



PRIME MINISTER

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ADDRESS TO THE WESTERN AUSTRALIAN
STATE CONFERENCE OF THE LIBERAL PARTY

This State Council, which from all reports is midway through being a most successful one, follows what I believe was a highly successful Federal Council meeting in Perth. That is a tribute to the strength of Western Australian Liberalism. It is a tribute to your State Cabinet, to your organisation. It is a tribute to Sir Charles and the leadership that he has given not only this State but Liberalism throughout the Commonwealth.

I know quite well the enormous contribution that Western Australia has made to the Federal Government over a long period. I've only got one disappointment with that. You have a rather miserable record of holding only nine of the ten seats in the House of Representatives. I think it is quite unforgivable to allow the Labor Party to have even that one. So that ought to be the objective of the next election.

But making this State's economy go ahead has been a major part of the work of the State Government. Where we can, the Commonwealth has sought to co-operate in that. With the North West Shelf for example, we have a number of special arrangements agreed between the State and the Commonwealth to enable that to move ahead. The last reports I have had in relation to the feasibility study are encouraging. I would hope very much that major projects are successfully launched.

Those few thousand million dollars of major development work either going ahead, or in the final feasibility stages of this State -- that can only happen with Liberal policies, as I believe, co-operation between the State and the Commonwealth.

I would thank your State President, Noel Crichton-Browne, for four years as President. The Constitution doesn't allow him to be President again.

But Noel has done an enormous amount of work for the Liberal Party, in this State I know, and also in the Federal sphere through general elections; on the Federal Committees, on the Federal Executive. He has spent a very great amount of time and effort. That is what is needed. It's not just sitting here being the State President. It needs energy, initiative, the capacity to get out and make sure that our organisation is as strong an organisation that it can possibly be. I believe Noel Crichton-Browne has served Western Australia, and the Federal Liberal Party, well.

There is one thing which Liberal Party Councils, whether they are State or Federal, just can't match. We can't match the Labor Party, the socialists - solidarity spectacular that it always seems to have when they get together.

I want to say one or two things about the Labor Party Conference. We need to look at the policies and make sure that everyone understands the policies that have been adopted over this last weekend, in the Labor Party, and which commit them, and commit them all.

Mr. Hayden said he wanted to leave the Whitlam years behind him. But he was proud to be part of them. He was in fact Mr. Whitlam's economic architect for a large part of those years. He still carries responsibility. He obviously doesn't want to leave those years as far behind as he says because the policies they have endorsed and adopted are substantially the same as the policies that were applied during those times.

If we can remember 1972 - Whitlam and Labor before the election - were hailed as moderate and reasonable by the media. But as soon the polls were declared at the end of 1972 moderation was left behind and we had the three most terrible years that Australia has ever seen. The destructiveness of Labor showed.

Over the last weekend we have had Mr. Hayden offering Mr. Whitlam's failings, but maybe without Mr. Whitlam's flamboyancy and sense of theatre.

But the objective to destroy the States is totally unchanged. Sure, they said 'we will keep the Senate', but let's make sure it is a Senate with no powers; no power to do the things that sometimes that Senate has to do to protect the smaller States and sometimes had to do to protect the whole of Australia. So that is Whitlam all over again.

Then what about a simple majority to alter the Constitution. No question of having a majority in a majority of States. That is the wise men of the East, I suppose, telling Western Australia what to do. It is not something that you would willingly accept and not something that you ought to accept. But that is Whitlam all over again.

Again, they said they would assert total Commonwealth power over mining offshore. Painstakingly, Sir Charles and myself, his Government and mine, have come to an agreement about offshore matters. Special arrangements also to meet the particular needs of this State in relation to the joint authority. All that is going to be torn up, thrown away, because Federal Labor would want to do it all from Canberra. They specifically said, "we will move the Federal departments out into the States so that we can better control what the States would do". Now, surely, that is Whitlam all over again.

For the economy; interventionist in the extreme. Direct planning of allocation of resources by Government, not by private enterprise. Nationalisation where it is necessary. Joint public and private ownership to be promoted. Extension of public enterprise to national investment fund which our tax dollars would go to to make the losses for socialist bureaucratic failures. An Australian Hydrocarbon Corporation to do what private enterprise again ought to do. That again is Whitlam all over again.

High taxes they certainly promise. You know Mr. Whitlam promised to pay -- this was one promise he certainly kept -- to promise to pay for a large measure of his proposals through higher inflation and therefore higher taxation as a result of inflation. Well he kept that and we had the greatest inflation in Australia's history.

He also proposed a capital gains tax and then found it too difficult to implement. But Mr. Hayden is going to do that all over again. On top it, he would have a wealth tax, so I suppose it is Whitlam over again but slightly worse.

In addition, a resources rents tax designed presumably to stop the great development projects in the State, in Queensland, in other parts of Australia, as they effectively stopped them in three years of Government. But then again, they will intervene to take action to prevent the continuance of trans-national corporations that are against the public interest. What a wonderful way to say we want overseas investment in this country; to have a sword hanging over the head of every trans-national or multinational company -- say we are going to prevent the activities of the ones we don't like. But which ones don't they like? Are they going to get up and say what projects they want to stop. Are they going to get up and say whether they are going to expropriate the ones they don't like? Instead they just create a policy which is going to cause doubt and dismay if there ever was a Labor administration -- which there isn't going to be -- amongst all those whom we want to have invest in this country with confidence and vigour.

They said staff ceilings would come off. We have nearly 60,000 less public servants than we would have had under their policies and programmes. That is not a bad effort.

They also want to politicize the public service. We passed a law to stop future Prime Minister of any power moving his own private and chosen people in a political sense, into the public service, because we believe in the apolitical nature of that service. Three private secretaries of Mr. Whitlam became permanent heads. We thought that ought to stop. We passed a law to stop it. Labor said they will remove that law if they ever get the chance.

But what did they do about the mainstream of economic problems. They sold out to the Left. They ignored inflation as though it doesn't exist. No recognition of a wages problem, that it adds to inflation. No real recognition that too much Government expenditure adds to inflation. Even Mr. Wran called the policy a hotch-potch and Mr. Hawke said it was a gutless sell-out to the Left. If Mr. Hawke, whose much of his ACTU and semi-political life is dependent upon the votes from the left, is accusing Mr. Hayden of a gutless sell-out to the Left I can't see any reason why on that occasion we shouldn't believe Mr. Hawke.

We've got to give it to Mr. Hayden. He does some things just like Mr. Whitlam; he fights with Mr. Hawke.

But in industrial relations, where Australia is today facing a challenge in the States and in the Commonwealth, which this State and the Commonwealth is seeking to match and to meet with all the vigour and power at our command, they say "we will place the unions above the law. We will place any activity undertaken in the name of unionism beyond the reach of any law". Labor and their words will ensure the right to strike immune from any pains or penalties; recognise the right of trade unions to regulate their own affairs free from Government or judicial interference, even though some of them have an annual income of nearly \$10 million a year and exert more power in this community than any corporation, Australian or multinational. They will free trade unions from the Trade Practices Act which has been useful on many occasions; repeal all penalties for strikes against arbitral decisions -- a decision of Labor aimed at the heart of arbitration, aimed at the heart of the industrial processes of this country. They will repeal the disciplinary legislation that we have introduced. Repeal the legislation that ended the Telecom dispute. Labor has sided with industrial anarchy against the people of Australia. They will plainly repeal any law which gives any Government power which is so patently and clearly needed under current circumstances. They would repeal the lot and leave Government and the people of Australia naked and defenceless.

Not only that, they are going to have a special body to spy on multinational companies. Then they are going to give the information they get from those multinational companies to the domestic trade unions and to international trade unions. Just as though their other policies weren't going to do enough to stop investment and development in this country, they would have a special spy service against multinational companies to make damn sure that there wasn't going to be any more investment.

The accumulation of Labor's policies would stop Australia dead in its tracks, just as effectively as it did in the past. It is our task to make sure that all Australians understand that.

Let me now get on with the real business of where Australia stands today and what we ourselves, in co-operation with the States, intend and seek to do about it.

Australia is now more competitive than it has been for many many years. Our industries are selling again better in Australian markets and also in overseas markets. That started from the devaluation of two to three years ago and the management of the exchange rate and the economy since then, which has rebuilt the competitive base of Australian manufacturing industry and helped Australian farming industries. As a result, our balance of payments is stronger than it has been. Where is all that speculation about a weak Australian dollar today? It doesn't exist because of the effectiveness of our policies.

Since February, private capital inflow has been over \$1,000 million. That is a better result than for many many years.

In the eight months to February, export prices rose at twice the pace of import prices, greatly assisting Australian exporters. In this last year non-farm gross domestic product -- I hope you can put up with one or two figures -- increased by three and a half percent in real terms. In the nine months to March company profitability rose over 20 percent. In the year to March investment expenditure rose 25 percent - in mining up 45 percent. What happened under Labor? Real investment for those industries on many estimates fell by an average of eight percent a year.

There has been great progress in this State with major projects committed or in the final feasibility stage, upwards of \$2,000 million and in other States -- in Queensland, in great resource projects -- there are equivalent figures indicating the progress that is and can be made.

Our rural industries are looking to the 1980s with a degree of confidence for the first time in many years. We know what has happened to beef prices. This was needed because farmers were in a very difficult position. Last year's wheat crop was an all-time record. There are continuing high export prices and a larger area has again been planted this year throughout Australia. The prospects are good. In wool, production is rising, not greatly, but usefully. The average price for wool is very sound. The reserve price has been increased by 20 cents. Remember Labor, just when confidence was needed - they reduced the reserve price by 50 cents in one year. The forecasts for 1979-80 for the wool industry are again sound. Reserves at the moment are lower than they have been for many, many years. That industry will be able to build on the future with confidence.

But rural recovery is no accident. The industry has been assisted by policies to control the internal economy and to get better access to markets. We had a situation where other governments had argued and spoken for thirty years about getting reductions in the American wool tariff. It is this Government that has achieved a 60 percent reduction in that American wool tariff.

Our beef industry will have better and more secure access to Japan, to the United States and even some access to Europe as a result of the trade policies that we have pursued.

Then the Primary Industry Bank which has already re-financed \$100 million of debt, income equalisation deposits, the new Wheat Stabilisation Scheme, the support for the Wool Corporation and tax averaging are all specific policies designed to rebuild the strength of Australia's rural industries.

Of course, the fundamentals of economic control -- getting inflation down, getting expenditure down -- great progress has been made in both of those areas.

There have been unexpected events Iran and what happened as a result of Iran and the upset of world oil supplies. We wanted beef prices to be increased but the increase was larger than we expected and had a greater inflationary consequence than we expected. The wheat harvest was an all-time record, as you know. It is good for wheat farmers and good for the balance of payments, but not good for inflation. For these reasons there were upward pressures on inflation which we had to respond to, as we did in the mini-budget. But if we hadn't, people could have charged us and said "what has happened to your anti-inflationary policy, aren't you going to keep the country on track in relation to that". The change was necessary; necessary more so than desirable.

Industrial disputes: I have indicated what Labor wouldn't do. Let me say what we are doing and will do. If strikes continue as they have over the last two to three months, they will assuredly destroy Australia and the possibilities and prospects of this nation in the 1980s. The strikes are selfish; seeking confrontation, not with Government, but with the people of Australia. So many union leaders seem not to want consultation. Where the Commonwealth has clear power it will act. It has clearest power in relation to our own employees. So we have proclaimed an Act that has been on the books for some time, really, in a sense, waiting for the opportunity or the necessity, if that should be forced upon us. The proclamation was enough to end the Telecom dispute.

The Postal Commission already has well over 2,000 people stood down. If they are not back at work by Monday with the bans lifted from the Redfern Sydney Mail Exchange, then further measures will be taken and we know precisely what we are going to do. The Postal Commission has already indicated that no matter what, back to work or not, they are going to move to dismantle Redfern. It is a large operation that can't be done overnight, but they have set the task and that is irrevocable.

The special Act we proclaimed is a reasonable one. It enables us to suspend, stand down, or ultimately to dismiss employees who are seeking to disrupt activity in Australia. There is no way we are going to accept the circumstances where people go along and say: "I am going to do 70 percent of my work, and I don't like the other 30 percent or I am not going to do the other 30 percent because I don't like a Government policy. Of course, you the employer, being the taxpayer, and the Government, are going to pay me my full wage as though I am doing my whole job". Doing part of your work, striking for the other part, and expecting to be paid in full - that is the position we were faced with - no private employer would put up with it for two minutes. This Commonwealth Government is not going to put up with it. Any public servants who expect that they can behave in this way can now expect to be stood down forthwith as the minimum consequence of that kind of action.

The Australian Council of Trade Union's actions and attitudes have been inflammatory in this situation. Tony Street called a meeting and said: "We are not asking you to take sides in any dispute, but we do ask you to support arbitration - to support reason - to get your affiliates to stop these bans and limitations which are damaging Australia". And what did Mr. Hawke do? He just thumbed his nose at that very reasonable request and then said: "Well, that is all your problem. We are not going to do that" and attacked the Government on its economic policies. So they didn't exert their influence when they could and should have. Now they call for rolling strikes by Australian Government employees against our legislation. That won't change us in our attitude in relation to that legislation, which is now a part of the industrial relations inventory. Where it needs to be used to supplement other powers in relation to Commonwealth employees, and employees of Commonwealth statutory bodies, it will be so used. If the unions want to give support to rolling strikes, I suppose there are some other things that we could also do. We know that they would be.

Last night I had what I believed was a very useful discussion with your Premier, Sir Charles Court, before coming down here this morning. There is obviously a very serious situation in the Pilbara which the State Government has been battling with for some time. But \$80 million in export funds, I am told, has already been lost since May. We can't allow that to continue. The State and Commonwealth jointly can't allow that to continue. The Commonwealth is prepared to co-operate in any way we can with the State Government, with Sir Charles Court and his Government, to make sure that where joint powers are needed - if they are needed - those powers are available to get this State back to industrial sanity.

For example, if the unions operating in the Pilbara happen to be de-registered under State law - and they are under State awards at the moment - there is a fear that they might obtain a benefit of a Commonwealth award. I don't believe for one moment that the Arbitration Commission would give the benefit of a Commonwealth award to unions that were de-registered as the result of the industrial action that has taken place. But if there is a need to change our law to strengthen that, to make sure that it could not happen, then so be it. The law will be changed to make sure that it doesn't happen.

But one of the things we discussed last night was whether it might not be best that the unions that now operate and have a coverage of the Pilbara were in fact de-registered. Then we might use our powers jointly to see that one union was established for the Pilbara--for the iron ore industry -- which would then have an interest in the well-being of the Pilbara, in the well-being of the iron ore industry, instead of these other unions that are sometimes Australia-wide in their coverage caring nothing about the well-being of any particular industry or of Australia -- caring only about the pressure points of power; being able to disrupt and destroy where the opportunity offers itself.

If those unions, the AMSWU and others, were de-registered from the Pilbara and denied any possibility of ever getting back into that arena, it might cause a little fuss for a while, but if that is the fuss Western Australia wants the Commonwealth will stand with Western Australia. Let's have it out and let's get it over with.

I would like to say something for a moment about Australia and where we stand in the world, because we have every reason to be proud of the achievements of this nation. If we get this industrial disruption behind us sensibly then we can look forward with overwhelming confidence to the 1980s and the years ahead.

In many overseas countries the increased inflationary pressures are worse than they are in this country-- the United States, six months to May, already 12 percent; the United Kingdom, 13 percent & on the admission of their own Government going to 16 or 17 percent; Canada, 10 percent and rising; Italy, 15 percent. Australia at the moment is around 8 percent, but faces increased and new inflationary pressures, as we know, which we are determined to combat and we have already taken some measures in relation to that.

In growth rates, the OECD has forecast 4 percent for Australia in 1979. That is not as good as we would like, but it is well above the OECD average; the United States, 2 3/4 percent; Britain, 1 1/4 percent; and Canada less than us again. Productivity improvement: Australia with 3 1/2 percent on the same forecast is well above the OECD average which is 1 3/4 percent; the United States with no productivity growth through 1979; the United Kingdom, 1/4 percent; and Canada 1/4. Now it is no wonder that the world is in trading difficulties. We have had high inflation for nearly seven or eight years or more. In the twenty years to 1973 we had an eight percent growth in world trade each year. Since then there has been a 4 percent growth in world trade, largely because of high inflation and low growth in the economies of a number of major countries. What does that mean for Australia? It does mean that with inflation remaining too high we can't look to the world to pick us out of problems and difficulties. There won't be adequate growth in world trade and markets to achieve that. That means we've got to look to ourselves. We can--and we shouldn't be deterred by that or frightened by that, because it is within our power. If we keep our inflation below that of our major trading partners, our industries will sell more here and more in other markets overseas. If we keep our industries more competitive, we will do better no matter what is happening in the wider world. With economic stability as an encouragement for investment, with greater political stability than in many other resource nations, then again there is a greater incentive for investment in this country than in many others. Because we have coal and gas, iron ore and bauxite and other minerals that the world needs, with these things we have a capacity to attract investment to Australia and get -- more than our normal share of world trade. It is within our power with the right policies to achieve that.

For all these reasons Australia has many advantages. We have taken tough decisions. We are not going to go the way of some other countries. We have the right, the responsible, policies and we can do better and look after this nation even if the world trading scene gets tougher and more difficult than it has been.

The one blotch, the one difficulty, is industrial relations. The time has come to make sure that we do something about that. With Liberal philosophies, with our approach, with co-operation between State and Commonwealth, there is nothing that this State of Western Australia--there is nothing that Australia herself--cannot achieve.

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