



PRIME MINISTER

FOR PRESS

16 OCTOBER 1977

ADDRESS AT LIBERAL PARTY FEDERAL COUNCIL

Thirty three years ago today on October 16, 1944, a meeting of non-Labor groups in Canberra adopted the name "Liberal Party" for their new political organisation. They believed that Australia was a great country and had the potential to be even greater. They believed that applying Liberal ideals to the task of Government would enhance the lives of all Australians.

Since that time, the face of Australia has been vastly changed. Changed by the migrants who have come from all over the world to start a new life, and who have so enriched Australia; changed by new industries and by new technologies; changed by the influence of world issues and events.

But the commitments and ideals that led our founders to form this party more than a third of a century ago - the commitment to individual freedom; to growth and development; to the rule of law; to a tolerant society; to assisting those in need - are as valid, as relevant, now as they were then.

Liberalism has never been allowed to harden into an inflexible dogma. It has kept touch with the real concerns and feelings of Australians in city and country. One demonstration of this, of the strength of our philosophy, of our success as a Party and as a Government, is that we are never afraid to declare our commitment to liberalism. What a contrast with our political opponents. How many of them are willing to stand and declare their commitment to socialism. On this matter, if on no other, the Labor Party is acutely sensitive to the feelings of the Australian people. Labor leaders remain silent and sullen because they know Australians do not want socialism - at any price. They know it is a dogma totally alien to Australians.

We are proud to be called Liberals, because liberalism can provide unity and a sense of national purpose, while allowing people to live their own life in their own way. Because liberalism can provide responsive and effective Government without creating an over-powerful and intrusive state. Because liberalism can provide real help to those in need while encouraging the energy and initiative that are a healthy nation's lifeblood.

Labor can provide none of these. In Government it was incompetent, divided, bungling and scandal-ridden. It was a Government of higher taxes committed to the destruction of incentive. It was a Government that encouraged industrial lawlessness, held up

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Australia's development and squandered Australia's potential. They have not changed in Opposition. They have not made any constructive contribution to Australia - they are aimless and divided. But they do agree on some things.

They all want higher taxes. They all want Government to spend extravagantly - Mr. Whitlam would spend at least \$2½ billion more. They all want to depress business by taking away all the tax concessions this Government has given. They all want to stifle mining projects and Australia's development. Labor's Deputy Leader, Mr. Uren, has been running a campaign attacking mining development, and the Labor Party's policy on uranium tries to undermine the properly safeguarded development of a vital energy source. Labor has made its position perfectly plain. They would stifle growth, halt development, remove all tax concessions and incentives to invest. One financial newspaper has described Labor's approach as "more of the same old bungling".

But in the light of Labor's consistent attack on development, in the light of Mr. Hayden's cynical attempts to promote speculation against the Australian dollar, in the light of the concentration of union disruption in export industries, where it will come to the attention of overseas investors, one is entitled to ask whether it is more of the same old bungling - or a deliberate attempt by the Labor Party, acting in harness with union extremists, to undermine Australia's economic and social framework, with all the consequences that would entail. One thing is absolutely clear - the Labor Party's opposition to growth and development is denying people one of their most fundamental rights - the right to work.

The Liberal Party has always stood for growth and development. Without growth, without development, there simply will not be the opportunities Australians should have to improve the quality of their lives. Without continuing development there simply will not be enough decent and rewarding jobs for our young people.

As Liberals, we knew that there could not be a full return to prosperity unless inflation was reduced, unless individual initiative and achievement was encouraged and rewarded, unless private enterprise was given room to grow. We always said that Australia could not be restored to full economic health overnight. We said it would be difficult. We never pretended it would be painless. We were elected because we said we would face up to the hard decisions. Our anti-inflationary policies, our tax reforms, our incentives to private enterprise, have all flowed from the basic principles of liberalism. They have laid the foundations for prosperity. Australia is on the move.

In my 1975 Election Policy speech I said "Over the next three years, we will introduce a number of major reforms to direct resources away from Government and back into the hands of individuals and business". In just twenty two months, we brought in tax indexation, we created new simplified and lower personal income tax rates, we brought in for business the investment allowance, the trading stock valuation adjustment and to aid the small business sector, the burden of division 7 tax liability on private companies has been eased. We have made much needed taxation concessions for mining and exploration. We are achieving the transfer of resources back into the hands of individuals and businesses - the transfer that is vital to development.

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In this financial year and the one just ended, corporate and individual taxpayers will on present estimates have saved almost \$3.4 billion in tax. We have been able to do this because we kept our promise to rein in Government spending. We have ended the days of Government waste and extravagance, and reduced the Government deficit by half a billion dollars in each of our two Budgets.

But the best news for Australia is that inflation is falling. Under Labor, inflation reached the height of 19% in the last half of 1974. Information now available from the Organisation for Economic Co-operation and Development, an international body of high standing, shows that we are cutting the inflation gap with the rest of the world. In the first half of 1977, consumer prices in Australia rose at an annual rate of less than 10%. This was in fact lower than the average increase by our major trading partners. And other measures of prices show that inflation is continuing to fall.

For example, in the three months to July, the price index of materials used in manufacturing rose only 1.7%, compared with a rise of 3.6% over the same period in 1976. Our policies have enabled for the first time in four years some downward movement in interest rates. A downward movement which has been confirmed by the terms of the conversion loan announced by the Treasurer this week. The trend to lower interest rates will gather momentum as inflation falls.

There has been a substantial strengthening of our trade and current account. In the September quarter, seasonally adjusted exports increased by around 4%, while imports decreased about 6%. Here we see some of the beneficial effects of last November's devaluation and we can expect a further strengthening of our trading position.

The outlook for our economy is steadily improving. In 1976-77 the non-farm sector of the economy grew by 3.5% in real terms compared with an actual decrease under Labor in 1974-75. Company profits have increased by 23%, and investment in plant and equipment was up 6% in real terms. Consumers have been prepared to spend increasing proportions of their wages and salaries. Real household disposable income - largely because of lower taxes, falling prices and the Family Allowance Scheme, was 1.6% higher in 1976-77 than in 1975-76. There has been a marked recovery in housing approvals, and many large industrial and mining projects have been announced including the North-West Shelf development, \$600 m. commitments to expand the Robe River, Mt. Newman and Hammersley iron ore projects. \$600 m. of new projects in the manufacturing sector were announced in the June quarter alone.

We have laid the foundations for sustained economic recovery. We are breaking the back of inflation and in 1978 we can look to even further successes, so that our vast wealth of manpower, skill and resources can once again be utilised.

One challenge which remains to be met is a major reduction in unemployment. It is true one can deduce from recent surveys made by the Australian Bureau of Statistics, that only a small percentage of the unemployed are family breadwinners; that over 40% of persons unemployed left their last job voluntarily or for reasons other than dismissal or retrenchment; and that many people registered with the Commonwealth Employment Service in fact have a part-time or full-time job.

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But this Government is vitally concerned for those who genuinely want work, and who cannot find jobs. There are too many Australians in this situation. We have already taken wide ranging action on this front. We have protected employment by giving Australian industry the protection it needs. Since December 1975, we have placed over 850,000 people in new jobs through the Commonwealth Employment Service. We have established or expanded manpower and training programmes, including - N.E.A.T., a special youth employment training programme, the Community Youth Support Scheme, relocation assistance, and the C.R.A.F.T. scheme for apprenticeships. Over 100,000 people have benefited from these schemes, and more than \$100 million has been provided to continue and expand them. Still more will be spent if necessary. No eligible unemployed person will be refused assistance under these schemes.

In a time of economic recovery, employment is always the last factor to come right. Employers first use up existing spare capacity, and make more use of overtime. And when wage costs are high, productivity can often be increased more effectively by devising new management techniques, and purchasing labour saving equipment.

But as inflation declines further, and demand increases, the present high levels of unemployment will go down. A more responsible union attitude would hasten the recovery in employment. Excessive wage increases have priced people out of jobs - particularly young people and the unskilled.

We have consistently sought to achieve wage restraint. We have had some success on this front but not nearly enough.

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The rank and file unionist knows that excessive wage demands cost jobs. It is time that union leaders and shop stewards faced up to the facts. Unions also have a responsibility to prevent disruptive strikes which are a prime cause of unemployment.

In Victoria alone, 450,000 people were laid off directly because of the destructive Victorian power strike. But it's not just a matter of workers being temporarily stood down. A survey by the three major Victorian employer groups showed that as a consequence of the Victorian power strike, the number of workers who will be re-employed will be significantly fewer than the number of employees laid off.

The extremist officials of a few key unions have set their face against conciliation and arbitration. They have engaged in a campaign of disruption in the key power, construction, mining and maritime industries. Look what the extremists are doing to Australia. Look at the construction industry, one of the most vital Australian industries from the point of view of providing jobs.

Largely under the leadership of the Builders Laborers Federation last month projects worth \$469 million had been halted or substantially disrupted. Look at the maritime industry, strike after strike, damaging businesses vital to Australian prosperity. Look at the constant stoppages and bans in the great mining projects in Western Australia and Queensland.

The senseless economic damage, and distress to tens of thousands caused by the Victorian power strike have been condemned by all responsible commentators. But the silence from the Labor Party has been deafening. Surely the self-styled guardians of the working man should be vociferously attacking a campaign which strikes at a fundamental right, the right to work. But not once has any Labor spokesman offered one word of criticism, one word of regret. The reason is not hard to find. Men engineering the industrial disruption are leaders of unions with close affiliations with the Labor Party. Unions which are heard in the highest councils of Labor's policy making machinery. Yet we need to understand that a number of these men are avowed enemies of democracy and the Australian way of life.

What has Mr. Whitlam said about this? Not a word. What has Mr. Hawke said about this - has he repudiated these extremists? He has not. The fact is that Labor is too weak to resist the demands of the extremists. In fact their official policy is to place unions above the law.

This Government is determined that the law shall prevail in industrial relations. No community can tolerate the exemption of one section of the community from the law. We certainly do not intend to tolerate it. We showed that in the air controllers strike, we showed that in the recent postal dispute. In the Victorian power dispute, it was the Commonwealth and Victorian Government's move to deregister the four unions involved that got Mr. Hawke and the strikers back to work.

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We have already passed new legislation to bring a greater measure to justice, order and common sense to industrial relations in this country. We have legislated for secret postal ballots for union elections. We have established the Industrial Relations Bureau as an independent agency to ensure that industrial law is observed. We have amended the Trade Practices Act to ban damaging secondary boycotts.

The Commonwealth and Queensland Governments will together use this legislation against the Seamen's Union campaign to damage the coal industry in Queensland. A campaign which has caused deferral of the quarter billion dollar Norwich Park project, and robbed hundreds of Australians of jobs. We have recently passed but not proclaimed the Commonwealth Employees (Employment Provisions) Act 1977, strengthening the Government's power to stand down Commonwealth employees. Currently, the Postal Commission is being faced by bans at the Redfern and Newcastle mail exchanges, designed to prevent improvements which will render our postal services more efficient. Similarly, the Australian Telecommunications Employee Association is using bans clauses to prevent technological change, which will make for more efficient telephone services and which will help contain telephone charges. It is totally unacceptable that Commonwealth employees should expect full pay for doing only part of their job, for refusing to perform tasks essential to the operation of their employers.

The Postal Commission already has stand down clauses and Telecom will be applying to the Arbitration Commission on Monday for the insertion of stand down clauses into their Act. If the bans continue, there is no doubt those stand down clauses will be applied. We hope it will not be necessary to proclaim the new Act, but if it is, we will.

We have done much in the area of industrial relations but more remains to be done. Tony Street will shortly introduce further industrial legislation. Its provisions cover three major areas. They will provide a wider range of consequences for the breach of industrial law, they will protect the rights of individual employees against oppressive acts by their own unions, and they will for the first time enable strong and effective action to be taken under the Conciliation and Arbitration Act to deal with demarcation disputes.

The decision has been taken after long and careful consideration with both employers and unions and through the processes of the NLCC. Tony Street has not yet had time to put them to the Party Committee or to the Party Room, but I have little doubt these changes will be supported.

We have a record of achievement that has been made possible by the consistency and coherence the Liberal philosophy has given our programmes. We have acted to aid the disadvantaged and those in need, the introduction of the Family Allowance, the indexation of pensions and benefits, our new measures for the handicapped, are milestones in social reform. We have protected and enhanced individual rights, the Ombudsman, the Administrative Appeals Tribunal, new simplified methods of reviewing bureaucratic decisions, legislation for a Human Rights Commission, amply demonstrate our concern to advance civil liberties.

We have shown care and concern for Australia's ethnic minorities and the recently appointed Galbally inquiry into post arrival services for migrants will I believe provide a basis for a new deal for migrants in this country.

We have enlarged people's ability to make the important decisions affecting their lives. Tax cuts allow Australians more say over how their own hard-earned income is spent. The Medibank reforms have restored choice in health insurance and our policies to assist the the Aboriginal communities give first priority to Aborigines participating in running their own programmes.

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We have ended the movement to concentrate more and more power in Canberra and shared power and responsibility with the States and local Government. We have ended the bias against the rural community which Labor deliberately introduced. Income equalization deposits, tax averaging and our other tax reforms have greatly helped to maintain incomes of rural producers during a period of depressed markets and rising costs.

The wide range of measures to help rural industries in distress the recent package of assistance to the cattle industry and the decision to establish an Australian Rural Bank all demonstrate our determination to ensure the continued viability of our rural industries.

Help has also been forthcoming for small business, a sector which embodies the spirit of independence and initiative so important to the health and vigour of our nation. Our tax concessions were consciously framed particularly to help small business and on Thursday, after the most intensive study we announced a range of measures to increase the availability of finance to small business.

These achievements have been made possible through the unity of the Ministry, the strength of the Parliamentary Party, the loyal and strong support from our coalition partners. And the superb cooperation that has been built up under Federal Executive's guidance between the Federal organisation and the Parliamentary Party.

The Government values highly the advice regularly given to us by the Economic Advisory Committee and the four specialist committees. Rural, manufacturing, tertiary industries and natural resources.

The Joint Standing Committee on Federal Policy has met with sixteen federal ministers to review the Government's policies in their areas of responsibility. This has provided an invaluable stimulus for Ministers. The Federal Women's Committee and the Young Liberals have performed very important work for the Party, and have assisted the Government particularly in bringing forward possible new policy initiatives for consideration.

The Federal Secretariat has never operated so effectively, or served so well the Government and Backbench Committees which have come to rely on its professionalism and expertise.

The last 22 months have been difficult ones, and the overwhelming support given by the party to the Treasurer and the Government have been of inestimable value. Most of the commitments we made at the last election have already been fulfilled. In my 1975 election speech I made 51 specific promises, in less than two years, over 30 have been fully implemented, 5 partially implemented and a further 10 are under implementation at the present time.

We are now beginning to see the signs of a real turnaround in the Australian economy. Inflation is down, our balance of payments is far healthier interest rates are declining growth and development of this great country of ours have started once again. In 1975/76 only \$128 million in foreign investment came to Australia. In the year just ended over 6 times that figure, \$826 million, flowed into the country.

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While we have concentrated on getting the economy right, easing the crippling taxation burden, and restoring order and common sense to industry relations, we have also devoted much attention in making fundamental reforms to enhance the rights of individual Australians of minorities, of those in need. Our social reforms have been designed to advance the well being of all Australians, our law reforms have been designed to advance the liberty, the independence of all individuals.

Ladies and gentlemen, we have made a start, a strong start, in restoring Australia to prosperity. But our task has only just begun. At an earlier time in our history, Australia was regarded as one of the world's most advanced and enlightened liberal democracies.

Our aim is nothing less than to restore Australia to that position of strength and pre-eminence. The challenges that face us are great, but the potentialities of our country are boundless.

Together we can realise that potential.

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