

SPEECH BY THE PRIME MINISTER, THE HON. E.G. WHITLAM, Q.C., M.P.,
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Just three months ago the people of Australia returned a Labor Government for a further three years. We achieved success very largely because the people of New South Wales refused to be moved by the fear tactics of our opponents and the smear tactics of Sir Robert Askin. They gave us a resounding vote in the Senate and carried all four of our referendums. And a month ago - in Coogee and in Goulburn - they took the opportunity to reply direct to Sir Robert Askin and his administration. With the win in Coogee we have taken another step towards a Labor Government in New South Wales, a Labor Government under Neville Wran.

I take this first opportunity to congratulate the New South Wales Branch, to congratulate Neville Wran, to congratulate and to thank all of you, my colleagues in the national Parliament, the officers and above all the rank and file members for your work, your support and your achievements over the past three years and particularly the past three months.

Now, three months after our work together led to the reaffirmation by the people of New South Wales and the people of Australia of Labor's right to govern, it is fitting that here, at the State Council of the Party, I should repeat what I said to the nation shortly after those elections. I said:

"There should be no uncertainty in any quarter about our ability and determination to carry out our program and to provide strong effective government for the full term for which you have once again elected us."

Now just three months after the people delivered their verdict, delivered it in our favour for a second time in 18 months, our adversaries inside Parliament and beyond it seek every means to set that verdict aside. To them it is nothing that the people have twice returned a verdict in our favour. To them it is nothing that the people have declared themselves, as firmly as our electoral system allows, on issue after issue - issues of tremendous importance like the people's health, like Australian ownership of Australian resources, like restrictive trade practices, like electoral reform. To them it is nothing that their own nominal leaders have committed themselves to support our proposals as Mr. Snedden and Mr. Anthony emphatically did in the case of our amended legislation for the Australian Industry Development Corporation, and as Mr. Snedden did on the proposal to establish an Australian Superior Court - more than seven years ago when he himself was Attorney-General. They rejected our universal Health Scheme put to the people at the elections of 1969, 1972 and 1974. Now that the joint sitting has passed the Health Bills, they propose to reject the collateral legislation needed to give effect to the scheme.

The extraordinary thing, the intolerable thing, is that the opposition Senators have become more obstructive, not less, more bloody-minded, more irrational since the elections which they themselves precipitated. In the session just completed they have held up by outright rejection or postponement or by dragging out debate, more than half of our Bills - 30 out of 56.

This happens in a Senate in which our own strength was increased from 26 to 29, a Senate happily devoid of DLP representation. And more often than not, our legislation has been rejected not by a majority but simply by rounding up just half the Senate to negative a proposal. If the vote is 30-all, then the proposal is lost.

So we have this situation: a mere 30 Senators can set aside the clear decision of the majority of the House of Representatives - the people's House, the House which determines who shall govern; they can set those proposals aside even when they plainly express decisions made not just by the elected government but by the people themselves, at two successive elections. This is a travesty of the Parliamentary system and it is a travesty of democracy. It is a travesty and it is a tragedy for Parliamentary democracy, because this system is everywhere under challenge, in Europe, in North America, even in Britain itself, the home of parliamentary democracy.

And the system is not so strong that it can sustain onslaught after onslaught, unremitting war on its basic foundations. That is what is being done in the Australian Senate. This is not just a matter of declaring war on the Labor Government. It is a declaration of war on the system itself.

Mr. Snedden defends - he certainly does not command - the conduct of his followers in the Senate by pleading that it is all perfectly legal and constitutional. In recent history, the irresponsibility of minorities and chance combinations of Parliamentarians in France, in Italy, in Greece have repeatedly undermined parliamentary democracy. That, too, was all perfectly legal and constitutional - but absolutely destructive of the system.

The question is not just one of the effect this obstruction, this falsification of democracy, has on the ability of duly elected governments to govern effectively and to carry through its program and to plan effectively. Even more important is the question of the people's faith in the system.

If democracy is to survive, if the parliamentary system is to survive, the people must be able to believe that the system can provide change through peaceful methods. The strength of parliamentary democracy is that it combines the opportunity for social change with political stability. Our opponents are striving for the minimum of change with the maximum of political instability. In their efforts to thwart our program for change - the program twice endorsed by the electors, they are attempting to strip democracy of its true meaning, to deprive it of its real strength. It is a thoroughly mischievous and highly dangerous exercise.

And never more mischievous, never more dangerous than in the times through which we are now passing, at a time when governments around the world are confronting the enormous challenge of inflation. The really damaging thing about inflation is that if long continued it eats away at the very fabric of society. It undermines the things which unite us and magnifies the things which divide us. To add to this problem a new dimension of political divisiveness is to put a double pressure on a system already under tremendous stress. The supreme irony is that this sabotage comes from a party claiming to be the champion of tradition and the guardian of the constitution.

Throughout the last 14 years as Leader and Deputy Leader of our Party I have asserted the primacy of Parliament, particularly the national Parliament, as the instrument for the fulfillment of our policies. A little more than seven years ago at the annual conference of this Branch I said to you:

"The test of a political party such as ours is its ability to win power through Parliament, to secure throughout Australia a majority of votes of our fellow citizens. The people who vote for us and a vast majority of those who don't increasingly look to the initiative which the national Parliament could take and to plans the national Government could make for a solution of their problems and the consummation of their aspirations."

I asserted, and the Party accepted, that if we were to secure a majority of the votes of our fellow citizens, we ourselves as a party had to be broadly representative of at least half the people. This belief was behind the reorganisation and reconstruction of the party at the national level and in New South Wales and Victoria. The people responded to our efforts. We did make ourselves more representative and more responsive and more responsible. The result has been that twice within 18 months a majority of the people of Australia have given us a majority in the House of Representatives. Twice they have chosen our men and our measures. Twice they have expressed clear support for our policies and for a Labor Government.

How many elections must be fought and won before our opponents accept the people's verdict, before they abandon their belief in their divine right to rule? We allow ourselves no such delusion. We believe our right to govern rests upon the consent of the governed, a consent and a confirmation twice given. We shall exercise that right. We shall exercise the right to govern given us by a majority in the House of Representatives, the people's House, a consent confirmed a mere three months ago, a consent for us to continue to implement our program for the next three years. We shall continue. I shall continue - continue to fight to implement our Labor program, continue to fight against inflation, continue to fight to preserve parliamentary democracy in this country.

We are faced with an irresponsible, a discredited Opposition, a discarded Opposition, the most irresponsible and irrational Opposition in the history of Federation. In these circumstances we have a double responsibility - all of us who form the Government, all of us in the whole Labor movement who have worked so hard, so long to create our Government and to give our fellow citizens the opportunities which our programs offer. When, as has happened, an Opposition defects from the system and sets out deliberately to sabotage the system, it becomes double important for us to stand firm and to stand together in defence of our program. When an opposition deliberately sets out to create a climate of hysteria, it becomes doubly important that we should not lose our nerve.

When an Opposition deliberately sets out to sow the seeds of panic and division in the community it becomes doubly important that we should stand strong and united. This is a responsibility that no section of the movement can avoid. We are in this together. It is not just the Whitlam Government; it is a Labor government and it is the people's elected Government.

And it has to be said that there are some sections of the movement whose co-operation is now most needed. We are not in the business of union-bashing. We cannot and will not compete with our opponents in that game. Nor are we going to allow employees to be made the scapegoats for Australia's present economic problems. We are not going to ask employees to bear the whole brunt of our attack upon these problems.

In other words we are not going to follow the policies of our opponents, which they used in government time and time again and which they would again use if they had the chance. But employees and their associations do have to make a choice. We have to recognise that actions by unions and employees' associations can have a more damaging effect upon a Labor Government than all the obstruction and irresponsibility of our opponents. We can handle our opponents but we need the co-operation of our supporters and those who claim to support us.

It is thoroughly shortsighted if individual unions use their muscle in certain key sectors of industry to win short-term advantages at the expense of their fellow workers. In the very short term these may appear superficially attractive but no union, still less small sections of any industrial union, can live in isolation from the rest of the community. What happens to individual unions ultimately affects the whole of the community, and equally what happens to the whole community ultimately affects every unionist and his family.

Nor can employees ignore the threat which excessive wage claims or unjustified strikes can make on their industry and their own employment prospects. As Jim Cairns put it to the State Council of the Victorian Branch of the Party last month: "In a year like 1974 the economy cannot possibly pay general wage increases of 20% and more without most of them going quickly into prices, and this means more inflation."

It can also mean - and we must face the fact - more unemployment, especially in industries competing with imported goods. What all of us in the Labor movement must remember is that wage claims affect the ability of certain industries to compete with imports. I know there are some unions and some industries where wage claims can be dealt with in apparent isolation, where there is no import competition and added cost of wages can be passed on to the consumer. There are other industries, however, that are not so fortunate. In those industries the cost of sudden and immoderate wage increases cannot be passed on so easily. If they are passed on, in higher prices, there is a real danger that the industries will no longer be competitive. They will go to the wall, and jobs will go with them.

So it is in the interests of all unions - indeed, it is the duty of all unions - to ensure that wage claims in our present economic climate are kept within reasonable and responsible limits. And this is just as much the duty of unions in non-competitive industries as it is in industries that are vulnerable to competition. In fact it is the stronger and more fortunate unions that have the higher duty - the duty to set an example. For we know how tempting, how human, how natural it is for anyone to seek to catch up with other employees in other industries who receive a substantial wage rise. And while I am not for a moment suggesting that no wage claims are justified, that no one deserves any increase at all, it is vitally important that wage claims are not made at the expense of fellow-workers' jobs.

We look to the union movement, and particularly supporters of the Government, to ensure that wage claims and industrial actions are responsible. Disputes which affect other workers should be promptly referred to central union bodies - the Labor Councils and the ACTU. In the interests of other unionists and in the public interest disputes should be restricted to their proper role - as a last resort, not as the first shot in a process of negotiation. With respect to wage claims we ask unionists to recognise that a system of indexation will now be introduced, so that claims should not now be made - and do not need to be made - in anticipation of future price increases.

The only people who can effectively persuade unions to keep their wages within safe and moderate limits are unionists themselves. So I urge every man on the job and in the factory to exercise caution, to remember above all his own and his fellow-workers' livelihood. For that is precisely what is at stake.

Employees who want to keep a Labor Government should measure the possible consequences of their actions, not only upon the fortunes of the Government, but upon their fellow-unionists. And unionists who want to keep a Labor Government should scrutinise the consequences of some of their officials who are not Labor, who don't particularly want a Labor Government, some of whom, indeed, correctly view a Labor Government as the greatest force for democratic change and social reform within the Parliamentary system. They reject the system and therefore they reject our role in it.

The question employees are certainly entitled to ask is why they should support and co-operate with a Labor Government. It can be answered at many levels - from the narrowest point of view of an employee's immediate self-interest to the widest considerations of the national interest and the national good. We all know from experience what the alternative is. We all know from experience what methods a non-Labor Government would use by preference and calculated design to combat inflation. It is the deliberate creation of massive unemployment. We are not going to take you down that road.

Look at the general attitude of our opponents to industrial affairs over a generation. Never once in 23 years, whether there was inflation or recession, did their Government fail to lend its support to the employers in the national wage case. For 20 years unions had been arguing for the re-introduction of wage indexation. Only now have we a Government taking a positive attitude to the question. We have made positive and constructive intervention before the Arbitration Commission. Within hours of taking office we re-opened the wage case to secure equal pay for women. Against bitter opposition we have supported the ACTU policy on abolition of the penal clauses and the amalgamation of unions. We have taken new initiatives to protect employees by training and retraining programs and structural adjustment assistance.

Two things are clearly implicit in our opponents' economic proposals - the creation of massive unemployment and the slashing of basic public expenditure on schools, welfare, health and cities. On both counts, employees and their families would be the first to suffer. For most employees, community spending on these matters - the matters which are basic to the quality of their lives and the lives of the members of their families - is every bit as important as their pay packets.

I want to emphasise as strongly as I can that the current problem of inflation in no way downgrades the importance of our Government's total program - the program I announced in 1972, the program I repeated in May 1974, the program once again endorsed by the people in 1974.

On the contrary, the program is crucial to all our efforts to protect all sections of the Australian community from the buffets of economic change and circumstance. The fight against inflation and the implementation of our program will go on together. They are not contradictory, they are complementary.

Economic management cannot be put into a compartment. It is part of the whole process of building a stronger economy and fairer society.

I have said repeatedly that the attack on inflation is a task for the whole community. That is no mere slogan. We have had distressing evidence of the failure of some State governments to play their full part in an anti-inflationary program. It is certainly not my intention to shuffle off any part of the Australian Government's responsibility. I acknowledge that the primary responsibility is ours. There are many things, however, that we simply cannot do on our own.

One of them is the stabilisation of land prices. This objective has been part of our policy from the beginning. It has been discussed specifically and in detail with the Premiers on at least six occasions. We put forward proposals at our meetings on the Albury-Wodonga project at the beginning of last year. We discussed it again at the special Premiers Conference in May last year; again at the Constitutional Convention in Sydney in September last year; again during the referendum campaign in November and December last year; again at the Premiers Conference in June of this year. In addition we have made individual approaches to particular States. Remember that the escalating cost of land is the greatest single component in the inflationary spiral. The States have the power to deal with it: yet only one State, South Australia, has made a serious attempt to co-operate with us. And their efforts have already shown remarkably successful results. Let me say in passing that I look forward to co-operating with a N.S.W. Labor Government on this very issue. There is much that we will achieve together, and there are many other areas - law reform, the environment, civil liberties, to name a few - where a State Labor Government is uniquely placed to legislate for essential reforms.

The real protection which individuals, not least employees, have against economic mischance lies in the quality and equality of the services and amenities which the community as a whole provides. Wages and salaries are becoming less and less relevant in determining a person's or a family's real welfare. No longer is a person's income the sole measure of the quality of his life or his family's life. The quality of his life is determined increasingly by the things which the community acting as a whole provides for its individual members, and what the community alone can adequately provide. Increasingly, a person's standard of living is determined not by his income but by where he lives and by the community services provided by the community in which he lives. His health, his children's education, his opportunities and his leisure, his sense of security and his real security increasingly depend on the community's ability or will to provide for them - to provide for the needs of individuals by collective decision and action and to promote opportunities for individuals by collective decision and action.

The Labor program - the program of your Government - is to ensure that those facilities and opportunities are provided by the community - through its elected representatives - more abundantly and more equally, for all Australians wherever they live, wherever they choose to live or wherever they are obliged to live.

The nearer we approach our goal the further recedes the threat of individual disaster through economic misfortune. That is why we shall press on with our program. To abandon that program is to abandon the hopes of those who have twice supported us and twice elected us. We are not going to do it.

The fight against inflation will go on. It will be hard. It will be won. The fight to implement our program, our elected program, will go on. It will be hard. It will be won.

From the very beginning of our term of office we have contended with the problem of inflation. Let it never be forgotten that the roots of our present inflation were present from the start - the result of a gross undervaluation of the dollar and a flood of foreign money which our predecessors tolerated and encouraged. We have worked ceaselessly, resourcefully, on many fronts, to contain inflationary tendencies. For the past six days I have presided at meetings of the Cabinet to determine every detail of our Budgetary strategy.

We reject all panic talk of crisis and doom. Average weekly earnings today, despite inflation, are 3% higher than when we came to office. There are 270,000 more people in the workforce - 270,000 more jobs - than there were a year ago. We reject the view that the deliberate creation of unemployment is an acceptable remedy for inflation - or even a feasible remedy. We reject the view that the Government's program of reform must be put aside while the battle against inflation goes on.

We reject the view that the battle against inflation will be wholly painless or, for that matter, intolerably harsh. It is no more helpful or realistic to exaggerate the hardship entailed by successful remedies than it is to ignore the hardship. And there are those who exaggerate the hardship. There are companies who believe we must shelter them from the effects of competition, or the consequences of their own mismanagement, to prevent people buying goods more cheaply. We do not believe that everybody in the community should be forced to pay more for textiles, or cars or color TV sets than these goods are worth. Still less should the unionist, the working man and his family, be required to pay through the nose.

Above all, as realists, we must reject the view that some simple magic solution, some single "package" of solutions - call it what you will - is the answer to our needs. The Government has acted and will continue to act on many fronts, in many different ways.

Our program to fight inflation is a flexible one, not a set of measures that make headlines for a day. It has included our monetary policy to restrain excess liquidity. It has included revaluation of the Australian dollar and tariff cuts. It has included attempts to get clear and unequivocal constitutional authority over prices and incomes. Remember that very little "fine tuning" is possible in economic management. Governments can never be sure that their policies will not have an impact on the economy beyond the level they intended. When that happens - and there are signs that it is happening now - we stand ready to adjust and rectify our calculations. That is what responsible economic management means - a capacity for prompt and flexible response to changing circumstances. That is why hard and fast rules and packages are irrelevant to our needs, and indeed meaningless in any rational discussion of the problem.

Let me give two examples of our successful response to particular difficulties. You will remember the recent headlines when Leylands sacked 1,000 workers. Yet within two weeks all but 50 of those workers were placed in other jobs. That fact - just as important as the original sackings - received almost no attention from the media. Again, when the recent consumer price index for the June quarter was issued it quite properly received wide coverage in the press. I do not quibble with that.

I would have hoped however, that the same wide coverage might have been given to the subsequent news of a fall in the food price index - the first since we came to power. That was largely accounted for by a drop in meat prices. It was a result of a concerted and consistent attack on meat prices by the Government over the past year. Our actions were successful, but successful policies are unfortunately less newsworthy than difficulties or problems.

The battle against inflation continues but it is not the only battle. The Government's measures to retard inflation will continue, but they are not our only measures. Our opponents and some sections of the press seem to suggest that every sphere of government activity must come to a halt, that our every effort towards building a better and stronger Australia should be set aside until Australia and all comparable countries have solved this one problem of inflation. This is self-defeating nonsense. Just as Australia's problem of inflation cannot be taken out of the context of the world economic situation so our efforts to combat inflation must be seen in the context of our total effort, social as well as economic. The business of government goes on and that business cannot be confined to a single economic problem.

The deliberations of Cabinet last week must be seen in that perspective - the perspective of implementing our whole program. Decisions of the highest importance are being made all the time. In a single week - just last week - we have made decisions and announcements of the greatest importance in addition to deciding the framework for the Budget.

We approved the first grants ever to be made to reduce inequalities between local government areas in Australia. For the first time since its creation in 1933, the Grants Commission has recommended grants for local government areas. Our government, which last year empowered the Commission to recommend aid for local government as it has always done for States, approved the granting of more than \$56M.

At the special sitting of the House of Representatives on Friday we at last secured the passage of restrictive trade practices legislation to prevent collusive price fixing. Because of the stalling and obstruction of the Opposition, this law has been before the Parliament for 11 months - almost a year. It has been debated four times in the Senate. But for the Opposition, it could already be working effectively to reduce prices.

Again on Friday we were at last able to pass the law to provide the basis for a national highway system and to involve the national Government in planning for and paying for roads in our cities.

These are all decisions which, quite apart from their intrinsic value, have a close bearing on the economic situation. They are all part of our program to build a fairer and stronger Australian economy. And this is our goal; this is the direction towards which we are leading Australia - towards building a fairer, stronger Australia, an Australia providing greater equality of opportunities for all its people and a greater abundance of these opportunities. We are not going to be deterred from those goals, the goals set in the policy speeches of 1972 and 1974, the goals adopted by the people of Australia in 1972 and 1974. We are not going to be stampeded. We are not going to be panicked. We have to recognise that there are groups and interests who have a vested interest in spreading panic,

suspicion and division. Rumour-mongering and scare-mongering is their stock in trade. We saw appalling examples of it last week.

The hysteria of our opponents who cannot accept their double defeat must not be allowed to infect the Australian community.

We are certainly not going to allow it to infect the Australian Labor Government. We do have serious problems. We share these problems with all comparable countries. We are better placed than most comparable countries to overcome these problems. We are going to do so. It won't be done by grand-standing. It won't be done by panic, it won't be done by hysteria. It will be done by a cool, steady, confident government given the co-operation of an intelligent, responsible community. It will be done by this Government, this Labor Government which you all have worked for over so many years and which, given your help and co-operation, will long continue to work for the true advancement of all the Australian people.

In December 1972 the Labor Party and the entire Labor movement won a great victory - a deserved and long-awaited victory. Just over three months ago the result was confirmed by the Australian people in the election of 18 May.

Let us remember why we worked for those victories, and why the people gave us their support.

I ask you to remember the kind of society we rejected in December 1972 - the attitudes and habits we put behind us. We rejected complacency. We rejected inequality. We rejected poverty, injustice and fear. We rejected the chronic stagnation and impoverishment of our schools, an unjust and inefficient health service, miserly pension schemes and social service handouts that condemned thousands of Australians to hardship and indignity. We rejected dilapidated cities, antiquated public transport, and the pollution and destruction of the natural environment. We rejected Vietnam and conscription. We rejected unemployment as a deliberate weapon of economic policy. We rejected penal clauses and the whole apparatus of union intimidation. We rejected the long history of neglect of the weak and deprived - the pensioners, Aborigines, migrants and working women. We rejected the takeover of our industries and resources by foreign interests. We rejected a foreign policy that stifled our national independence and bound us to military entanglements and cold-war ideologies.

Such were the attitudes and philosophies we put behind us. For the millions of Australians who supported us, the election of December 1972 was indeed a vote for change, for new directions, for new policies. For those of us in the Party, however, it was more than that. It was the fulfilment of long-cherished hopes and dreams, the culmination of years of work and planning by devoted men and women who were determined on a better and brighter future for Australia.

We must keep those goals before us. By working together - and only by working together - we will achieve them.
