

SPEECH BY THE PRIME MINISTER, THE HON. E.G. WHITLAM, Q.C., M.P.,
TO THE NATIONAL CONFERENCE OF THE AUSTRALIAN COUNCIL OF SALARIED
AND PROFESSIONAL ASSOCIATIONS, CANBERRA, MONDAY 21 OCTOBER

1974

MY MEETING WITH ACSPA TODAY IS PART OF A CONTINUING PROGRAM OF VISITS BY MINISTERS AND LABOR MEMBERS OF PARLIAMENT TO TRADE UNION FORUMS. WITH MY COLLEAGUES I WELCOME EVERY OPPORTUNITY TO TELL UNIONISTS, EMPLOYEES, WORKERS OF ALL KINDS - WHITE COLLAR, BLUE COLLAR, MEN AND WOMEN - ABOUT THE GOVERNMENT'S ACHIEVEMENTS, ITS PLANS, AND ITS PROBLEMS. WE ARE READY TO DISCUSS FRANKLY WITH YOU THE ECONOMIC QUESTIONS THAT FACE US AND FACE THE GOVERNMENTS OF MOST OTHER COMPARABLE COUNTRIES. SENATOR BISHOP AND SENATOR WRIEDT HAVE SPOKEN ABOUT THE BUDGET TO THE TRADES AND LABOR COUNCILS OF SOUTH AUSTRALIA AND TASMANIA. SIMILAR VISITS BY MINISTERS ARE BEING MADE TO THE NEW SOUTH WALES AND VICTORIAN COUNCILS. AFTER DISCUSSIONS WITH EMPLOYEE ORGANISATIONS WE HAVE AGREED THAT MINISTERS WILL ATTEND A VARIETY OF UNION CONFERENCES, TRADES AND LABOR COUNCIL MEETINGS, FEDERAL AND STATE EXECUTIVE MEETINGS AND GATHERINGS OF RANK AND FILE UNION MEMBERS. I HOPE YOU WILL REGARD MY VISIT TODAY PLEASURABLE AS IT IS FOR ITS OWN SAKE - AS PART OF A BROAD PROCESS OF DISCUSSION AND CONSULTATION BETWEEN THE GOVERNMENT AND THE TRADE UNION MOVEMENT.

SUCH A PROCESS IS VALUABLE TO BOTH OF US. I DOUBT IF ANY PRIME MINISTER, HOWEVER ELSE HE MAY BE CRITICISED FOR THE WAY HE SPENDS HIS TIME, GIVES MORE OF IT TO PUBLIC SPEAKING, TO PRESS CONFERENCES, TO EXPLAINING AND CLARIFYING, I HOPE WITH SOME SUCCESS, THE POLICIES AND PHILOSOPHIES OF THE GOVERNMENT. THE SAME IS TRUE OF MY SENIOR MINISTERS. WE ARE COMMITTED TO OPEN GOVERNMENT, BUT WE RECOGNISE THAT THE SUCCESS OF OUR POLICIES DEPENDS ON THE FULLEST UNDERSTANDING OF WHAT WE ARE DOING. JUST AS IMPORTANT, WE NEED THE VIEWS, THE ADVICE, THE OPINIONS OF UNIONS AND EMPLOYEES AND THEIR ORGANISATIONS. WE HAVE YOUR INTERESTS AT HEART AND WE HAVE GREAT INTERESTS IN COMMON. OUR OBJECTIVES WILL BE ACHIEVED ONLY WITH THE FULL CO-OPERATION AND UNDERSTANDING OF THE WHOLE LABOR MOVEMENT. LET ME AT ONCE ACKNOWLEDGE THE VALUABLE SUPPORT THAT MANY WHITE COLLAR UNIONS GAVE THE GOVERNMENT AT THE LAST ELECTIONS. FOR THE FIRST TIME THEY GAVE OPEN SUPPORT TO A POLITICAL PARTY - THE A.L.P. I HAVE GREAT RESPECT FOR YOUR JUDGMENT AND GOOD SENSE IN THESE MATTERS.

BEFORE THE ELECTIONS I TOLD THE AUSTRALIAN PEOPLE FRANKLY THAT WE FACED SEVERE ECONOMIC PROBLEMS. I HAVE NEVER CONCEALED FROM THE PEOPLE THE NATURE OF THOSE PROBLEMS OR THE NEED FOR TOUGH MEASURES TO DEAL WITH THEM. IT IS TOO EARLY TO RELAX OUR EFFORTS. IN THE COMING YEAR WE WILL NEED ALL THE VIGILANCE AND DETERMINATION WE CAN SUMMON TO OVERCOME THOSE PROBLEMS. WE WILL NEED A GOVERNMENT THAT IS STRONG, RESOURCEFUL AND HUMAN. WE WILL NEED THE CO-OPERATION AND GOODWILL OF ALL SECTIONS OF THE COMMUNITY, AND ESPECIALLY OUR OWN SUPPORTERS, THE WORKING PEOPLE WHOSE INTERESTS AND WELFARE WE HAVE AT HEART. ONLY A LABOR GOVERNMENT - A GOVERNMENT TWICE ELECTED BY THE PEOPLE, A GOVERNMENT THAT POSSESSES THE DEMONSTRATED CONFIDENCE OF THE PEOPLE, A GOVERNMENT THAT PUTS THE WELFARE OF THE PEOPLE ABOVE VESTED INTERESTS AND SECTIONAL GROUPS - CAN LEAD THIS COUNTRY THROUGH A PERIOD OF ECONOMIC DIFFICULTY THAT AFFLICTS ALL THE WORLD'S DEVELOPED INDUSTRIAL NATIONS.

JUST AS WE HAVE NEVER CONCEALED THE PROBLEMS, SO WE HAVE NEVER EXAGGERATED OR DISTORTED THEM. I HAVE FULL CONFIDENCE IN THE BASIC STRENGTH OF THE ECONOMY. WE HAVE ONLY TO REMEMBER THE FOUNDATIONS OF THAT STRENGTH - RICH NATURAL RESOURCES, VIGOROUS TRADE, HEALTHY OVERSEAS RESERVES, A MATURE AND INDUSTRIOUS PEOPLE, A SECURE DEMOCRACY. IT IS TRUE THAT ALL THESE ASSETS CAN BE DEPLETED OR SQUANDERED OR ABUSED. OUR OPPONENTS AT DIFFERENT TIMES AND IN DIFFERENT WAYS HAVE DONE JUST THAT. MY GOVERNMENT WILL PRESERVE AND SAFEGUARD THESE BASIC ASSETS. WE HAVE EXPANDED OUR TRADE. WE HAVE PROTECTED OUR RESOURCES FROM FOREIGN EXPLOITATION. WE ARE GIVING BETTER AND BRIGHTER OPPORTUNITIES TO OUR PEOPLE FOR HEALTH, EDUCATION AND SOCIAL SECURITY. WE ARE RESISTING THE ATTACKS ON DEMOCRACY - AND IN THE LAST WEEK OR SO YOU HAVE HEARD THESE THREATS RAISED YET AGAIN - BY RUTHLESS AND EMBITTERED SENATORS AND AN OPPOSITION DETERMINED TO FRUSTRATE THE PEOPLE'S WILL.

SO I REJECT THE HYSTERIA AND DESPAIR OF THE OPPOSITION. I ACKNOWLEDGE THE SERIOUSNESS OF OUR PROBLEMS AND THE NEED FOR TESTING AND DIFFICULT SOLUTIONS, BUT UNLIKE OUR OPPONENTS I BELIEVE OUR PROBLEMS CAN BE LICKED AND WILL BE LICKED. YOU WON'T HAVE FROM ME OR ANY OF MY MINISTERS A MESSAGE OF PESSIMISM OR DEFEAT. YOU WON'T GET PANIC TALK OR DOUBLE TALK. YOU'LL GET REALISM, HONESTY, AND WHENEVER ACTION IS NEEDED, YOU'LL GET PROMPT AND POSITIVE ACTION.

AS EMPLOYEES THE ISSUE THAT PARTICULARLY CONCERNS YOU IS UNEMPLOYMENT. THE GOVERNMENT RECOGNISES YOUR CONCERN AND SHARES YOUR CONCERN. ON THIS ISSUE I GIVE YOU THREE FIRM AND UNEQUIVOCAL ASSURANCES. FIRST, WE ADHERE FIRMLY TO OUR GOAL OF FULL EMPLOYMENT - A JOB FOR EVERY AUSTRALIAN MAN AND WOMAN WHO IS ABLE AND WILLING TO WORK. SECONDLY, AND FLOWING FROM THAT GOAL, WE WILL NEVER RESORT TO THE DELIBERATE CREATION OF MASS UNEMPLOYMENT AS A MEANS OF CHECKING INFLATION. THIRDLY, IF UNEMPLOYMENT DOES OCCUR IN THE COMMUNITY - DESPITE OUR EFFORTS AND INTENTIONS - WE STAND READY TO CUSHION ITS EFFECTS, TO PROTECT THOSE AFFECTED, TO CARE FOR THEM AND THEIR FAMILIES, TO ASSIST THEM IN FINDING NEW JOBS AND IF NECESSARY TRAIN THEM IN NEW JOBS. SO THERE YOU HAVE A THREE-FOLD COMMITMENT TO THE EMPLOYEES OF THIS COUNTRY.

WHEN EMPLOYEES ARE TEMPTED TO ASK, "WOULD UNEMPLOYMENT BE LESS UNDER THE LIBERALS?" JUST REMEMBER WHAT HAPPENED WHEN THE LIBERALS WERE IN POWER. UNEMPLOYMENT WAS THEIR PRIME WEAPON, THEIR CHOSEN INSTRUMENT FOR CHECKING INFLATION AND INTIMIDATING THE UNION MOVEMENT. IT WAS THE ONLY WEAPON THEY UNDERSTOOD. THEY CALCULATED THAT THE VICTIMS OF UNEMPLOYMENT WERE MOST LIKELY TO BE LABOR VOTERS WHO HAD NEVER SUPPORTED A LIBERAL GOVERNMENT AND WERE THEREFORE UNABLE TO WITHDRAW THEIR SUPPORT. THEY MADE THE CALLOUS AND CYNICAL ASSUMPTION THAT UNEMPLOYMENT WOULDN'T HURT THEM. THEY WERE WRONG IN 1961 AND THEY WERE WRONG IN 1972. YET THAT WAS THEIR ASSUMPTION. ON EVERY OCCASION WHEN SIGNS OF INFLATION APPEARED THEY ACCEPTED WITHOUT QUESTION OR HESITATION THE ADVICE THAT MEN BE PUT OUT OF WORK. YET THE LIBERALS WERE TOTALLY INDIFFERENT TO THE EFFECTS OF UNEMPLOYMENT ON THE WORKING MAN AND HIS FAMILY AND ON THE WHOLE COMMUNITY. THEY HAD NO PLANS TO ALLEVIATE UNEMPLOYMENT, TO PROTECT ITS VICTIMS, TO CREATE NEW JOB OPPORTUNITIES OR TO EQUIP MEN FOR OTHER WORK. WHEN YOU HEAR THE PIOUS CRIES OF THE OPPOSITION ABOUT UNEMPLOYMENT TODAY REMEMBER HOW MUCH WORSE IT WOULD BE IF THEY WERE IN POWER, HOW OFTEN THEY CREATED DELIBERATE UNEMPLOYMENT THEMSELVES, AND HOW UTTERLY INSENSITIVE THEY WERE TO THE PLIGHT OF ITS VICTIMS.

IN OUR ECONOMIC POLICIES WE HAVE SHOWN OURSELVES READY TO TAKE ANY ACTION NEEDED TO MAINTAIN EMPLOYMENT OPPORTUNITIES. AS THE TREASURER SAID WHEN PRESENTING THE BUDGET: "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." WE HAVE ALREADY DONE SO. WE HAVE GIVEN EVIDENCE OF THIS READINESS.

THE DEVALUATION OF 25 SEPTEMBER WAS INTENDED TO GIVE A BOOST TO GENERAL BUSINESS CONFIDENCE AND STIMULATE THE ECONOMY. OUR GRADUAL EASING OF CREDIT, OUR MEASURES TO BOOST HOUSE BUILDING, OUR SELECTIVE RESPONSE TO DIFFICULTIES IN THE FOOTWEAR INDUSTRY ARE ALL EXAMPLES OF FLEXIBLE GOVERNMENT ACTION WITHIN THE CONTEXT OF AN OVERALL POLICY TO RESTRAIN THE RE-EMERGENCE OF SPENDING. THE REGIONAL EMPLOYMENT DEVELOPMENT SCHEME IS DESIGNED TO IMPROVE EMPLOYMENT OPPORTUNITIES IN CERTAIN AREAS BY ENCOURAGING LOCAL INITIATIVES AND ENLISTING THE SUPPORT OF RELEVANT LOCAL AUTHORITIES. THE NATIONAL EMPLOYMENT AND TRAINING SYSTEM IS PROVIDING COMPREHENSIVE JOB TRAINING AND RETRAINING SCHEMES FOR THOSE AFFECTED BY TECHNOLOGICAL CHANGE OR GOVERNMENT POLICIES. NOTHING OF THIS SORT WAS EVEN CONTEMPLATED BY OUR PREDECESSORS, DESPITE A CLEAR NEED FOR IT. MANPOWER POLICIES ARE NOT SOMETHING NEEDED MERELY TO RELIEVE UNEMPLOYMENT. THEY ARE BASIC TO THE CREATION OF A MORE MODERN, EFFICIENT AND RESILIENT INDUSTRIAL ECONOMY.

OUR MEASURES CANNOT CURE OUR PROBLEM OVERNIGHT. IT WILL TAKE TIME FOR THEIR EFFECTS TO BECOME APPARENT. WITH EVERY ECONOMIC DECISION THERE IS A LAG BETWEEN IMPLEMENTATION AND RESULTS. THAT IS WHY I APPEAL TO YOU FOR UNDERSTANDING AND CO-OPERATION. REMEMBER THAT NO COUNTRY IN THE WORLD HAS FOUND A QUICK, EASY SOLUTION TO THE PROBLEM OF MAINTAINING PROSPERITY WITH FULL EMPLOYMENT AND A LOW LEVEL OF INFLATION. WE ARE DOING AS WELL AS MANY COUNTRIES IN COPING WITH INFLATION AND BETTER THAN ANY OTHER COUNTRY IN MAINTAINING EMPLOYMENT. I DON'T WANT YOU TO THINK WE ARE COMPLACENT ON THAT SCORE. WE DON'T REGARD ANY INCREASE IN UNEMPLOYMENT AS ACCEPTABLE FOR A MOMENT. ONE MAN NEEDLESSLY UNEMPLOYED IS ONE MAN TOO MANY. LAST YEAR WE CLEANED UP THE MESS OF LIBERAL UNEMPLOYMENT. WE ARE STILL COPING WITH THE INFLATIONARY PRESSURES THEY LEFT BEHIND. IN THEIR LAST YEAR OF OFFICE THEY SCATTERED THE SEEDS OF INFLATION FAR AND WIDE - OVERHEATING THE ECONOMY, FLOODING US WITH HOT MONEY IN A DESPERATE ATTEMPT TO BUT OFF ELECTORAL DEFEAT.

TODAY THE FIGURES FOR THE SEPTEMBER CONSUMER PRICE INDEX WERE RELEASED. THEY SHOW AN INCREASE IN THE SEPTEMBER QUARTER OF 5.4%. SUCH A DISTURBINGLY HIGH RATE OF INFLATION CANNOT CONTINUE WITHOUT PERMANENT DAMAGE TO OUR ECONOMIC AND SOCIAL STRUCTURE. THERE SHOULD BE NO DOUBT THAT THIS SEVERE INFLATION WILL CONTINUE IF THERE ARE EXCESSIVE WAGE CLAIMS. IT IS IN THE INTERESTS OF ALL WORKERS TO REFRAIN FROM MAKING UNREASONABLE WAGE DEMANDS, BECAUSE LET ME BE FRANK, INFLATION COSTS JOBS. INDUSTRIES WHICH MUST COMPETE WITH IMPORTS WILL BE PRICED OUT OF THE MARKET AND ALL INDUSTRIES CANNOT PLAN AND INVEST FOR THE FUTURE IN THE UNCERTAIN CLIMATE WHICH ACCOMPANIES INFLATION OF THIS MAGNITUDE.

THE GOVERNMENT HAS SHOWN THROUGH ITS TAXATION POLICIES; ITS EXPENDITURE POLICIES AND ITS LEGISLATION ON PRICES JUSTIFICATION AND RESTRICTIVE TRADE PRACTICES THAT IT EXPECTS THE PRINCIPAL BURDEN OF RESTRAINT TO FALL ON THOSE BEST ABLE TO BEAR THE LOAD. THAT RESTRAINT IS ALREADY IN EFFECT AND WE NOW EXPECT THE LABOR MOVEMENT IN ITS INDUSTRIAL CAPACITY TO RESPOND TO THE GOVERNMENT'S CALL AND COOPERATE IN A COMMUNITY WIDE EFFORT TO STOP INFLATION.

AS THE TREASURER STATED IN HIS BUDGET SPEECH, THE GOVERNMENT HAS BEEN EXPLORING A TAX PENALTY MECHANISM BY WHICH WAGE AND SALARY INCREASES BEYOND AN ESTABLISHED NORM MIGHT BE EXCLUDED FROM ASSESSABLE COSTS FOR THE ASSESSMENT OF COMPANY INCOME TAX. I HAVE RELEASED TODAY A COPY OF A REPORT OF THE SPECIAL COMMITTEE APPOINTED BY THE CABINET TO INVESTIGATE THIS MATTER. SUCH A TAX WOULD CREATE ANOMALIES AND DISTORT MANY ECONOMIC PROCESSES. THE GOVERNMENT WOULD PREFER NOT TO BE FORCED INTO INTRODUCING SUCH A MEASURE EVEN ON A TEMPORARY BASIS. HOWEVER, IF WAGE SETTLEMENTS CONTINUE AT THE RATE THEY HAVE IN RECENT MONTHS, THEN WE HAVE TO FACE THE FACT THAT WHAT IS NOW MERELY AN OPTION MAY BECOME AN OBLIGATION.

THE PRICE INCREASES REFLECTED IN THE SEPTEMBER QUARTER FIGURES ARE A REFLECTION OF WAGE INCREASES SOME MONTHS AGO. THERE IS STILL A CERTAIN AMOUNT OF COST INFLATION IN THE ECONOMIC PIPELINE. WAGE CLAIMS IN THE COMING MONTHS WILL DETERMINE WHETHER THE RATE OF INFLATION WILL BE REDUCED.

WE LOOK TO THE COOPERATION OF EMPLOYEES AND THEIR ORGANISATION IN THIS OBJECTIVE. WE DO SO WITHOUT ATTEMPTING TO ALLOCATE BLAME - FOR THAT IS A FRUITLESS EXERCISE. THE QUESTION OF WHAT COMES FIRST, WAGE INCREASES OR PRICE INCREASES, IS A CHICKEN AND EGG QUESTION. WHAT WE MUST DO IS TO BREAK THE SPIRAL OF INTERACTION BETWEEN WAGES AND PRICES. THE GOVERNMENT HAS SET THE PRE-CONDITIONS, WITHIN THE LIMITS OF ITS OWN CONSTITUTIONAL RESPONSIBILITY, FOR A COMMUNITY EFFORT TO BREAK THAT SPIRAL. WE MUST NOW PROCEED TO DO SO.

WE SHALL PRESS FORWARD WITH OUR PROGRAM. IF THERE IS ONE THING OUR OPPONENTS WOULD LIKE TO SEE IT IS THE ABANDONMENT OF OUR PROGRAM. IT IS OUR PROGRAM, ABOVE ALL, THAT GIVES MEANING AND PURPOSE TO THE LABOR GOVERNMENT AND EXPOSES THE COMPLACENCY AND EMPTINESS OF THE OPPOSITION. WE DON'T ADHERE TO OUR PROGRAM OUT OF STUBBORNNESS OR SENTIMENT. WE DON'T REGARD IT FOR A MOMENT AS INCOMPATIBLE WITH A DETERMINED AND RESOURCEFUL ANTI-INFLATIONARY PROGRAM. FAR FROM BEING HOSTILE TO OUR ANTI-INFLATIONARY POLICIES, OUR PROGRAM IS INTEGRAL TO THEM, AN ESSENTIAL PART OF THE BATTLE TO RESTRAIN INFLATION, TO REMOVE ITS CAUSES AND PROTECT ITS VICTIMS. YOU, MR PRESIDENT, HAVE BEEN GOOD ENOUGH TO ACKNOWLEDGE IN YOUR ADDRESS THE MANY ACHIEVEMENTS IN THE GOVERNMENT'S RECORD TO DATE. I TAKE GREAT PRIDE IN THEM. BUT WHAT IS THE POINT OF THEM? WHAT IS THE POINT OF BETTER EDUCATIONAL OPPORTUNITIES, BETTER HEALTH SERVICES, BETTER SOCIAL SECURITY, BETTER CHILD CARE, BETTER CITIES, BETTER TRANSPORT, BETTER ENVIRONMENTAL STANDARDS, BETTER MANPOWER POLICIES, BETTER AND MORE EFFICIENT METHODS OF ASSISTING OUR RURAL AND MANUFACTURING INDUSTRIES?

CLEARLY ALL THESE ARE GOOD THINGS IN THEMSELVES. THEY ARE DESIRABLE FOR THEIR OWN SAKE. TOGETHER, HOWEVER, THEY HELP CREATE A MORE EFFICIENT, MORE RATIONAL, MORE ORDERLY SOCIETY. THEY RAISE OUR STANDARD OF LIVING - OUR CHANCES OF ENJOYING LIFE - IN WAYS THAT ARE QUITE INDEPENDENT OF OUR INDIVIDUAL INCOMES, INDEED IN WAYS THAT INDIVIDUAL PRIVATE INCOMES, HOWEVER GREAT THEY MAY BE, CANNOT OF THEMSELVES ACHIEVE. THEY HELP REDUCE WASTE AND CUT DOWN COSTS. THEY HELP SOCIETY MAKE THE MOST OF ITS AVAILABLE TALENTS AND RESOURCES. THESE THINGS, THEN, ARE PART OF A TRUE ANTI-INFLATIONARY POLICY BECAUSE THEY GO TO THE ROOTS OF OUR DIFFICULTIES. NO COUNTRY, BECAUSE OF THE REALITIES OF WORLD TRADE AND CURRENCY MOVEMENTS, CAN ESCAPE INFLATION ALTOGETHER. IF, HOWEVER, WE LOOK AT THE COUNTRIES WHERE INFLATION IS LOWEST, WE FIND THEY ARE THOSE WITH THE HIGHEST DEGREE OF INDUSTRIAL EFFICIENCY, THE HIGHEST DEGREE OF SOCIAL SECURITY, THE MOST MODERN INSTITUTIONS, WHERE EDUCATIONAL STANDARDS AND OTHER SERVICES ARE NOT BLIGHTED BY CLASS DISTINCTION, SOCIAL UNREST OR GROSS INEQUALITIES OF INCOME.

I DO NOT WANT TO OVERSIMPLIFY THIS PROBLEM. UNLIKE MR SNEDDEN I CANNOT CLAIM TO HAVE A MAGIC CURE. I SUGGEST, HOWEVER, THAT IN THE LONG RUN THERE ARE TWO WAYS OF APPROACHING THE PROBLEM OF INFLATION. ONE IS TO BLUDGEON THE ECONOMY INTO SUBMISSION; TAKE IT OUT ON THE WORKERS. THAT IS THE LIBERAL APPROACH. THE OTHER IS TO REFORM THE BASIC INSTITUTIONS OF A MIXED ECONOMY, TO MAKE OUR FACTORIES AND SERVICES MORE MODERN AND EFFICIENT, OUR ROADS AND TRANSPORT SYSTEMS MORE UP-TO-DATE AND BETTER CO-ORDINATED, TO IMPROVE OUR EDUCATIONAL SERVICES FROM PRE-SCHOOLS TO TECHNICAL COLLEGES TO UNIVERSITIES, TO MAKE OUR CITIES LESS CONGESTED AND POLLUTED, TO ENSURE FAIR AND HEALTHY COMPETITION IN THE PRIVATE SECTOR, TO CUT OUT WASTEFUL RESTRICTIVE PRACTICES AND PROTECT THE CONSUMER, TO REMOVE THE CAUSES OF FEAR AND INSECURITY AND NEEDLESS INDUSTRIAL UNREST BY GIVING EMPLOYEES A FAIR SHARE OF THE NATION'S PROSPERITY. THAT IS OUR APPROACH. THAT IS WHAT OUR POLICIES AIM TO DO. THEY ARE NOT JUST A COLLECTION OF ATTRACTIVE PARTS. THEIR UNIFYING AND CONSISTENT PRINCIPLE IS SOCIAL REFORM AND REGENERATION.

OUR PROGRAM IS RAISING THE LIVING STANDARDS AND THE SECURITY OF EVERY AUSTRALIAN. IT IS AS MUCH A CONTRIBUTION TO THE WORKERS' WELFARE AS HIS AGITATION FOR MORE PAY. THE BUDGET FOR 1974/75 ANNOUNCED AN EXPENDITURE ON EDUCATION OF \$1,535 MILLION, AN INCREASE OF 78 PER CENT ON THE PREVIOUS YEAR. WE ARE SPENDING SEVEN TIMES MORE THAN OUR PREDECESSORS ON SCHOOLS AND FOUR TIMES MORE ON THE WHOLE FIELD OF EDUCATION. HEALTH EXPENDITURE ROSE BY 21 PER CENT IN 1973/74 AND WILL RISE BY 30 PER CENT THIS YEAR. OUR EXPENDITURE ON SOCIAL SECURITY AND WELFARE AMOUNTS TO NEARLY A QUARTER OF BUDGET OUTLAYS AND IS EXPECTED TO REACH \$3,441 MILLION THIS YEAR, AN INCREASE OF 38.3 PER CENT OVER LAST 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 OF 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.

I DO NOT MEAN BY THIS THAT HIGHER WAGES ARE UNIMPORTANT. REAL PURCHASING POWER FOR THE VAST MAJORITY OF AUSTRALIANS HAS IMPROVED UNDER A LABOR GOVERNMENT AND WILL CONTINUE TO DO SO TO THE EXTENT THAT HIGHER INCOMES REPRESENT A REAL GAIN IN LIVING STANDARDS WE WELCOME EVERY ADVANCE THAT EMPLOYEES CAN ACHIEVE. WHAT IS FUTILE, AND WHAT WE MUST CURTAIL, IS THE EXCESSIVE AND SELF-DEFEATING ESCALATION OF MONEY INCOMES THAT BRINGS NO IMPROVEMENT IN LIVING STANDARDS. THIS IS WHAT WE MEAN BY WAGE RESTRAINT. NATURALLY, WHILE INFLATION PERSISTS AS A RESULT OF PAST LIBERAL NEGLECT AND IRRESPONSIBILITY AS WELL AS THE EFFECTS OF WORLDWIDE INFLATION, WE WANT TO ENSURE THAT EMPLOYEES' WAGES ARE ADJUSTED ACCORDINGLY. THE CONCILIATION AND ARBITRATION COMMISSION WILL NOW DECIDE THE MATTER OF WAGE INDEXATION. (MAY I SAY IN PASSING THAT WE TAKE GREAT SATISFACTION, AS YOU MUST DO, FROM THE APPOINTMENT OF MR. BARNEY WILLIAMS, THE SECRETARY OF ACSPA, AS A DEPUTY PRESIDENT OF THE COMMISSION.)

THE GOVERNMENT HAS DECLARED ITS SUPPORT FOR QUARTERLY COST OF LIVING ADJUSTMENTS IN THE BELIEF THAT THEY WILL HELP RESTRAIN A WORTHLESS GROWTH IN MONEY WAGES WITHOUT DEPRIVING EMPLOYEES OF THE PROGRESSIVE IMPROVEMENT OF REAL EARNINGS MADE POSSIBLE BY RISING PRODUCTIVITY. X WE AGREE WITH ACSPA THAT WAGE INDEXATION ON ITS OWN CAN NEVER BE SUFFICIENT AS A TOTAL WAGES POLICY OR AS A GOAL FOR THE TRADE UNION MOVEMENT. X WE SEE IT SOLELY AS A COUNTER TO THE EFFECTS OF INFLATIONARY PRESSURES ON INCOMES. X WE DO NOT SEE IT AS A SUBSTITUTE FOR THE BROADER AND MORE FUNDAMENTAL REVIEW OF WAGES AND SALARIES BASED ON WORK VALUES, CHANGING CONDITIONS OR PRODUCTIVITY. X FOR THAT REASON WE DO NOT INTEND TO APPLY A PERCENTAGE INDEX TO ALL WAGES AND SALARIES. X WE WILL DO THAT FOR LOWER PAID WORKERS AND MAKE A FLAT INCREASE FOR THOSE RECEIVING MORE THAN AVERAGE WEEKLY EARNINGS.

IN THIS, QUITE FRANKLY, WE DIFFER FROM THE POLICY OF ACSPA, WHICH FAVOURS A PERCENTAGE ADJUSTMENT FOR ALL WORKERS. X BECAUSE THE PRINCIPLE AT ISSUE IS IMPORTANT TO BOTH OF US I SHALL TRY TO EXPLAIN TO YOU WHY WE BELIEVE OUR APPROACH IS THE FAIREST. X IN THE FIRST PLACE IT CONFORMS WITH ALL HISTORICAL PRECEDENTS. X WHEN QUARTERLY COST-OF-LIVING ADJUSTMENTS WERE MADE IN THE PAST, THE INDEX APPLIED ONLY TO THE BASIC WAGE COMPONENT OF A WORKER'S PAY, NEVER TO HIS MARGIN. X PERCENTAGE RISES ACROSS THE BOARD WERE NEVER MADE, AND IT IS WORTH RECALLING THAT WHEN EMPLOYEE ORGANISATIONS - INCLUDING ACSPA - SOUGHT RESTORATION OF COST-OF-LIVING ADJUSTMENTS IN THE MID-^{50s}~~60s~~ IT WAS THE FLAT RATE INCREASE WHICH THEY SUPPORTED. X

PART OF THE LABOR GOVERNMENT'S RESPONSIBILITY IS TO REDISTRIBUTE INCOMES IN FAVOUR OF THE LEAST FORTUNATE AND LOWEST PAID MEMBERS OF THE COMMUNITY. THIS HAS BEEN A CONSISTENT THEME OF THE GOVERNMENT'S POLICIES. WE RAISED THE BASIC PENSION LAST AUGUST BY \$5 A WEEK. IT WAS THE BIGGEST SINGLE INCREASE EVER MADE IN THE PENSION. WE RESTRUCTURED TAX SCALES IN THE BUDGET IN FAVOUR OF LOWER AND MIDDLE INCOME EARNERS. AS A RESULT, THE MAJORITY OF LOWER PAID AUSTRALIANS WILL PAY LESS TAX. OUR HOME MORTGAGE INTEREST DEDUCTIBILITY SCHEME WILL BENEFIT THE LOWER PAID WORKER MORE THAN THOSE ON HIGHER PAY. IN THESE SITUATIONS, TO GIVE THE SAME BENEFITS TO EVERYONE IS NOT TO TREAT ALL PEOPLE EQUALLY BUT TO TREAT THE FORTUNATE MORE GENEROUSLY THAN THE REST. CONVERSELY, IF WE TRULY BELIEVE IN SOCIAL EQUALITY WE MUST TREAT THE POOR A GOOD DEAL BETTER THAN THE REST. THE DEPRIVED IN OUR SOCIETY ARE NOT DEPRIVED MERELY BY COMPARISON WITH SPECULATORS, STOCKBROKERS AND BUSINESSMEN. THEY ARE DEPRIVED BY COMPARISON WITH OTHER WAGE AND SALARY EARNERS, AND THIS IS A MUCH MORE IMMEDIATE CAUSE OF THEIR UNREST.

I PUT IT TO YOU THAT THE HIGHEST PAID WORKERS IN THE COMMUNITY HAVE A RESPONSIBILITY FOR THE WELFARE OF THEIR LESS FORTUNATE FELLOWS. OUR POLICY ON INDEXATION, LIKE OUR CAPITAL GAINS TAX AND OUR SURCHARGE ON UNEARNED INCOME, IS AN ATTEMPT TO ESTABLISH GREATER EQUITY IN THE TAXATION AND INCOME SCALES. EQUITY IS WHAT THIS GOVERNMENT IS ALL ABOUT.

IN FIELDS OTHER THAN WAGES THE GOVERNMENT HAS ACTED WHEREVER POSSIBLE TO RAISE STANDARDS AND CONDITIONS OF EMPLOYEES. FOR THOSE OF YOUR MEMBERS IN THE AUSTRALIAN PUBLIC SERVICE WE HAVE INTRODUCED A WHOLE RANGE OF NEW BENEFITS WHICH IN TIME, WE BELIEVE, WILL BENEFIT EVERYONE. WE INTRODUCED FOUR WEEKS' ANNUAL LEAVE, AN ANNUAL LEAVE LOADING, MATERNITY AND PATERNITY LEAVE. WE HAVE EXTENDED CAREER OPPORTUNITIES AVAILABLE TO EMPLOYEES WITH THE SERVICE AND REDUCED THE QUALIFYING PERIOD FOR LONG-SERVICE LEAVE FROM 15 TO 10 YEARS. WE HAVE ENCOURAGED MORE FLEXIBLE WORKING HOURS, REMOVED AGE LIMITS ON ENTRY AND BANNED DISCRIMINATION AGAINST WOMEN. WE HAVE LIFTED RESTRICTIONS ON FREE SPEECH AND ABOLISHED THE BONDING SYSTEM. WE HAVE IMPLEMENTED EQUAL PAY FOR WOMEN - A PRINCIPLE WE SUPPORTED FOR ALL WOMEN IN THE WORK FORCE IN ONE OF THE VERY FIRST ACTIONS OF THE GOVERNMENT.

I COMMEND THE BROAD POLICY OBJECTIVES OF ACSPA. YOUR PRE-BUDGET SUBMISSIONS TO THE GOVERNMENT AND YOUR SUBMISSION TO MR JUSTICE MOORE'S CONFERENCE WERE WELCOME AND IMPORTANT CONTRIBUTIONS TO THE UNDERSTANDING OF CURRENT ECONOMIC ISSUES. YOU HAVE DONE MUCH TO INVOLVE WHITE COLLAR WORKERS IN THE REALITIES OF INDUSTRIAL NEGOTIATION, TO ADVANCE THEIR WELFARE AND IMPROVE THE STATUS OF EMPLOYEES OF ALL KINDS. I VALUE THE SUPPORT AND CO-OPERATION YOU HAVE SHOWN TO THE GOVERNMENT. WHILE I CAN UNDERSTAND THE PRACTICAL DIFFICULTIES INVOLVED, I HOPE THE CURRENT RENEWED INITIATIVES TOWARDS THE AFFILIATION OF ACSPA AND THE ACTU WILL LEAD TO POSITIVE RESULTS. ONE OF THE CONSTANT OBJECTIVES OF THE LABOR GOVERNMENT HAS BEEN TO BRING ABOUT THE AMALGAMATION OF UNIONS INTO MORE VIABLE AND EFFICIENT GROUPINGS. THIS OBJECTIVE, CENTRAL TO OUR AIM OF GREATER INDUSTRIAL STABILITY AND HARMONY, HAS BEEN CONSISTENTLY FRUSTRATED BY OUR OPPONENTS. I BELIEVE THE PRINCIPLE OF AMALGAMATION APPLIES WITH EQUAL VALIDITY TO UNION COUNCILS THE CLOSEST POSSIBLE INSTITUTIONAL LINKS BETWEEN WHITE AND BLUE COLLAR UNIONS WILL HELP BRING US CLOSER TO THE ACHIEVEMENT OF OUR COMMON GOALS AND THE CREATION OF A MORE JUST AND PROSPEROUS SOCIETY FOR ALL AUSTRALIANS.
