



## PRIME MINISTER

FOR PRESS

30 JULY 1977

### ADDRESS TO VICTORIAN LIBERAL COUNCIL - MELBOURNE

It is a great pleasure to participate once again in a meeting of the State Council, and I would like to take this opportunity to thank Joy Mein for her support in the past twelve months. I am very much looking forward to working with her in the year ahead. I would also like to pay a special tribute to two Foundation Members of the Party, who, after many years of distinguished service have decided not to renominate for the State Executive - Mrs. Audrey Reader and Mrs. Valerie Austin. Both were members of the Victorian State Executive with me when I was first elected to the Parliament in 1955. Both have served continuously on Executive since then. It is the intelligence and hard work of people like Mrs. Reader and Mrs. Austin that has made the success of the Liberal Party possible.

But this intelligence, hard work and the concern with matters of substance that mark the Liberal Party means however that we cannot surpass the ALP in one respect. Our Councils are not as exciting as ALP Conferences.

At the Perth ALP Conference, Mr. Whitlam delivered a speech in which he claimed he had seen the light of economic responsibility. As Mr. Hayden pointed out, the speech had undoubtedly been drafted on the road to Damascus.

This was a stirring performance, but it was outdone by Mr. Hawke's announcement that if the leadership of the Parliamentary Labor Party was not bestowed upon him, he just would not enter the Parliament.

But, as Mr. Whitlam said some years ago "I do not care how many prima donnas there are in the Labor Party so long as I am the prima donna assoluta". And at his National Press Club appearance he proved that he could still hit the highest note.

In the space of a few sentences, he managed to attack the Commonwealth Treasury, the Bank of New South Wales, all Rotarians, and the Reserve Bank, of which his own Mr. Hawke is a Board member.

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Under Labor, taxes rose inexorably - minimising individual choice and maximising Government direction over our lives. Increasing numbers of Australians were being compelled to become more dependent on welfare payments. The bureaucracy grew ever larger as it regulated more and more of the nation's life. Power was relentlessly transferred from state and local government to Canberra.

We as Liberals rejected the notion that the answer to society's problems was more government spending, more power for Canberra. Labor had taken that path and it was stifling the initiative and drive on which our prosperity was founded.

We were elected nineteen months ago because we were committed to a fresh start, a new direction for Government. Because we were committed to creating the conditions in which people's independence was enhanced, their ability to achieve things for themselves and for others increased. We have begun to fulfil that commitment.

The trend to bigger, more impersonal, more centralised government has been broken. We have introduced fundamental reforms to the taxation system. Through tax indexation we have brought to an end the system under which income tax rose simply through the effects of inflation.

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We have reformed company taxation so that businessmen are no longer taxed on imaginary profits derived from the effect of inflation on their stocks. The growth of the public sector has been halted. Our estimates indicate that the proportion of gross national product attributable to the Commonwealth has fallen. We are keeping Government spending to zero real growth. The rapid growth of the Public Service has been reversed. By reducing staff ceilings, we have cut the number of Commonwealth Government employees by 12,000. This is 31,000 less than it would have been under Labor's policies.

Protection of the individual against the State is one of the most fundamental commitments of Liberalism, and we have legislated to provide far greater protection for individuals against the power of the bureaucracy.

The first Ombudsman, Professor Richardson, commenced work this month. The Administrative Appeals Tribunal has commenced work. The procedures for the Courts to review administrative decisions have been simplified. The Federal Court system has been reformed. We have moved to provide effective aid to the disadvantaged - aid which is directed to those in need and which does not make them more dependent on the Government. The Family Allowance Scheme exemplifies our approach. We abolished tax deductions for children which disproportionately benefitted the better off sections of the community, and replaced them with direct cash payments to all mothers. This scheme has been of the greatest benefit to the poorer sections of the community.

Central to our social welfare measures is the understanding that need and disadvantage are caused not only by a lack of material resources, but also by a lack of knowledge about where to go to get assistance; and often by a sense of powerlessness when faced with large organisations. We have accordingly moved to make the bureaucracy more responsive to peoples needs, and encouraged and supported the work done by voluntary organisations that are often more accessible than public service departments.

At the moment for instance, we are conducting an important experiment with migrant resource centres in Melbourne and Sydney. The erosion of the power of the states and local government has been reversed. Under our policies of new federalism, greater financial independence and responsibility has been given back to the states, and the Commonwealth has withdrawn from fields in which it had been unnecessarily interfering.

We have directed our energies in tackling the most disastrous consequence of Labor rule - inflation. Inflation hurts us all, but - as the Henderson Poverty Report pointed out - it hurts none so much as the poor and old, those least able to protect themselves. Inflation stifles investment and reduces real business profits. The inevitable result is unemployment. Our concerted anti-inflationary policies have met with considerable success. Inflation as measured by the Consumer Price Index has fallen, after excluding the effects of Medibank, from 16.7% when we came to office - to 10.2%.

Other economic indicators show that the economy is growing again. In the financial year just ended, there is every indication that our target of 4% real growth has been achieved. Private investment is rising. In 1976, investment in plant and equipment rose 6.8% in real terms. Company profits have risen. In the March quarter, they were up 27% on the preceding year.

But much remains to be done. We must reduce inflation still further, and of course it is essential that the present high level of unemployment be reduced. A number of innovative schemes have been introduced to alleviate unemployment, and the results have been encouraging.

The Community Youth Support Scheme now involves some 15,000 young people. The NEAT scheme has been expanded to cover 18,000 people, three quarters of whom have found a job at the end of their term under the scheme. NEAT's special Youth Employment Training Programme is particularly successful. It subsidises employers to hire young people who have been unemployed for a lengthy period of time. Over 70% of them retain their jobs when the subsidy expires. The CRAFT scheme for promoting apprenticeships has also been a significant success. The figures for the financial year just ended are now available. They show that this scheme now covers over 41,500 apprentices, and apprenticeships throughout Australia are up 9% on last year. This scheme is still in its early developmental stage, and even further increases can be expected this year.

There is also the Relocation Assistance Scheme to help those who have to move to another area to find employment. But if there are to be jobs for all those who genuinely want to work, we must face squarely the fact that wage increases over recent years have been pricing many people out of jobs. We have not yet recovered from the wages explosion that Labor fostered - and it was a vast explosion.

In the two years to October 1975, award wages in manufacturing industry increased by 53%. Even today, average weekly earnings in Australia are over 13% higher than those in the United States. Only a few years ago, the position was the reverse.

Mr. Whitlam had a momentary flash of insight when he said "Every excessive increase in income for one man takes away the job of another".

A survey last week starkly underlined the importance of wage restraint to reducing inflation and unemployment. The survey showed that one third of companies were wholly passing on wage rises by increasing their prices, and that of the companies absorbing wage increases, half were doing so by reducing their number of employees.

It is clear the high price of labour makes employers reluctant to employ more workers even when their sales increase. Instead, they prefer to purchase more labour-saving machines. Excessive wages contribute to inflation, they slow down economic recovery, and reduce employment opportunities.

If certain trade union leaders continue their present policies and attitudes, and if the Arbitration Commission make high wage determinations, a return to full employment of the kind Australia once knew will not be possible.

There is also a pressing need for a responsible attitude towards industrial disputes. Since we were elected, we have legislated to bring a greater measure of justice, common sense and consultation to industrial relations in this country, and many of the major proposals contained in our Industrial Relations policy have been passed into law. We have legislated to provide for secret postal ballots for the election of officers registered under the Conciliation and Arbitration Act. We have established an Industrial Relations Bureau as an independent statutory authority. And we have established the National Labour Consultative Council to permit continuing discussions on industrial relations issues. Our approach to industrial relations has resulted in a significant reduction in the level of industrial disputes. In Labor's last fifteen months, 4 million working days were lost due to disputes. In my Government's first fifteen months, excluding Medibank, only 2 million working days have been lost. Over the same period, wages lost due to disputes have been reduced by \$48 million. But despite this improvement, unwarranted strikes and stoppages still contribute to unemployment, and have imposed hardship on large sections of the Australian people. The air controllers strike was a blatant example of the attempt by powerful vested interest groups to impose their views on the whole community. This strike was resolved only after we indicated that we would bring down emergency legislation as a matter of urgency. And now, stoppages at our major export based mineral projects are seriously harming Australia.

In the Pilbara there has been an average of over a strike a week. The seamen's dispute in Queensland typifies the situation where a small militant group holds not only their employer to ransom, but also forces large numbers of fellow unionists out of work in areas unrelated to the strike. The seamen's dispute has led to the suspension of the \$250 million Norwich Park project. The conclusion of subcontracts had had to be postponed and employment has been seriously affected. The demands of the seamen's union for Australian-manned ships would, if met, undermine the competitive position of our iron ore and coal industries. Industrial disputes of this type are harming this state and harming the nation. The overwhelming majority of Australians is opposed to unnecessary strikes - so is the overwhelming majority of unionists. The only people who want them are the tiny minority of extremist unionists. Many disputes have been initiated with so little sign of reason and common sense being displayed that the people of Australia are entitled to ask whether there is a deliberate attempt to undermine the nation's prosperity. It is time the selfish minority recognised that they are members of a civilised community - one in which there are rights and responsibilities, not a jungle in which the most militant can get their way, irrespective of the cost to others. The Government will be bringing down further industrial relations legislation in the Spring Session of Parliament.

We have made progress in facing the issues which concern Australia because the coalition is united and strong. We were elected on a joint platform endorsed by both parties, and the Ministry works as a cohesive single unit. I cannot remember a time in my 22 years in Parliament when the coalition parties have worked better together. Compare our Ministry with the conflicts, the disruptions and dismissals in the Labor Cabinet. The strength of relations within the coalition will remain. There could be nothing more shortsighted than actions which do not recognise that the Federal Coalition is essential to the good government of Australia. The effective working of the coalition depends on co-operation and trust. This has been established by the politicians. If the Ministers of one coalition party are opposed by the organisation of another at future elections, that would inevitably detract from our single-minded pursuit of the good government of Australia - and to defeating the ALP. It is towards the overriding goal of giving Australia responsible Government that all our energies should be directed.

Ladies and gentlemen, we have only made a beginning in the process of translating Liberal principles into Government programmes. There is still great scope for introducing civil liberties reforms. They are too often taken for granted and constant vigilance is required to see how they can be improved and adapted to the changing needs of our society.

These are some of the actions we shall take. We shall establish a Human Rights Commission. We shall reform the laws governing criminal investigation by Commonwealth Police to set a fair balance between the public interest and individual rights. We shall enact legislation providing free access to many categories of Government information and archives. In addition, a number of matters have been referred to the Australian Law Reform Commission for enquiry and report: the Law of Privacy, the Law of Defamation; the right to sue in Federal Courts. There is still great scope for improving our social security system and ensuring that all people in need get effective and sensitive assistance, and we intend to take more of the steps necessary to achieve this end.

A great deal more needs to be done in the area of aboriginal affairs. Years of neglect cannot be overcome overnight. It is clear that we have only made a beginning, and in pursuing the Liberal idea of a freer more equitable society, the whole of the Liberal Party has a major role to play.

Our party is not just an organisation for getting people elected into Parliament. It is a major arena in which the central ideas and ideals of liberalism are kept alive and related to the world in which we live. Liberalism has survived as a philosophy of social, economic and political life because its central theme - concern for the individual - reflects the aspirations of men and women for freedom and a better life, and because Liberal ideas have been translated into policies, policies into actions. The Council provides a stimulus for new thought, and new approaches, a stimulus which maintains the vitality of the Liberal Party. By its deliberations and resolutions, it has helped to keep our party's platform and policy relevant to the great issues and problems facing our society.

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