter of incomes - and that means your income, your salary, your wage. The fact is, of course, that Australia has a highly complex and highly regulated system of wage fixation. The system is in fact one-sided; wages are fixed, prices are not. But I can say this, speaking not only as the Prime Minister of Australia, speaking not only as the Leader of the Federal Parliamentary Party, speaking not only as the Leader of the Australian Labor Party, but as the Leader of the Australian Labor movement - if the people of Australia give us power to control prices and if our efforts to contain inflation within reasonable limits then fail, we shall receive the full co-operation of the trade union movement in restraining wages incomes. But what the trade union movement will first ask is that the national government and the whole public shall together show that they are dinkum on this matter of curbing inflation. If we show we are dinkum, the trade union movement stands ready to show restraint in the interest of the whole people, of whom its members and dependants form the great bulk.

I still appeal to every section of the community to get this whole matter in perspective. The national government needs reasonable powers to manage the economy. Inflation is undoubtedly a major problem, the besetting problem of current economic management. But is it not the be-all and end-all of our national problems. And indeed it is as much a inter-national problem as it is a national one. But I long ago determined that the Labor Government which I head would not be reduced to a nullity by any unreal pre-occupation. It would be monstrous if a Labor Government, coming into power after 23 years were to attempt nothing more than curbing some of the gross economic defects created by our predecessors. When the Government framed its Budget, it had to look at the whole range of problems created by our predecessors, the whole backlog of 23 years of conservative rule. Growing inflation was only one of these problems. It is true that the Treasurer could have brought down a traditional Budget designed to contain economic growth. It is true, for instance, that we could have renegged on our program. But what would that have meant?

What is the big new factor in the spending of this Government? It is on education. I could have starved the schools; I could thereby have received plaudits for a "responsible" Budget; and I should have penalised every Australian child, now at school or about to enter school - not just for this year but for the rest of his life. I would not have a bar of it.

I for one am not prepared to say that an Australian child who happens to be in school in 1973 must pay the penalty for 23 years of Liberal mismanagement or pay the penalty for a passing economic problem, no matter how difficult and complex and intransigent that economic problem may be. I am not prepared to say that Government spending designed to reduce costs or to promote production in years and decades to come must be indefinitely postponed, just in order to save money in 1973. One of the principal reasons why our costs are rising is because spending in the public sector was postponed or entirely refused for so long.

Why are land costs soaring? Because of the refusal of past governments to involve themselves in public ownership of land.

Why are transport costs soaring? Because of the refusal of previous governments to spend money on the upgrading of the public transport system, and particularly by the refusal of the national government to involve itself in urban transport systems.

Why are our cities so expensive to the individual and the family? Because of the failure of past national governments of Australia to involve themselves in the business of cities as much as the governments of all comparable countries have done for long past.

Why is health so expensive and why are our hospitals so inadequate? Because the previous government encouraged these fly-blown private bureaucracies and high-flown pretensions of doctors. I suggest we did not even have a choice about whether or not we would act on these matters of schools and cities and hospitals. It was to act on these matters that the people elected us last December. And we were not prepared to sacrifice yet another generation of children and pensioners, the handicapped, the old, the sick, the aborigines and the city dwellers of this country. We have begun to do the job for which the people of Australia elected us. We shall before Christmas be asking you to give us another weapon so that we can continue to do that job. The times are not so urgent but we are no less sincere when we again say "Give us the tools and we will finish the job".
