



PRIME MINISTER

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ADDRESS TO THE NATION

Last week in Melbourne all the State Premiers, the Federal Treasurer, John Howard, and myself came to an agreement that will have far reaching consequences for the future development of all the States of Australia.

We were able to do this only because of the hard decisions we have taken over recent years, and because of the progress we have already made towards economic recovery.

Tonight I want to report to you about that progress, and about the way in which the Government, your Government, sees the years ahead.

There are already significant benefits from the steady course we have set. The runs are on the board.

Inflation is down, and it is falling. Interest rates are coming down -- last February there were cuts in interest rates affecting home buyers, and just ten days ago there were other cuts affecting a wide range of borrowers. Business confidence is returning. Local and overseas investment is increasing.

Unfortunately, unemployment is still far too high. That is of great concern to me, and I know it is of concern to all of you. It is because the Government is so concerned that we are prepared to take the hard, unpopular decisions that we know are right for Australia. We are not prepared to take those decisions that might appear to help, but which we know will not.

Actions that we have already taken are enabling Australian manufacturing industry to get back into export markets. How many of you know that Australian companies are exporting furniture to Sweden, and colour television sets are being exported into the toughest market in the world -- to Hong Kong -- against Japanese competition. Australian-built, Australian-designed fishing vessels are being exported to a number of countries in South-East Asia. At least one major motor manufacturer is re-building its export organisation.

All this is possible only because inflation is down, because costs have stabilised, and Australian manufacturing industry is more competitive in our own market and in export markets.

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Of course, our mining industry is also moving ahead. The oil pricing decision we took about 15 or 16 months ago has resulted in two companies alone committing themselves to \$1,000 million worth of development and exploration in Bass Strait and at Exmouth Gulf off the Western Australian coast.

That means more oil reserves. It means more jobs for Australians.

The Ranger Agreement, reached with the Northern Land Council last week, means that Australia will be able to meet energy commitments in an energy short world. That will mean a great deal for development, and for employment, in the Northern Territory.

For the first time in years, farmers are looking to the future with optimism. Just on four years ago their costs increased by about 30% in one year. Now, their costs are stabilising, and their returns - from wool, sheep, from beef and wheat - are all good, much better than they have been for a long while. Farmers right across Australia are facing one of the best seasons they have had in many years.

All that is good news, not only for farmers, but also for people who live in country towns, in the cities--for those in the industries servicing the farming community.

We often forget the very real interdependence between people who live on the farms and in the great cities of Australia.

All of this points to a more prosperous future. If Australians are prepared to get up and have a go, we can realise that future, and take on the challenge of the 1980's.

Governments have a key role to play. There is much that Governments must do. We have to get inflation down even further. We must keep the economy on a firm and steady course, undeterred by results in a few popularity polls. At the same time, Commonwealth and States must provide basic support for industry: power, transport, ports, pipelines, water supplies, all so vital to industry and industry's expansion.

Your Federal Government has always been committed to working in co-operation with the States, and last week we took that commitment to Federalism a significant stage further. After two years of negotiations, at a special Loan Council meeting, the States were given authority to borrow overseas to assist major developing projects. Earlier in the year, in June, there was agreement about the guidelines. Now all seven Governments, the States and the Commonwealth, acting together have taken decisions that will enable major development works to proceed.

In NSW and Queensland, coal export facilities will be vastly improved. In all the Eastern States there will be a great expansion of power generation, as well as in the Pilbara of Western Australia. Hydro-electric and water supplies in Tasmania will be greatly improved. For Western Australia we have taken

decisions that will encourage the great North-West Shelf development to go ahead, and also an alumina project.

In South Australia, where there was some concern about the future of industrial development, we have taken decisions that will enable the State Government to construct power supplies and pipelines that will encourage a great petrochemical plant at Redcliffe.

Again, in Melbourne, a great World Trade Centre will be built that will encourage trade, to and from Australia, around the world.

It was a rare show of unity between Governments - acting together to advance Australia's cause. All seven Governments have worked and planned together to encourage Australia's development. It was an historic meeting.

With that kind of co-operation Australians can face the 1980's with enormous confidence.

The Government has great responsibilities, and we are determined to pursue them. But Government alone cannot achieve the Australia we all want. Only Government acting in partnership with all its citizens can create the Australia of which we dream.

With that kind of partnership, I have unbounded faith in the future of Australia. The 1980's will be years of optimism, years of development. Certainly there will still be problems, I imagine there always are for Governments. And much remains to be done.

But, with confidence in ourselves, with faith in Australia, the 1980's will be years of growth. They will be years of prosperity. They will be years of excitement, for all Australians.

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