



EMBARGO: 7.00 p.m.

PRIME MINISTER

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ELECTORATE TALK

Australia today is now poised to move into the 1980's with vigour, vitality and new spirit. There is a light on the hill for Australia. An inflation rate of 5 percent by May or June next year is a reality - and not just wishful thinking. That will lead to a continuing fall in interest rates and to greater confidence - both here and abroad.

A 5 percent inflation rate will not satisfy us, but it will mean that Australia will be uniquely placed to take advantage of new investment and world trade. However difficult the world trading scene might become - and I do not think it will improve for months or even years - it is now within our capacity to put Australia in a favoured position.

People are already comparing Australia with West Germany as an encouraging place for investment. That puts Australia in highly respected international company. Countries will want our resources because we are a stable supplier, with stable political environment - and because we will be highly competitive on the world markets. That will mean a further strengthening of our balance of payments, and growth that is sustainable in the long term, and most important it will mean new jobs.

The question of jobs being available in a rapidly changing technological environment has rightly concerned many Australians, including the trade union movement. The Government shares that concern. Two years ago we established the Department of Productivity to rectify the failure of successive governments to devise long term policies regarding the impact of technology on people. The Department has already won the support of unions, management and State Governments in productivity improvement programmes in labour intensive industries which relate directly to the consequences of technological change. The aim is to rejuvenate our existing industries and to harmonise the rate of change concerning the introduction of new technology, the retraining of labour and the creation of new industries with new jobs.

The point needs making that Australia needs new technology to be competitive and to find export markets. That technology should be as innovative as possible.

The Government has recognised that a great deal of work has to be done towards creating an environment where our industry can reap the benefits of technology. We know that failure to improve our technology would lead to further uncompetitiveness and loss of jobs.

With consultation and extensive communication with the unions, Governments and management, we have been making considerable progress. In Australia we have nothing to fear from new technology.

As Australians we have the capacity to move forward with vitality and vigour and without any sense at all of being second best in anything. Australia is the greatest country in the world. We have freedom, the opportunity, the potential and the resources that are unequalled. Australia is a developed country - but with a still vast untapped potential. The best lies ahead of us.

What the Government is attempting to do is to lay foundations where all the basic inbuilt factors in the economy are working as they should be. We have directed our energies to reducing inflation because inflation was killing Australia and crippling our competitiveness around the world; to cutting runaway government expenditure; to stamping the tidal wave of wage increases that were putting companies out of business and costing thousands of jobs; and to returning business and industry to a fair and reasonable profit basis so that they could expand in new plant and equipment and people. We are attempting to create the conditions where Australians - and those who look to Australia - will grab the bit and again show their faith in our great country. I believe the runs are now on the board - people can see that we mean business and that we are succeeding.

That is why in many ways this Budget was a watershed. A few months before the Budget there was a feeling in some sections that the Government might relax our strong anti-inflation policies. People were watching and waiting to see if our resolve faltered. It did not and will not.

That was the signal for a resurgence in confidence. The share market with not only the big money investors, but hundreds of thousands of Australians investing a share of their savings - demonstrated strong confidence in our future. The last Commonwealth Loan reinforced that feeling.

There is a new confidence in Australia today, in spite of the problems yet to be overcome ... a confidence in the cities, and throughout Australia's great rural industries of the kind that there has not been for 10 or 15 years. And overseas, people are again looking to Australia for investment, for trade and for a secure future.

By working together, by constantly showing that our country can compete with the best, by taking a renewed pride in our own abilities and achievements we will build a nation that will be the envy of the free world for decades to come.
