



PRIME MINISTER

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TRANSCRIPT OF AN
ADDRESS TO THE AUSTRALIAN-AMERICAN ASSOCIATION

This association does serve a very real need to remind us all of the strength of, and association between, the United States and Australia.

I do not think there is really any need in this company to dwell overlong on the importance of the relationship between America and Australia.

The United States of course is important to every society - but maybe a little more important to those societies which have basically the same philosophical perceptions, the same outlook on the forms of government, and of the nature of individuals and society.

But America as the world's richest, most powerful and technologically most advanced society is obviously important to the whole world.

Its actions in every field of activity - economic, political, social and cultural - have significant influence on all of us. But the Australian-American relationship does go well beyond that. Australia and the United States are both democracies sharing the highest regard for individual freedom, opportunity and achievement.

We have a common heritage, a common frontier experience.

Indeed, that common heritage, common frontier experience is sometimes closer than many of us might want to recognise. Because if the war of independence had not led to the United States ceasing to be a place that would receive enforced emigrants from the United Kingdom, then the development of Australia and Port Jackson would have been years later than in fact it was. So we have a common origin.

We are both nations of immigrants. We are free peoples with common philosophical perspectives.

We have co-operated in many regions, in the pursuit of common goals.

We have co-operated because our own independent perception and assessment of our respective national interest have led us into genuine agreement on the most effective ways we can contribute to world peace, stability and economic processes.

For decades now the mantle of leading the democracies has fallen to the United States. During my recent visit to that country it was apparent that President Carter and his administration were responding with confidence and vigour to the challenges of America's role as leader of nations, and the seriousness of the challenges posed by such problems as the world's energy situation, nuclear non-proliferation, the economic position of the developing countries and restrictions on human rights.

President Carter has shown a deep concern about these issues and also a confidence that solutions can be found. He has shown a willingness to resolve them, even a willingness to take risks to resolve them. I believe also that the United States has underlined strength and resolution in its Executive and its Congress. There is a very real importance of the perception other countries have of the United States.

All of us recognise that countries of Australia's size can do many things. But there are some things in this world that have to be done but which at the same time only the world's greatest power can do. If the United States leaves them undone, they cannot be done by any other country.

Sometimes in the past, democracies have been put on the defensive, not only in respect to material matters but in respect of ideas. I believe that democracies such as Australia and the United States should never have to be on the defensive.

No other system of government has offered so much to its own people in terms of spiritual and real advantage. There are times when democracies tend to forget that. There are times when democracies allow themselves to be put on the defensive - when they should always be on the offensive for what they have achieved, for what they have done for their own people, and for what they have done to advance human dignity.

We can, and should, be proud of our democratic values and institutions, of our record of protecting and enhancing the integrity of people.

President Carter's vigour and confidence, his willingness to speak out about the values of democracy, signals I believe an end to defensiveness.

A resurgence of faith in the democratic system and of the ability of free people to face up and surmount the challenges confronting them, but acting effectively to meet common problems, requires co-operation and consultation between democratic nations.

President Carter has made it clear this is the touchstone of his approach. When I was in Washington recently, the President made it perfectly plain that he wanted to hear Australia's views on matters which we thought to be of major importance whether they affected our own immediate part of the world, or events which might be taking place further afield.

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There has been close and warm correspondence and communication since that time, on a quite continuous basis. It is a communication that I value and the Australian Government values very greatly. Australia has an obligation to speak in the free councils of the world particularly on matters of international concern where Australia might have a particular expertise or a special understanding because of history, geography, or past experience. That is done, and will continue to be done.

There is one area of practical co-operation and one of great importance for the future for Australia, America and the world - and that is the future of energy policy.

President Carter has taken the lead with his practical proposals for meeting the ever-increasing needs in an energy-scarce world: through energy conservation programmes and through broadening the energy base; to encouraging the use of nuclear energy while minimising the risks associated with it; and in particular taking steps to slow the entry to a plutonium fuelled economy.

We recognise that, as a country richly endowed with energy resources, Australia has a special obligation to develop its resources wisely in the interests of global peace and global stability. It is very often difficult for Australians to understand that other countries are often very short of natural resources. We have coal in great supply, iron ore and minerals, including uranium, and great supplies of natural gas. In a sense, Australia is indeed a lucky country.

But we might well find it difficult to understand the problems and attitudes of countries whose major resources are the energy and the capacity of their own people.

If a country of great natural resources such as Australia were to say 'Oh no, the rest of the world cannot share in the benefits of those resources - we are going to lock them up in Australia and deny them to the world' - then that would be taking a very serious course of action. It would be saying to other countries that we are prepared to deny you the energy to keep your factories operating; we are prepared to deny to you the right to have your homes heated in winter, and to be able to put on the light after sunset.

Nuclear energy is the only viable and practical option many countries have to close the gap in their increasing energy needs for factories, for jobs, for homes, to meet the diminishing supply and increasing cost of oil and natural gas. Uranium is clearly a key resource of which Australia has an abundance. And we have a responsibility to be a continuing and stable source of supply of energy and raw materials to other countries, and particularly to our major trading partners. In meeting those responsibilities, we need also to protect our economic and social environments.

The use of nuclear technology however brings with it attendant risk, risks of which we are all aware.

We have welcomed the fresh impetus President Carter has given to discussion of the question of nuclear non-proliferation, one of the most crucial problems in international affairs. The Fox Report basically said, and I think it is correct, that Australia's attitude to the export of uranium should be determined by the most efficient way in which Australia can argue against nuclear weapon proliferation.

In this area there are two points. We can pretend that our uranium does not exist. We can pretend that Australia is somewhere on the moon, not in this world. We can pretend the world around us does not exist, and ignore the fact that people are going to use uranium for peaceful purposes and pretend that it was not going to affect us.

If we did that, we would have no influence on the International Atomic Energy Agency, or on President Carter's evaluation and study of nuclear supplies, all of which are designed to try and make sure that nuclear fuel is used for peaceful purposes, and is used as safely as possible under the most strict and absolute safeguards.

Do Australians really want the people of this country to turn their backs on this great issue? Or do they want a vigorous Australian Government to get out into the world and use its influence? Because our natural resources give us the possibility of doing just that for the peace and stability of the world.

I really believe that people in Australia could feel safer if they knew that an Australian Government with proper objectives in mind was out in the world forum arguing for proper purposes and for proper objectives. I do not know a single Australian who opposes those particular objectives.

The choice is clear. Australia will either turn its back on the great province of the world which might well in history be the greatest of the last part of this century. Or Australia will take its place in the world and will use its influence for a better and safer world.

Every Australian would have a right, and I believe would feel a capacity to sleep safer at night if they knew that an Australian Government with that in mind was taking its part in the world rather than pretending that the world does not exist.

But President Carter's efforts to foster dialogue and discussion and international effort in these matters is to be applauded. Australia is proud to stand with the United States in the general objective of seeking a better and safer world.

Australia may never be short of electrical energy because of massive coal reserves. One energy area which does pose problems for us is that of liquid fuel. And unless new discoveries are soon made, Australia will have to rely increasingly on costly imported crude oils.

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By firm pricing policies through a wide range of incentives, the Government hopes to encourage conservation on the one hand but further exploration and development on the other. We can no longer afford the continued extravagance and wasteful consumption of this vital and scarce resource which has been caused in the past by exceptionally low prices for oil and oil-derived products.

The Australian Government is also acutely aware of the need to develop and harness new technology to meet out energy requirements.

Solar energy and coal research are areas that this Government will be pursuing. We are already involved in co-operative measures with Germany in relation to coal research. We are investigating the possibility of forming co-operative researches with the United Kingdom and with the United States and a special levy is being introduced to help pay for that research.

In all of this, there is great scope and co-operation between Australia and the United States and in practical fields I think we will knit closer together as the years pass.

This in part leads me to a question I would like to touch on briefly - foreign investment. The Government's policy is clear. We welcome foreign investment. We recognise the contribution it can, has, does, and will continue to make, to the development of the Australian economy.

We have established clear guidelines which give foreign investors fair treatment and Australian nationals fair treatment. In this area it is obviously a question of balancing interests. But those guidelines are also sufficiently flexible to allow important new ventures to proceed when there might not be adequate Australian capital to meet the guidelines.

There are two factors which have slowed the rate of foreign investment and development in Australia.

One is the problem of inflation. The other is an industrial relations problem.

In both areas, however, I think there has been a marked improvement, although not yet enough. In our economic policies there has been considerable success in reducing inflation. How many people remember that in the last half of 1974 inflation was running at a fraction under 20%, and when we came to office, was at 16% and 17%. As measured by the CPI in June this year, inflation was running at 10.4% - obviously with Medibank excluded.

But you can take other indices when that particular aberration did not operate, because they recognised that health care was a reality, that in fact it had a cost, that it suddenly did not disappear because you paid for it in a different way. The implicit price deflator for gross domestic product which takes into account all expenditures, brought inflation down from 16% or 17% to 9.2% in the June quarter.

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I have a friendly objective with the United States, in that the Governor of the United States Reserve Bank, Mr. Arthur Burns, said that next time I have lunch with him our objective is to have the Australian inflation rate under that of the United States. Inflation has only to increase a little bit more in the US, and ours to reduce a little bit more, as ours will, and I will be able to go to the United States and win that bet.

In the other area of industrial disputes, there has also been a significant improvement, but again not enough. To give examples from figures - and then I will say how the figures mislead - in the first six months of 1974, 2.4 million man days were lost in industrial disputes. I do not need to emphasise that my administration was not in power in the first six months of 1974. In the first six months of this year, 718,000 days were lost - a reduction of 83% from the position three years ago.

But there is still considerable improvement needed. Some extreme union leaders have fewer and fewer people who go out on a strike, and cause this disruption and regular disruption; whereas before there might have been more people to cause that disruption. Therefore, while statistics indicate considerable improvement, the improvement is not as great as the figures allow. In the seamen's dispute which held up Norwich Park venture on behalf of Utah - and the seamen's dispute is running the risk of closing down the Utah operations because they are demanding certain conditions which are quite unreasonable in relation to the export of some commodities - jobs are being lost.

In the case of the builders labourers federation, thousands of jobs throughout Australia are being put at risk as a result of guerilla tactics. This must not be allowed to continue. Australia must not continue to be prejudiced as a result of the actions of minorities.

We have now established the Industrial Relations Bureau and the very able Director of that Bureau will be taking up office within a few days time. We have introduced secret postal ballots for the election of officials of trade unions registered under Commonwealth legislation. It is likely that there will be amendments to that legislation because of activities of at least one union designed to upset the processes of the secret ballot.

Secondary boycotts have been brought within the ambit of restricted trade practices legislation. That is a significant advance. Following our actions during the air traffic controllers dispute and the postal employees dispute at Redfern, people can understand that the Government is not prepared to accept nonsense and allow the Australian people to be held to ransom.

But much remains to be done. Tony Street has done a magnificent job in a very difficult area. Further legislation will be introduced in relation to industrial legislation within the next four or five weeks.

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We would much prefer to be able to solve problems in this area by consultation, and it is worth noting that the first thing we tried to do was to establish a tripartite consultative process between Government, employees and employers. But Mr. Hawk said he would have none of it. It was only in May of this year that the union movement came to the view that that kind of consultation would be worth while and that it might have merit. It was not the Government that rejected the consultation from the beginning. We argued for it, and the proposal was rejected.