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PRIME MINISTER

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LAUNCESTON LIBERAL PARTY BAR-B-QUE

It is great to be in Tasmania. Tasmania always receives special attention from this government. The Tasmanian Liberal team in the House is the best team that Tasmania has ever had in the Federal Parliament. I know from sitting in the House at Question Time just how effectively Kevin Newman in the Ministry, Max Burr, Ray Groom, Bruce Goodluck and Michael Hodgman from the Backbench pursue Tasmania's interests.

Our economy is now on the move. After two years hard work, we have managed to regain control of expenditure, to moderate wage increases to reduce industrial disputes. Inflation has been reduced to 9% and it's falling, interest rates are falling and investment is up. We are ready to move into a new era of development with \$6 Billion of investment. From February unemployment will fall and keep falling.

We have provided wide ranging tax cuts, historic tax reforms which have meant that \$3,300 million in personal tax will be saved in our first two budgets. A further \$1,000 million has been saved by business in that time. By putting money directly into the hands of consumers, our February tax cuts will create more jobs, because as demand rises, employers are encouraged to hire more people, and by reducing marginal tax rates, incentive and production are increased.

Our February tax cuts will inject an extra \$26.7 million a week into the economy. Almost a quarter of a million low income earners, including tens of thousands of pensioners, now paying tax will pay no tax at all, in line with the government's general policy of helping those in need. This will increase consumer demand and business activity. This will create more jobs; it will not boost inflation because it is a tax cut, not a wage rise.

Labor wants to do away with the February tax cuts; tax cuts which will create more jobs; and refuses to commit itself to tax indexation. To pay for their abolition of payroll tax, they have to raise \$850 million in the first half of 1978, and \$1900 million in 1978/79.

They have said that they will pay for this by repealing our February tax cuts; even then they would have to raise an additional \$800 million. That's why the ALP won't commit themselves on tax indexation. Mr Whitlam would have to take away at least \$6 a week from the man on average earnings. Labor would end the jobs that the tax cuts will bring and rip off \$2,750 million from the people of Australia.

Mr Dunstan knows that the abolition of payroll tax won't increase employment. He's said that "The (S.A.) Government has already tried a payroll tax remission scheme and found that it does not create employment".

A recent survey of large employers revealed that not one company surveyed was prepared to forecast any increase in their own employment levels if payroll tax were abolished. The survey showed that, on the contrary, employers considered Mr Whitlam and Mr Hawke's policy of full wage indexation would make the capacity of business to create new jobs worse - not better.

Labor's scheme would hurt the self-employed, and many small businessmen who are already exempt from payroll tax but would be lumbered with higher wage costs and higher personal tax commitments. It would harm all Australians.

Labor have no coherent economic policy - each one of Mr Whitlam's statements on tax indexation contradicts the statement he made last. Mr Willis and Mr Hayden contradicted one another and the Leader of the Opposition. Mr Hurford - the Shadow Treasurer has to find out what Labor's latest position on tax indexation is from the newspapers.

On wage indexation, Labor is no less disorganised in its policy speech. Mr Whitlam said Labor would "restore integrity to the wage indexation guidelines". This means that he was committed to backing unions' claims for maximum wage increases.

Only a few hours after Mr Whitlam's policy speech, Mr Hayden said that Mr Whitlam's formula meant support for full wage indexation, but only for people on less than average weekly earnings. Mr Whitlam replied that Labor wanted full wage indexation for everyone, and Mr Hayden confessed he might be wrong: "I feel I'm on shaky ground", he said. He said questions on wage indexation should be directed to Mr Willis: "I work in the economic area" -- "It's a demarcation problem". Mr Whitlam directed his press secretary to say: "There was no contradiction" between himself and Mr Hayden on wage indexation.

They don't care how many people are thrown out of work as a result of excessive wage demands. Mr Hayden is abdicating responsibility for wages policy despite the fact that he has said that unreasonable wage demands have caused serious economic difficulties.

But that's all forgotten when the unions crack the whip. The Labor Party could do nothing without the agreement of the trade union movement. Mr Hawke admitted this on Friday when he announced that Labor would have to discuss the issue of wage indexation "with the trade union movement". Mr Hawke wouldn't try that sort of thing on this Government - he knows that we won't abdicate our responsibilities.

Labor's abdication on economic policy - its surrender of one of the main responsibilities of Government to the unions - is clear.

- It happened between 1972 and 1975
- They would do it all over again

Only a Liberal Government has no vested interest in kow-towing to trade unions. We have passed laws which bring a greater measure of fairness and commonsense to industrial relations in this country. These laws give more protection to individual unionists and to the general public, who have been so outrageously harmed by industrial disruption in the past. These laws give rank and file unionists the chance to have their voices heard in the way their unions are run.

We have made secret postal ballots compulsory for union elections. We have set up the Industrial Relations Bureau to protect the public interest and to act as an industrial ombudsman. Unions are now required to report annually on their financial affairs to their members. We are protecting individuals against being forced to join unions against their will. Earlier this month, further amendments were made to the Conciliation and Arbitration Act which are of particular relevance to Tasmania. The Industrial Court can now partially or fully deregister a union if it hinders or interferes with overseas or interstate trade and commerce; or if it hinders or interferes with any service provided by the Commonwealth, a State or any Government Authority.

All this legislation is now in force, protecting Tasmania against industrial disruption which might cut off this State from the mainland, or cut off vital supplies from or to the mainland. The Labor Party would repeal all the industrial legislation that protects individuals and protects the public interest. They would unleash the industrial disputes that cost the country 6.2 million working days in 1974. Only a Liberal Government can give Tasmania the protection from industrial disruption which this State needs.

I now wish to mention the special initiatives which the Government has introduced to help Tasmania.

The freight equalisation scheme, both north-bound and south-bound, is vital to Tasmania, for it removes Tasmania's freight disadvantage. It will cost the Government \$23 million this financial year. The APPM multi-million dollar project at Burnie would not have

occurred except for this scheme (and the Government's investment allowance).

The Government has also contributed over \$20 million towards the cost of the Launceston General Hospital. We have also contributed a further \$20 million to assist the Tasmanian Railways. The Maritime College in Launceston will commence construction in the new year.

The Government has always given a high priority to rural industry throughout Australia. We have given considerable assistance to the beef industry - by obtaining increased access to overseas markets, by ending the Labor Party's meat inspection charge, by providing a cash subsidy to beef growers for disease control measures and spaying measures, by investigating a better marketing system for beef, and by spending very large sums indeed in the campaign to eradicate brucellosis and tuberculosis in cattle.

The Government has also helped the dairying industry by extending underwriting arrangements and helping to increase overseas markets, particularly the Japanese cheese market. We have helped the wool industry by raising the minimum reserve price and guaranteeing that higher minimum price for two years. We have also promised, in co-operation with the Australian Wool Council and the Australian Wool Industry Conference, to investigate ways of improving the wool marketing system.

In the light of the Callaghan Report, which we commissioned, Senator Cotton and Kevin Newman have announced a ten-point plan to implement major recommendations of that report. We are studying as a matter of urgency the feasibility of a pilot industrial estate in the Launceston area.

Senator Carrick, the Minister for Education, is examining ways of establishing more specialist courses of national interest for the Tasmanian College of Advanced Education at Launceston. The Government policy of buying Australian goods will be applied to the fullest possible extent in Tasmania.

The Minister for Defence, Jim Killen, has commenced a review of defence activities in Tasmania. The Minister for Productivity, Ian Macphee, is undertaking a review of the Launceston Precision Tool Annexe with a view to expanding its operations. The Government is also examining ways to help the forestry, fishing and tourist industries. The new Decentralisation Assistance Board will examine Tasmanian projects, such as a new convention centre for Launceston, with a view to Commonwealth financial assistance.

The Public Service Board will report to me on the scope available for relocation of Commonwealth activities in Tasmania. The Board will particularly examine the feasibility of accelerating the transfer of the Antarctic Division to Kingston. The Secretariat of the Advisory Council on Intergovernmental Relations has of course already been established in Hobart.

In my Policy Speech last week, I also outlined numerous other programmes which will be of assistance to Tasmanians. The National Water Resources Programme will assist town and rural water supplies throughout Australia. Our programmes to boost the standards of public urban transport will also help Tasmanians.

What would Labor do for Tasmania?

The freight equalisation scheme is threatened by Labor. Mr Hurford said in Hobart on 24 June 1976 that the freight equalisation scheme was not effective. This extraordinary statement shows how much Labor is completely out of touch with the needs of Tasmanians.

Under Labor, the APPM project at Burnie would be threatened. The economics of that project are dependent on the continuation of the freight equalisation scheme and the investment allowance. Under Labor, both these subsidies may be removed.

Under Labor, Tasmania could not expect any decentralisation assistance. Labor would redirect such funds to mainland "growth centres". The Tasmanian textiles industry would be threatened too. The vital protection which we have given and maintained, Labor would remove. In July, Mr Whitlam said to the National Press Club:

"There is no doubt that Australian industry is excessively protected...that is the basic trouble with our manufacturing industry."

This month, Senator Wriedt said at Rockhampton (on 6 November), Labor would reduce tariffs immediately and he made it clear this would proceed regardless of the adverse effects this would have on unemployment.

The position is clear. Labor would again ignore the Tasmanian State Government and the interests of all Tasmanians.

A Liberal Government is the best Government for Tasmania - no Government has done more for Tasmanians.

A Liberal Government is the best Government for all Australians - we are doing the job we were elected to do, and we will keep on doing it.
