



~~FLOREN~~  
~~BEL~~  
EILEEN \*

## PRIME MINISTER

FOR MEDIA

FRIDAY, 14 SEPTEMBER 1979

### PRIME MINISTER'S ADDRESS TO DINNER FUNCTION, DARWIN

It's good to be here. It's good to see the progress that has been made. Something always happens to people when they come to have a much greater say in their own Government and in their own affairs. Decisions start to get made more quickly. The lines of communication are much shorter and much more effective.

Of course, I can't allow Paul to take the total credit for that. I've got to say that our policies in trying to keep inflation under control and getting markets for the beef industry overseas, and other things like that, are designed to contribute to the well-being of the Northern Territory and are designed to contribute to the well-being of Australia.

Whatever we do, wherever we are, whether it is in Darwin or Alice Springs or in some other State, what happens in Australia is in part dependent upon the wider world situation. We are a great trading nation with up to 30% of our gross national product dependent upon trade. Therefore, if something happens overseas that damages markets, damages prospects for growth of the world economy, in the past that had a significant impact upon Australia. But we've now got to the stage where no matter what happens overseas, we've got to make sure that Australia can go forward with strength.

We have the capacity to do that, because we have great resources in this country; many forms and abundant supplies of many different forms of energy, of great mineral resources, as well as beef and wool and wheat and a whole variety of commodities that the world needs.

We can attract investment from overseas for a whole variety of reasons, so long as we run our own economy well. So long as we make sure that Australia's inflation keeps below our major trading partners. Even if world trade does grow slowly, and even if there isn't much growth in the United States in this year we are responding and in fact are being strengthened.

There is not much growth in Europe. Because of the capacity of Australia, because we have run this economy well, we can attract more than our fair share of world investment; can still look forward with great and enormous confidence. If the world outside is having a difficult time, that is no reason for people in the Territory to be deterred. It is certainly no reason for Australia to be deterred. It just means that we have to be that much better; that much more competitive, to get a larger share of what is going so that we can go forward with great confidence in the years ahead.

The strength of the economy has grown greatly over the last three to four years. This growth is backed in the manufacturing sector, in the export sector. Profitability is up. It can be better still, but has improved greatly from a few years ago.

Even though there are some renewed inflationary pressures which concern us all as I know. I think it is fair enough to look at what's happening in other countries, because while there is some increased inflationary pressure in Australia, in the United States, at an annual rate, inflation is now running at about 14%. In the United Kingdom it is a horrible figure of about 22% on the latest figures available. I think that will come down substantially in the months ahead, but at the moment it is a terrifying thought.

The advanced industrial countries alone are only a fraction under 13%, with Australia around 9%. It's worth noting those figures. It means even if our inflation is higher than we thought a year ago--for reasons that we well know-- we are still becoming more competitive with many people and many other countries, because the margin in favour of Australia is improving. That is the very opposite of what happened when the Australian Labor was in power.

They started with an inflation under the world average, ended with an inflation 5 points above the world average, or the OECD average, and we've got that back until we are under the average of those advanced industrial countries once again.

That is essential if Australia's firms, Australia's exporters, are going to be able to get out and get a better share of the domestic market and a better share of world markets overseas.

It is quite exciting I think, now, to see Australian manufacturers getting out and beating competition, often beating competition from developing countries. We are making fishing boats in Perth, beating competition from Singapore, Hong Kong and Taiwan. How many people would have thought that we could do that with Australia's labour costs.

Two years ago Jim Killen came along with a contract from a French firm to build a major replenishment ship for the Navy. About \$80 million worth. But we said no, we would like to know what it would cost to build that at Vicker's Co. Dock in Sydney: it might cost more. it might mean a subsidy, but we just wanted to know what the subsidy would have to be so if we could keep the work in Australia we wanted to. A while ago we got the tenders from the Australian firm. No question of any subsidy being needed. The French contract was the best the international world could provide; the Australian tenders were some millions of dollars lower. They'd won the contract for a sophisticated military ship on their merit. That again, is an example of the growing competitiveness in Australia which I think we can be very proud about.

We are recognised internationally as a good place for investment; and last year the largest overseas investment in this country for the decade - since about 1971 or 1972.

In coal alone, there was \$2 billion worth of investment. In bauxite and aluminium there is \$4 billion worth of investment. These decisions have all been made in recent times and they are people voting with their dollars; votes of confidence in the future of Australia as a good country to have their assets and a good country in which to invest.

In the Northern Territory you are going ahead again, because with less than 1% of Australia's population, you are getting 5% or more of the investment projects that are taking place right around Australia. I think that is also something to be proud of in the Territory.

In marked contrast to South Australia, with nearly 10% of the population, under the magnificent policies of the Australian Labor Party, getting about 2% or less of investment: holding up mines, holding up opportunities because of policies that are archaic and outdated as our Chairman indicated.

I am quite sure that Territorians don't want any of that here. You want a Government that is going to encourage and work in partnership with the Commonwealth and make sure that this Territory proceeds as rapidly as possible and grows strongly into the future.

Even though there is much more strength, even though there is confidence overseas in Australia of a very vigorous kind, there are still some undesirable aspects in our situation and worse in the world situation; dangers that we have to get around, dangers that we have to plan to avoid.

We all know what happened with inflationary pressures coming from oil problems in Iran and the Middle East. And also the inflationary pressures that have come out of higher beef prices. But I guess there are many people in the Northern Territory and other parts of Australia who are prepared to ride with that because higher beef prices were very needed. If they hadn't occurred many people would be in great trouble. One of the great benefits to the Northern Territory, I think, you just had a record year, a record return, for the beef industry, and after the difficulties of the last five or six years in the beef industry, that is certainly something to look forward to.

A large part of our trade efforts in the Multilateral Trade Negotiations that Doug Anthony and Vic Garland and myself have been involved in, have been designed to secure markets overseas for Australia's major rural commodities. The arrangements with Japan, with the United States, and even opening the door a little into the European community which people originally said wasn't possible.

I think we can look forward to a greater sense of security in a number of Australia's great rural industries --there are a few I have in mind, but particularly the beef industry -- with a greater sense of security than we've known for a very long while. These numbers have filled out about 20 million or more in the United States, they are low in Australia overall, compared to past times. Quite apart from Japan, the United States, and Europe, there is also an emerging market coming in other places - Korea for example - which I believe gives us reason for confidence in particularly the beef industry. That is clearly of immense importance to the Northern Territory.

But when there have been difficult circumstances, inflationary pressures which are caused by oil or whatever else, we don't sit back and say something has happened because something has happened overseas and wring our hands and say there is nothing to be done about it. But they are facts of life. They have to be faced. They are facts of life that governments have to respond to.

You might have heard of the mini-budget in May. John Howard didn't like it very much. I didn't like it very much, I understand one or two other people around Australia didn't like it all that much. But in view of what had occurred, it was necessary. I think people can now understand that it was. We've had a more recent Budget that's been able to build on the achievements of the past three or four years and look ahead again with great confidence.

But if we are going to have that kind of success, we've got to keep control of Government spending. That's a continuing story. It is never won. We've got to have wage moderation and that is a continuing story.

Look at the irresponsibility of the ACTU. The irresponsibility of the Adelaide Conference where the sky would be limit and back to the days when wages went up by 38% in one year in March 1975. Was it any wonder the Federal Government was in trouble, any wonder that Australia was in trouble, in those circumstances.

We have provided incentives to investment in manufacturing industries, in mining industries, in oil search and development and also in the rural industries. We have provided support for our exports and better access to market than we had before. As a result of this, I think that there is a greater sense of confidence throughout the major sectors of Australia than there has ever been.

Speaking with Paul, and others here, in the little while I have been here, it is easy to see and feel that sense of confidence in the Territory and Darwin as you plan your own future.

There is never the time for looking ahead, but very briefly, we need to keep in mind the policies of the Australian Labor Party. Their policies have been updated. There was an Adelaide Conference. They have had an alternative Budget, and we need to remind ourselves that it is the same old Party, it is the same old policies, that would kill investment and stop development. We shouldn't doubt that they can stop development, and we shouldn't doubt development and investment - they did it once before more effectively than anyone would have thought. We shouldn't doubt their capacity to do it again.

The sky would be the limit on wages. Shortly before an election in South Australia - which he might regret having called - Mr. Corcoran supported a \$40 a week increase in the metal trade. I don't know if he thought it would win him votes or not, but it would certainly destroy the metal trade industry to have a wage claim of that kind.

You don't have to take my word for it. Because Bob Hawke said the wages policy at Adelaide was a gutless sell-out to the Left; as he described Bill Hayden. That leaves Labor with that great moderate in Victoria, Bill Hartley, to let the true story out. Jim Roulston of the AMSWU - that thoroughly moderate union - has become a principal economic adviser to Bill Hayden. And as Jim Roulston has just had a very successful vote in the ACTU Executive.

Is it any wonder there is no economic policy and no wages policy if the Labor Party is asking for the view of the AMSWU.

The Budget we've introduced builds on past achievements; maintains control of expenditure. There are considerably increased sums for defence, and increased funds for some areas of social welfare.

When we are told we don't cut back enough in that area, I think we need to remember that ten years ago there were 179 pensioners to every 1,000 people in the workforce. Today, that grown to over 280 for every 1,000 people in the workforce. Is it any wonder that social security costs more than it did.

The Budget has enabled advances defence and social welfare. It has led to reductions in taxation; led to very considerable reductions in our own deficit, and that I think, above all, is the fact that it has led to a great growth of confidence in the weeks since the Budget because people know that this economy is moving forward in a sensible and sound manner and is one that is thoroughly under control and very much on track.

Getting that deficit down, we can get amused by the words and the rhetoric I suppose. But it is important, and just as important as if a household spends too much - more than its income. The breadwinner gets a bit annoyed and a bit worried I suppose, because if it goes on too long you get bankrupt and you get into debt and maybe lose your house. That had been what has been had been happening to Australia. But it takes a while to work it off and get rid of it and to get rid of past debts.

I think that is happening and we are looking forward to continuing success in that area.

Because uranium is so important to the Territory, let me just say a word about it. In 1976 I think some people uranium would never be mined, never be exported. There were enormous difficulties. There was a Royal Commission Report.

How could all the different considerations be properly balanced: National parks, the environment, Aboriginal interests were very legitimate, then the natural problems with uranium trade, safeguards, bilateral agreements, and all the rest.

What seemed to be formidable problems, formidable roadblocks, have been overcome and the mining is now proceeding very much to the advantage of Australia.

We are looking now to the feasibility of establishing a commercial uranium enrichment industry. Consultations have been taking place with overseas countries, including the States, with leading Australian concerns. It is a long-term project, which could involve \$1,000 million investment. It would involve a great number of jobs. But there is much yet to be decided -- the basis of the technology, the partners we would have, where the enrichment plan ought to go.

the attitude of a Government in a State or a Territory will obviously be a material factor in determining the location. That would seem to rule out South Australia. I think I've got to say that Charles Court and Joh Bjelke Petersen are also in the race. At least here I know what you want.

We've now negotiated safeguards agreements with a number of countries overseas - with the United Kingdom, which is important because it is the first member of the European Community. We are hopeful we will be negotiating with EURATOM soon and there is a good future on all the estimates for export in that trade.

You might have noticed at a meeting in Melbourne that the ACTU Congress has been mildly irresponsible. Their former Executive said "yes", mining and export could go on. Mr. Hawke said yes. The Congress has said "no". The Labor Party has said "no". But it is worth noting that Mr. Hawke said we had done everything that could be done in relation to safeguards and non-proliferation, and he thinks that we shouldn't hold up the export of uranium if the workers and people in government of other countries have made a decision that they uranium as power for peaceful purposes. This was one of those occasions I am prepared to say that I think Bob Hawke is right. The attitude of the Labor Party and of the ACTU Congress will be one of the things that will keep the Labor Party in opposition for a very long while.

We can look to the 1980s with enormous confidence. I believe we can look to the future of the Territory with great confidence in your own hands and working in partnership with the Federal Government. In Australia we have, I think, people with as much capacity and as much initiative or more, than people in any other country.

Sometimes we tend to knock ourselves a bit too much - say things from overseas are better than they are in Australia. I don't believe that is true. I think we can produce with the best. We can be up with the best and better than the best overseas. There is a great sense of pride in Darwin and a great sense of pride in the Northern Territory. If that could be exhibited to a greater extent right around Australia, then I think this would be a greater country, and a better one, and one where people could have a pride in Australia's achievements. I think a little more of that and a little less of the knocking would make Australia move forward more quickly, more confidently.

One of the things over the last three or four years -- people overseas have been voting with their dollars and their pounds and their hearts and all the rest - in confidence in the future of Australia. There have been one or two occasions when I have thought that they have had more confidence in the future of Australia than one or two people in this country. I think it is time that we put that aside, knew where we were going and marched ahead in partnership - Territory and the Commonwealth, State and the Commonwealth - and made quite sure that we guaranteed the future this nation deserves.