

Emb. 9.30 am

SPEECH BY THE PRIME MINISTER, MR E.G. WHITLAM, Q.C., M.P.,  
AT THE OPENING OF THE FEDERAL CONFERENCE OF THE FEDERATED  
MISCELLANEOUS WORKERS' UNION OF AUSTRALIA,  
DICKSON HOTEL, CANBERRA, 14 OCTOBER 1974

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I WELCOME THIS OPPORTUNITY, SO SOON AFTER RETURNING TO AUSTRALIA, TO COMMENT DIRECTLY ON SOME OF THE BASIC ISSUES WHICH HAVE BEEN DEBATED IN AUSTRALIA IN THE LAST TWO WEEKS. I HAVE OF COURSE BEEN IN CLOSE TOUCH WITH DEVELOPMENTS AND DECISIONS AFFECTING THE AUSTRALIAN ECONOMY WHILE TRAVELLING OVERSEAS. I MAKE THAT POINT BECAUSE OUR OPPONENTS AND SOME SECTIONS OF THE PRESS HAVE TRIED TO SPREAD THE IDEA THAT BECAUSE OVER THE LAST TWO WEEKS I HAVE ADDRESSED THE GENERAL ASSEMBLY OF THE UNITED NATIONS, HAD DISCUSSIONS WITH THE NEW PRESIDENT OF THE UNITED STATES AND THE RE-ELECTED PRIME MINISTER OF CANADA AND ATTENDED THE SOUTH PACIFIC CONFERENCE, THE FIJI CENTENNIAL AND THE NORFOLK ISLAND BICENTENNIAL. THEN SOMEHOW I HAVE BEEN OUT OF TOUCH WITH AUSTRALIA AND INDIFFERENT TO DEVELOPMENTS AT HOME. I DO NOT NEED TO LABOUR THE ABSURDITY OF THIS ARGUMENT. I MERELY SAY THAT IN MY ABSENCE MY COLLEAGUES AND I HAVE CONSULTED AND WORKED TOGETHER. I COMMEND THE ACTIONS THEY HAVE TAKEN, THE DECISIONS WE HAVE TAKEN TOGETHER, AS A GOVERNMENT, AS A TEAM.

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I REAFFIRM MY COMPLETE CONFIDENCE IN THE STABILITY OF THE AUSTRALIAN ECONOMY. MY COLLEAGUES ACTED DECISIVELY TO DEMONSTRATE THAT OUR FINANCIAL INSTITUTIONS SUCH AS BANKS AND BUILDING SOCIETIES ARE SOLID AS A ROCK. I BASE MY CONFIDENCE ON THE FUNDAMENTAL SOUNDNESS OF OUR ECONOMY ON THE STRENGTH OF OUR NATURAL RESOURCES AND THE CONTINUING ECONOMIC PROGRAM OF THE GOVERNMENT. TODAY I SHALL REFER DIRECTLY AND FRANKLY TO THE PROBLEMS WHICH ARE FOUND IN SOME DEGREE IN THE AUSTRALIAN ECONOMY. FIRST, HOWEVER, I UTTERLY REJECT THE WARPED ATTITUDE OF THE OPPOSITION IN SEEKING TO MISREPRESENT AND EXAGGERATE THE PROBLEMS WE FACE. FUNDAMENTALLY THE GOVERNMENT'S PROGRAMS IN THE FIELDS OF EDUCATION, HEALTH AND TRANSPORT, AND THE GOVERNMENT'S DETERMINATION TO MAINTAIN EMPLOYMENT OPPORTUNITIES, MEAN THAT AUSTRALIANS CAN LOOK FORWARD TO A CONTINUING AND IMPROVING HIGH STANDARD OF LIVING. OUR OPPONENTS, FOR SELFISH POLITICAL REASONS, REJOICE IN CREATING AN ATMOSPHERE OF PANIC, CONFUSION AND RUMOUR-MONGERING. THEY PREACH ABOUT A LACK OF CONFIDENCE. YET NOTHING DOES MORE TO DESTROY CONFIDENCE THAN THEIR OWN INCESSANT PROPHECIES OF DOOM AND DISASTER. LET US REJECT THESE MERCHANTS OF GLOOM AND THEIR MESSAGE OF DESPAIR. THESE NAGGING AND NEGATIVE MEN HAVE NOTHING TO OFFER US IN OUR PRESENT DIFFICULTIES.

I EXPRESS MY CONCERN - NOT MORBID PESSIMISM, BUT A FRANK AND REALISTIC CONCERN - ABOUT THE NUMBER OF AUSTRALIANS REGISTERED AS UNEMPLOYED. ON THIS ISSUE I EMPHASISE WITH ALL THE FORCE AT MY COMMAND THAT THE GOVERNMENT REJECTS THE CONSERVATIVE PHILOSOPHY WHICH SAYS THAT MASSIVE UNEMPLOYMENT SHOULD DELIBERATELY BE CREATED AS A DEVICE FOR SLOWING DOWN THE RATE OF INFLATION. IN MANAGING THE ECONOMY THE GOVERNMENT CONTINUES TO PURSUE THE GOAL OF FULL EMPLOYMENT. ALL OF US WHO ARE INVOLVED IN CONSIDERING THESE NATIONAL ISSUES SHOULD ACKNOWLEDGE THAT IT IS NO SIMPLE MATTER, GIVEN INTERNATIONAL ECONOMIC FORCES, TO SECURE BOTH FULL EMPLOYMENT AND ALSO A LOW INFLATION RATE. OUR OPPONENTS PRETEND, QUITE DISHONESTLY, AND IN THE FACE OF EXPERIENCE IN OTHER COUNTRIES WITH ECONOMIES SIMILAR TO OUR OWN, THAT THE LIBERAL PARTY ALONE HAS A MAGIC FORMULA TO ACHIEVE THIS GOAL. MY MEETINGS WITH WORLD LEADERS HAVE SHOWN ME JUST HOW COMPLEX, HOW UNIVERSAL, HOW DIFFICULT THIS PROBLEM IS. NO ONE HAS FOUND A SOLUTION - EXCEPT THE LEADER OF THE OPPOSITION IN AUSTRALIA, AND MR WILLIAM McMAHON. I AM GLAD TO SEE THAT MR McMAHON HAS EMERGED AS CHIEF LIBERAL SPOKESMAN ON THE ECONOMY. WITH THE EXCEPTION OF HIS LEADER HE KNOWS MORE ABOUT ECONOMIC MISMANAGEMENT THAN ANYONE IN AUSTRALIA. THEIR EXPERIENCE IS UNRIVALLED. THEY ARE THE ARCHITECTS OF THE TWO MOST DISASTROUS BUDGETS IN RECENT HISTORY. BETWEEN THEM THEY CREATED THE CONDITIONS WHICH HAVE LED TO OUR PRESENT INFLATION. YOU DON'T HAVE TO TAKE MY WORD FOR IT. I GIVE YOU THIS QUOTATION FROM AN EDITORIAL IN OUR LEADING ECONOMIC JOURNAL, THE "AUSTRALIAN FINANCIAL REVIEW".

LAST THURSDAY

THIS IS WHAT THE "FINANCIAL REVIEW" HAD TO SAY<sup>^</sup> ABOUT  
THE RECORD OF OUR TWO CHIEF DOOM-SAYERS:

"THE McMAHON GOVERNMENT...FOR ELECTORAL REASONS,  
PROMOTED A RATE OF MONETARY EXPANSION WHICH WAS  
TOTALLY UNJUSTIFIABLE IN ITS RAPIDITY AND  
WHICH, WITH THE ACCOMPANYING RATE OF CAPITAL  
INFLOW, WAS MAINLY RESPONSIBLE FOR THE  
DEMAND INFLATION OF 1972-73 AND THE INEVITABLE  
CONSEQUENCE OF THE CURRENT COST INFLATION.  
THIS IS SOMETHING WHICH HAS BEEN SAID OFTEN  
ENOUGH BEFORE, BUT WHICH SHOULD NOT BE  
FORGOTTEN IN THE HEAT OF POLITICAL CONTROVERSY..."

IN ITS ECONOMIC POLICY THE GOVERNMENT HAS ALREADY  
INDICATED ITS DETERMINATION TO TAKE IMMEDIATE AND  
APPROPRIATE ACTION IN ORDER TO MAINTAIN EMPLOYMENT OPPORTUNITIES.  
THE TREASURER'S STATEMENT, MADE WHEN PRESENTING THE BUDGET,  
SAID THAT "SHOULD THE NEED ARISE, WE STAND READY DURING  
THE YEAR TO TAKE ACTION ON THE EXPENDITURE OR REVENUE SIDE  
OF THE BUDGET TO GIVE A QUICK STIMULUS TO DEMAND AND  
EMPLOYMENT. CRUCIAL AS THE FIGHT AGAINST INFLATION IS,  
IT CANNOT BE MADE THE SOLE OBJECTIVE OF GOVERNMENT POLICY.  
THIS GOVERNMENT IS COMMITTED TO THE PROGRAM OF SOCIAL  
REFORM TO IMPROVE THE POSITION OF THE LESS PRIVILEGED  
GROUPS IN OUR SOCIETY AND TO MAINTAIN EMPLOYMENT  
OPPORTUNITIES."

THE ALTERATION IN THE EXCHANGE RATE WHICH WE MADE ON 25 SEPTEMBER WAS ONE IMPORTANT EXAMPLE OF OUR WILLINGNESS TO BE FLEXIBLE AND RESPOND TO DEVELOPMENTS IN THE ECONOMY. THE GOVERNMENT SHOWED BY THAT ACTION ITS SENSITIVITY TO THE CLIMATE IN WHICH BUSINESS OPERATES. THE NEW EXCHANGE RATE WILL ASSIST IN RESTORING THE GENERAL LEVEL OF BUSINESS ACTIVITY AND IN MAINTAINING EMPLOYMENT OPPORTUNITIES. THE EASING OF CREDIT WILL HAVE THE SAME EFFECT. I EMPHASISE OUR UNDERTAKING THAT ANY AVOIDABLE TENDENCY FOR UNEMPLOYMENT TO INCREASE WILL BE CHECKED BY GOVERNMENT ACTION. IN ITS POLICIES TO REDUCE INFLATION AND MAINTAIN EMPLOYMENT OPPORTUNITIES, THE GOVERNMENT NEEDS THE ACTIVE COOPERATION OF TRADE UNIONS, EMPLOYERS AND STATE GOVERNMENTS. I BELIEVE THE AUSTRALIAN PEOPLE EXPECT THAT COOPERATION AND WILL BE MAKING THEIR JUDGMENTS ACCORDINGLY.

SOME AUSTRALIANS MAY FIND THE CURRENT PUBLIC DEBATE ON IMPORTANT POLICY ISSUES DISTURBING BECAUSE MOST OF US WANT LIFE TO GO ON SMOOTHLY AND WITHOUT ANY PROBLEMS. HOWEVER, SOME OF THE CURRENT DEBATE AND DISCUSSION ON POLICY ISSUES IS NECESSARY BECAUSE OF THE VERY REAL COMPLEXITY OF THE RELATED MATTERS OF COUNTERING INFLATION, MAINTAINING EMPLOYMENT LEVELS, AND CONTINUING THE GOVERNMENT'S PROGRAM.

BECAUSE THE POLICIES NEEDED TO COUNTER BOTH INFLATION AND UNEMPLOYMENT ARE COMPLEX IN THEIR RELATIONSHIP TO EACH OTHER THE GOVERNMENT IS USING A NUMBER OF DEVICES TO ACHIEVE ITS ENDS. IN SPEAKING ABOUT MEASURES TO MAINTAIN THE LEVEL OF EMPLOYMENT WE CAN LIST THE FOLLOWING ACTIONS:

FIRST, WE HAVE THE REGIONAL EMPLOYMENT DEVELOPMENT SCHEME WHICH IS DESIGNED TO IMPROVE EMPLOYMENT OPPORTUNITIES IN CERTAIN GEOGRAPHICAL AREAS WHERE UNEMPLOYMENT EXISTS. THE SCHEME WILL ENCOURAGE LOCAL INITIATIVES IN SUCH AREAS. THE RELEVANT LOCAL GOVERNMENT AUTHORITY, FOR EXAMPLE, WILL BE ENCOURAGED TO SUGGEST SUITABLE LABOUR-INTENSIVE WORK PROGRAMS WHICH WILL HELP BUILD UP PUBLIC FACILITIES IN THE AREAS CONCERNED.

SECONDLY, THE NATIONAL EMPLOYMENT AND TRAINING SYSTEM WILL PROVIDE COMPREHENSIVE TRAINING AND RETRAINING SCHEMES. IN THE DETAILS ALREADY ANNOUNCED THE GOVERNMENT HAS SAID THAT IT WILL GIVE PRIORITY TO THOSE SEEKING RETRAINING BECAUSE OF TECHNOLOGICAL CHANGE IN INDUSTRY OR BECAUSE OF GOVERNMENT POLICIES SUCH AS THE ACTION LAST YEAR IN REDUCING TARIFF LEVELS BY 25 PER CENT. THE MINISTER FOR LABOUR IS INTRODUCING THIS TRAINING SYSTEM AS FAST AS POSSIBLE. REMEMBER THAT WE HAVE HAD TO SET UP A COMPREHENSIVE NATIONAL RETRAINING SYSTEM VIRTUALLY FROM NOTHING BECAUSE THE PREVIOUS GOVERNMENT DID NOTHING IN THIS FIELD IN ITS 23 YEARS OF OFFICE.

THIRDLY, ANY PEOPLE WHO LOST THEIR JOBS EITHER DIRECTLY OR INDIRECTLY BECAUSE OF THE GOVERNMENT'S TARIFF CHANGES CAN BENEFIT FROM A RANGE OF ADJUSTMENT ASSISTANCE MEASURES.

FOURTHLY, IN A MORE WIDE-RANGING APPROACH, THE BUDGET SHOWED THAT THE GOVERNMENT IS DETERMINED TO MAINTAIN EMPLOYMENT OPPORTUNITIES THROUGHOUT THE COMMUNITY. I HAVE ALREADY EMPHASISED THAT THE GOVERNMENT STANDS READY TO TAKE FURTHER STEPS TO ENSURE CONTINUED PROGRESS IN BUILDING UP EMPLOYMENT.

FIFTHLY, THE CHANGE IN THE EXCHANGE RATE, RECENTLY ANNOUNCED, IS A PARTICULAR MEASURE WHICH WILL HELP TO PROTECT EMPLOYMENT OPPORTUNITIES BY IMPROVING THE COMPETITIVE POSITION IN THE AUSTRALIAN MARKET OF INDUSTRIES COMPETING WITH IMPORTS AND THE COMPETITIVE POSITION ON OVERSEAS MARKETS OF AUSTRALIA'S EXPORT INDUSTRIES.

IN REAFFIRMING MY CONFIDENCE IN THE LONG-TERM BASIC STRENGTH OF THE ECONOMY I AGAIN DECLARE THAT THE GOVERNMENT CANNOT AND WILL NOT BE DETERRED FROM THE PROGRAM WHICH THE PEOPLE TWICE ELECTED US TO CARRY OUT. WE MUST OVERCOME THE PROBLEM OF OVERCROWDED AND INSUFFICIENTLY STAFFED SCHOOLS - A SITUATION INHERITED AFTER A GENERATION OF NEGLECT BY THE LIBERAL PARTY.

IN AUSTRALIA THE WELL-TO-DO HAVE READY ACCESS TO SOPHISTICATED HEALTH SERVICES WHICH PEOPLE ON MIDDLE AND LOWER INCOMES MAY OFTEN BE DENIED. OUR OPPONENTS ARE COMPLACENT ABOUT SUCH INEQUALITIES IN AUSTRALIAN SOCIETY. THE CONTINUING PROGRAM OF MAJOR REFORM BY THE AUSTRALIAN GOVERNMENT IN THE FIELDS OF EDUCATION, HEALTH, TRANSPORT AND GENERALLY IMPROVING COMMUNITY FACILITIES MEANS THAT GOVERNMENT EXPENDITURES WILL HELP SUSTAIN THE GENERAL LEVEL OF ECONOMIC ACTIVITY. AT A TIME WHEN SOME AREAS IN PRIVATE INDUSTRY ARE PROCEEDING SOMEWHAT CAUTIOUSLY WITH THEIR PLANS FOR DEVELOPMENT AND EXPANSION THIS CONTINUING PROGRAM OF GOVERNMENT ACTION IS OF SPECIAL ADVANTAGE TO THE ECONOMY AS A WHOLE.

TO KEEP OUR PRESENT DIFFICULTIES IN PERSPECTIVE, IT IS USEFUL TO MAKE SOME COMPARISONS BETWEEN THE AUSTRALIAN EXPERIENCE AND EXPERIENCES IN OTHER COUNTRIES. WE CAN LOOK AT THE RATE OF INFLATION IN THE 24 COUNTRIES WHO ARE MEMBERS OF THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD). IN 1961-71 THE AVERAGE RATE OF INFLATION IN THESE 24 COUNTRIES WAS 3.7 PER CENT. IN 1972 THE AVERAGE RATE OF INFLATION IN THE OECD COUNTRIES WAS 4.7 PER CENT AND IN 1973 IT ROSE TO 7.7 PER CENT. AT THE PRESENT TIME, TAKING THE YEAR TO AUGUST 1974, THE AVERAGE RATE OF INFLATION IN THE OECD COUNTRIES IS 13.4 PER CENT. THE ANNUAL RATE IN AUSTRALIA AS INDICATED BY THE MOST RECENT QUARTERLY FIGURES IS 14.4 PER CENT.



IN OTHER WORDS, IN 24 COUNTRIES ALL AROUND THE WORLD, INCLUDING ECONOMIES VERY SIMILAR TO AUSTRALIA, THERE HAS BEEN A STRONG TENDENCY FOR THE RATE OF INFLATION TO INCREASE. EVEN THE MOST NEUROTIC OPPONENTS OF THE GOVERNMENT WILL CONCEDE THAT THE AUSTRALIAN GOVERNMENT DOES NOT CONTROL THE ECONOMIES OF THE U.S.A., CANADA, THE UNITED KINGDOM AND THE OTHER MEMBER COUNTRIES OF THE OECD. ALL THAT HAS HAPPENED IS THAT THE AUSTRALIAN ECONOMY IN ITS CHANGE IN PRICE LEVELS HAS HAD AN EXPERIENCE SIMILAR TO THAT OF MOST OTHER COUNTRIES.

LOOKING AT THE QUESTION OF UNEMPLOYMENT IN TERMS OF INTERNATIONAL COMPARISONS IS NOT A SIMPLE MATTER BECAUSE OF THE DIFFERENT DEFINITIONS OF UNEMPLOYMENT IN VARIOUS COUNTRIES. HOWEVER, WE CAN NOTE THAT IN BROAD TERMS WE HAVE IN THE UNITED STATES AND IN CANADA OFFICIAL UNEMPLOYMENT FIGURES WHICH ARE ABOVE FIVE PER CENT COMPARED WITH THE AUSTRALIAN FIGURE FOR SEPTEMBER 1974 OF JUST OVER TWO PER CENT. I AM NOT SAYING THAT WE SHOULD REST EASY MERELY BECAUSE THE ECONOMIES OF THE UNITED STATES AND CANADA ARE SUFFERING FROM AN UNEMPLOYMENT RATE WHICH IS MUCH WORSE THAN OUR OWN.

UNLIKE OUR OPPONENTS WE DO NOT REGARD ANY INCREASE IN UNEMPLOYMENT AS "ACCEPTABLE" OR "TOLERABLE". NEWSPAPERS HAVE RECORDED THE ECONOMIC DIFFICULTIES OF THESE COUNTRIES AND ALSO THE ECONOMIC PROBLEMS FACING BRITAIN. ALL I AM SAYING IS THAT THE AUSTRALIAN ECONOMY, IN WHICH INTERNATIONAL TRADE PLAYS A SIGNIFICANT PART, IS INEVITABLY AFFECTED BY SOME OF THE ADVERSE FORCES WHICH ARE FOUND IN THE ECONOMIES OF VARIOUS OVERSEAS COUNTRIES.

ALL IN ALL WE CAN SAY THAT AUSTRALIANS WHILE TACKLING THEIR OWN ECONOMIC PROBLEMS, SHOULD REMEMBER THAT THEIR STANDARD OF LIVING AND THE GOVERNMENT'S PROGRAM FOR A BETTER LIFE FOR EVERY FAMILY COMPARE VERY WELL, NOT JUST WITH DEVELOPING COUNTRIES IN OUR REGION, BUT WITH THE STANDARD OF LIVING IN MOST OTHER WESTERN ECONOMIES.

THERE IS A SEPARATE AND FUNDAMENTAL ISSUE WHICH OUR OPPONENTS WOULD LIKE TO OBSCURE. IN THEIR CRITICISM OF THE GOVERNMENT THE OPPOSITION IS ASKING THE PUBLIC TO ACCEPT THAT THE PERSONAL INCOME OF THE FAMILY MAN IS ALL THAT MATTERS, AND CAN BE CONSIDERED IN ISOLATION FROM EVERYTHING ELSE THAT HAPPENS TO HIM AND TO HIS FAMILY. AN AUSTRALIAN FAMILY DEPENDS ON ESSENTIAL COMMUNITY SERVICES TO MEET ITS NEEDS, IN ADDITION TO THE NEEDS WHICH IT FULFILLS FOR ITSELF FROM ITS OWN DIRECT INCOME.

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TAXES PAID BY ORDINARY AUSTRALIANS ARE NOT BEING FED INTO SOME MYSTERIOUS MACHINE IN CANBERRA WHICH IS OPERATED FOR THE SOLE BENEFIT OF THE WHITLAM GOVERNMENT. THE GOVERNMENT HAS NO INCOME OR PURPOSES WHICH ARE SEPARATE FROM THOSE OF THE AUSTRALIAN COMMUNITY. AUSTRALIAN CITIZENS, THROUGH THEIR TAXES, ARE PROVIDING THE FUNDS TO PAY FOR THE ESSENTIAL COMMUNITY SERVICES WHICH ARE NECESSARY IN A MODERN ADVANCING COUNTRY. IN ADDITION TO THE GOVERNMENT'S CONCERN THAT WAGE AND SALARY EARNERS SHOULD CONTINUE TO IMPROVE THEIR TAKE-HOME PAY, THE AUSTRALIAN COMMUNITY HAS DECIDED THAT ESSENTIAL COMMUNITY SERVICES MUST BE PROVIDED AND MUST BE IMPROVED. THE GOVERNMENT REJECTS THE IDEA THAT EVERY CITIZEN SHOULD BE ENTIRELY SELF-CENTRED IN THE WAY HE DISPOSES OF HIS INCOME AND IN HIS RELATIONSHIP TO THE WIDER COMMUNITY. WE REJECT THE NOTION OF "EVERY MAN FOR HIMSELF". BECAUSE THIS ATTITUDE WAS ENCOURAGED BY THE PREVIOUS GOVERNMENT WE HAVE STILL IN MANY PARTS OF AUSTRALIA NEGLECTED SCHOOLS, INEFFECTIVE HEALTH SERVICES, HOPELESSLY INADEQUATE AND UNCOORDINATED SYSTEMS OF PUBLIC TRANSPORT, A HIGH BACKLOG OF UNSEWERED HOUSES AND ALL THE PROBLEMS OF OVERCROWDING IN OUR MAIN CITIES. TO ANY REASONABLE PERSON IT MUST BE CLEAR THAT PROVIDING ESSENTIAL COMMUNITY SERVICES IS NOT SOMETHING WHICH CAN BE DONE IN JUST A YEAR OR TWO, PARTICULARLY AFTER 23 YEARS OF COMPLACENT NEGLECT. OUR OPPONENTS WANT THE ORDINARY AUSTRALIAN TO THINK ONLY OF WHAT HE PAYS IN TAXES AND TO NEGLECT THE GIANT STRIDES THAT HAVE BEEN TAKEN BY THE AUSTRALIAN GOVERNMENT SINCE BEING ELECTED IN DECEMBER 1972.

THE BUDGET FOR 1974/75 ANNOUNCED AN EXPENDITURE ON EDUCATION OF \$1,535 MILLION, AN INCREASE OF 78 PER CENT ON THE PREVIOUS YEAR. HEALTH EXPENDITURE ROSE BY 21 PER CENT IN 1973/74 AND IS SET TO RISE BY \$285 MILLION OR 30 PER CENT THIS YEAR. OUR EXPENDITURE ON SOCIAL SECURITY AND WELFARE AMOUNTS TO NEARLY ONE QUARTER OF BUDGET OUTLAYS AND IS EXPECTED TO REACH \$3,441.5 MILLION THIS YEAR, AN INCREASE OF 38.3 PER CENT OVER LAST YEAR, WHICH WAS ITSELF WELL UP ON THE PREVIOUS YEAR. OUTLAYS ON HOUSING ARE SET TO REACH A RECORD \$401 MILLION THIS YEAR, COMPARED WITH \$77 MILLION SPENT BY OUR PREDECESSORS IN THEIR LAST YEAR IN OFFICE. EXPENDITURE ON URBAN IMPROVEMENTS AND THE ENVIRONMENT WILL ALMOST REACH \$400 MILLION, A THREE-FOLD INCREASE ON LAST YEAR AND EIGHT TIMES THE AMOUNT SPENT BY OUR PREDECESSORS IN 1972/73. WE HAVE ALSO TAKEN IMPORTANT STEPS IN IMPROVING PUBLIC TRANSPORT, WATER SUPPLY AND ELECTRICITY, RETRAINING, REGIONAL EMPLOYMENT AND IN NATIONAL COMPENSATION AND REHABILITATION SCHEMES.

WHILE THIS LIST IS OBVIOUSLY NOT AN EXHAUSTIVE STATEMENT I WOULD EMPHASISE THAT THESE PROGRAMS ALL SERVE TO CHANNEL RESOURCES INTO AREAS OF MOST BENEFIT TO LOW AND MIDDLE INCOME GROUPS.

THE CHANGES IN THE PERSONAL INCOME TAX SCALE ANNOUNCED IN THE BUDGET WILL LEAD TO A FURTHER IMPROVEMENT IN THE REAL INCOME AND LIVING CONDITIONS OF WAGE AND SALARY EARNERS, PARTICULARLY THOSE IN LOWER INCOME BRACKETS.

TO THE ORDINARY AUSTRALIAN TAXPAYER, TO THOSE WHO NEED PERSUASION ON THIS ISSUE, I MAKE AN OBVIOUS POINT: THE HEALTH CENTRES, HOSPITALS, SCHOOLS, BETTER TRANSPORT AND ALL THE OTHER ESSENTIAL COMMUNITY SERVICES DO COST LARGE SUMS OF MONEY. THIS IS ALL THE MORE TRUE AS THE AUSTRALIAN GOVERNMENT SETS OUT WITH DETERMINATION TO MAKE UP FOR THE HOSTILITY AND NEGLECT WHICH OUR PREDECESSORS SHOWED TOWARDS THESE COMMUNITY SERVICES. WHO WOULD DENY HEALTH CARE AND A GOOD EDUCATION TO THE CHILDREN OF AUSTRALIA? THIS IS A PERFECTLY FAIR QUESTION BECAUSE THIS IS PRECISELY WHAT WOULD BE DENIED TO THE CHILDREN OF AUSTRALIA IF THE FORMER REGIME HAD ITS WAY. ALTHOUGH THEY TRY TO HIDE WHAT THEY ARE REALLY SAYING IT IS NOTHING LESS THAN A PROPOSITION THAT THE AVERAGE AUSTRALIAN FAMILY SHOULD "MAKE DO" AND SHOULD PUT UP WITH CROWDED SCHOOLS, AN OVER-WORKED AND INEFFICIENT HEALTH SYSTEM, CHAOTIC TRANSPORT SYSTEMS, POLLUTION OF THE ENVIRONMENT AND THE OTHER EVILS WHICH FOLLOW IF YOU NEGLECT OUR COMMUNITY SERVICES. I AM SURE MY MESSAGE IS PERFECTLY CLEAR.

WHAT THE GOVERNMENT WANTS TO GET ACROSS TO THE PEOPLE IS THIS BASIC IDEA: A DECENT AND IMPROVING STANDARD OF LIVING IS NOT MERELY OBTAINED BY CHASING A HIGHER LEVEL OF PERSONAL INCOME. A DECENT WAY OF LIVING AND CONTINUING IMPROVEMENTS IN THE STANDARD OF LIVING FOR ALL AUSTRALIAN FAMILIES IS ACHIEVED, IN FACT, IN TWO WAYS: BY STEADY IMPROVEMENTS IN THE PURCHASING POWER OF OUR PERSONAL INCOMES AND BY THE USE OF MODERN COMMUNITY SERVICES WHICH MEET THE REAL NEEDS OF THE PEOPLE.

IT IS TRUE THAT RAPID PROGRESS IN HEALTH AND EDUCATION AND OTHER AREAS IS MADE MORE DIFFICULT BY CERTAIN CURRENT ECONOMIC PROBLEMS. WHEN, EARLIER IN THIS SPEECH, I ASSESSED THE AUSTRALIAN SITUATION AND MADE SOME REASONABLE INTERNATIONAL COMPARISONS, I WAS IN EFFECT EXPRESSING MY AGREEMENT WITH THE OPENING LINES OF THE RESOLUTION CARRIED BY THE MEETING OF ACTU UNIONS IN SYDNEY ON 24 SEPTEMBER. THE ACTU RESOLUTION SAID THAT "THE TWO PROBLEMS OF INCREASING INFLATION AND RISING UNEMPLOYMENT ARE NOT UNIQUE TO AUSTRALIA". MY GOVERNMENT WAS HEARTENED BY THE FACT THAT THE ACTU CONFERENCE OF UNIONS EXPRESSED "ITS GENERAL SUPPORT FOR THE SOCIAL CONCEPTS AND ECONOMIC STRATEGY CONTAINED IN THE BUDGET IN 1974/75". IN RELATION TO WHAT I HAVE SAID ABOUT THE IMPORTANCE OF PROVIDING COMMUNITY SERVICES THE GOVERNMENT ALSO WELCOMES THE ACTU SUPPORT FOR WHAT IT DESCRIBED AS "THE SIGNIFICANTLY INCREASED OUTLAYS UPON EDUCATION, HEALTH, WELFARE AND URBAN AND REGIONAL DEVELOPMENT".

THE ACTU RESOLUTION STATED CERTAIN POLICY GOALS OF THE TRADE UNION MOVEMENT. WE DO NOT FIND THE LISTING OF THOSE POLICY AIMS STRANGE OR SOMETHING WHICH NEED CAUSE DISAGREEMENT WITH THE GOVERNMENT. IT IS PART OF THE TRADITION OF THE TRADE UNION MOVEMENT THAT IT SHOULD IDENTIFY THE IDEALS AND THE POLICIES WHICH IN THE FUTURE WILL SERVE THE NEEDS OF THEIR MEMBERS. THESE PROPOSALS AND THE GOVERNMENT'S OWN ECONOMIC POLICY ARE TO BE DISCUSSED AT A MEETING BETWEEN THE ACTU AND THE GOVERNMENT. THE GOVERNMENT BELIEVES IN THE PRINCIPLE OF CONSULTATION WITH COMMUNITY ORGANISATIONS AND ON THE SUBJECT OF PAY FIXATION AND ECONOMIC POLICY IT IS RELEVANT FOR THE GOVERNMENT TO HAVE DISCUSSIONS WITH THE ACTU. THE GOVERNMENT IN THE SAME WAY HAS CONSULTED, AND WILL CONTINUE TO CONSULT, WITH EMPLOYER ORGANISATIONS, PRIMARY PRODUCERS AND OTHER BODIES EXPRESSING A WHOLE RANGE OF VIEWS WITHIN THE AUSTRALIAN COMMUNITY.

THE DISCUSSIONS BETWEEN THE GOVERNMENT AND TRADE UNION SPOKESMEN WHICH ARE PRINCIPALLY TAKING PLACE UNDER THE CHAIRMANSHIP OF THE PRESIDENT OF THE ARBITRATION COMMISSION, MR JUSTICE MOORE, WILL BE COVERING THE EXACT DETAILS OF WAGE INDEXATION AND OTHER ASPECTS OF PAY FIXATION. HOWEVER, I WANT TO TAKE THIS OPPORTUNITY TO CLEAR UP A COMMON MISUNDERSTANDING ABOUT THE GOVERNMENT'S POLICY ON WAGES AND SALARIES. I SPEAK NOW TO ALL OF AUSTRALIA'S WAGE AND SALARY EARNERS-AND I SAY TO THEM THAT THE OBJECT OF THE GOVERNMENT'S POLICY OF RESTRAINT IN THE GROWTH OF WAGES AND OTHER INCOMES IS TO SLOW DOWN THE EXCESSIVE AND SELF-DEFEATING ESCALATION OF MONEY INCOMES. THE GOVERNMENT NEVER INTENDS NOR EXPECTS ANY REDUCTION IN THE PURCHASING POWER OF WAGES. ON THE CONTRARY, THE GOVERNMENT BELIEVES THAT A SLOWER GROWTH IN MONEY INCOMES WOULD ENHANCE THE PROSPECTS FOR FASTER GROWTH IN REAL WAGES AND IN LIVING STANDARDS.

AS I HAVE SAID, PROPOSALS ON PAY FIXATION ARE BEING CONSIDERED BY THE CONFERENCE BEING CHAIRED BY MR JUSTICE MOORE. THE GOVERNMENT IS REPRESENTED IN THAT CONFERENCE AND WILL MAKE A CONSTRUCTIVE CONTRIBUTION TO PROMOTE AGREEMENT BETWEEN ALL THE PARTIES. THE GOVERNMENT HAS DECLARED ITS SUPPORT FOR QUARTERLY COST OF LIVING ADJUSTMENTS, COMMONLY DESCRIBED TODAY AS INDEXATION, IN THE BELIEF THAT SUCH ARRANGEMENTS, AS PART OF A PACKAGE, WILL HELP TO RESTRAIN THE EXCESSIVE GROWTH IN MONEY WAGES TO WHICH I REFERRED WITHOUT DEPRIVING WAGE EARNERS OF THE PROGRESSIVE IMPROVEMENT OF REAL EARNINGS MADE POSSIBLE BY RISING NATIONAL PRODUCTIVITY.



I TURN NOW TO SOME REMARKS WITH PARTICULAR RELEVANCE TO YOUR OWN ORGANISATION. PLEASE LET ME SAY THAT I WELCOME THE OPPORTUNITY TO BE WITH YOU AT THE TIME OF YOUR FEDERAL CONFERENCE. I AM VERY MUCH AWARE OF THE SUPPORT, IN FINANCIAL AND MORAL TERMS, WHICH THE AUSTRALIAN LABOR PARTY HAS RECEIVED FROM THE M.W.U. IN THE YEARS LEADING UP TO OUR WIN IN 1972 AND ALSO IN THE PERIOD SINCE THEN.

I AM AWARE OF YOUR SUCCESS IN EXTENDING YOUR MEMBERSHIP RULES SO THAT YOUR UNION IS ESTABLISHED IN EFFECT AS BOTH A CRAFT AND AN INDUSTRY ORGANISATION. YOU HAVE COME A LONG WAY SINCE YOUR ORGANISATION WAS ESTABLISHED IN 1915. YOU HAVE 13 BRANCHES IN ALL AROUND AUSTRALIA AND YOUR UNION HAS ALMOST 120 FULL-TIME EMPLOYEES IN THE VARIOUS STATES AND TERRITORIES. YOU HAVE ALREADY ESTABLISHED A REPUTATION AS A MODERN GO-AHEAD TRADE UNION AND THIS IS SHOWN BY YOUR EMPLOYMENT OF 10 RESEARCH OFFICERS. YOUR DIVERSITY IN MEMBERSHIP COVERAGE IS A REFLECTION OF THE FACT THAT YOUR TRADE UNION SERVICES SOME 360 AWARDS, DETERMINATIONS AND AGREEMENTS THROUGHOUT AUSTRALIA.

I AM HEARTENED BY THE FACT THAT YOUR UNION, WITH ITS 90,000 MEMBERS, HAS ALL ITS BRANCHES AFFILIATED WITH THE AUSTRALIAN LABOR PARTY.

I PAY TRIBUTE TO YOUR SUCCESS IN ENTERING INTO NO FEWER THAN 15 AMALGAMATIONS WITH VARIOUS TRADE UNION BODIES. MY GOVERNMENT HAS SOUGHT TO ENCOURAGE TRADE UNION AMALGAMATION SO THAT DEMARCATION DISPUTES ARE AVOIDED. THERE IS ALSO THE CONSIDERABLE ADVANTAGE FOR EMPLOYEES TO HAVE A LARGE MODERN TRADE UNION WHICH CAN REPRESENT THEM IN AN EXPERT WAY AND WHICH CAN PROVIDE ALL THE SKILLS REQUIRED FOR THE PROCEDURES OF NEGOTIATION AND ARBITRATION. THE GOVERNMENT WELCOMES SUPPORT FROM EMPLOYEE ORGANISATIONS SUCH AS YOUR OWN AND FROM MANY OTHER GROUPS IN THE COMMUNITY WHO ARE CONTINUING TO SUPPORT THE PROGRAM OF THE GOVERNMENT.

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