



FILE

PRIME MINISTER

FOR MEDIA

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ADDRESS TO SOUTH AUSTRALIAN STATE COUNCIL
DELIVERED BY HON. A.A. STREET
MINISTER FOR INDUSTRIAL RELATIONS

I welcome this opportunity to visit South Australia yet again in the wake of the stunning victory by the Tonkin Government on September 15. I am even more delighted because I have the opportunity today to speak to those people who were the architects of this success.

The victory of David Tonkin and his team was not only a confirmation of the need to put economic growth first in South Australia, but also it was an emphatic assertion by the electorate here that under Labor significant progress had been denied to South Australians.

The memories of the Playford era are still present amongst those of us who desire progress from Government. Under Playford rule, South Australia experienced a degree of industrialisation that it had not known and has not since experienced.

In the manufacturing sector it had unparalleled success in keeping costs low making manufactured goods attractive to Eastern Australian markets. The tight control over Government expenditure under Playford, placed the onus on private enterprise and personal achievement.

Under his Government, population grew and South Australia experienced a rise in the standard of living comparable with its growth.

The Tonkin victory means the end of the Dunstan era, but not the end of the problems created by the Dunstan era. It is the beginning of the challenge of re-building the economy of South Australia.

The Dunstan-Corcoran legacy is the legacy of all Labor socialist governments. We are all too familiar with the fact that unemployment in August under the Corcoran Government was running at 8.2% of the full time work force, compared to the Australian figure of 5.8%.

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The Dunstan era saw employment in the Government sector increase by 26,500 while employment in the private sector remained almost at a standstill with an increase in the same period of only 1,800. Firms, strangled by Government regulation and control began to move to other States.

The defeat of the Labor Government came at a time when South Australia with 9% of the national population could lay claim to less than its fair share of investment in mining and manufacturing in Australia which is either committed or in the final feasibility stage.

South Australia under Dunstan and Australia under Whitlam are classic instances of what can happen to an economically advantaged country when high spending proponents of big Government are voted into power.

Yet today, by his own admission, Mr. Hayden would do it all again. He argued in March this year that: "There was nothing revolutionary or even particularly radical about the Whitlam programmes."

We must all be warned. The labels on the prescription may be different but the Labor medicine is still the same.

The recent A.L.P. Conference here in Adelaide offered us a socialist blueprint for the 80's, no different in substance of style from that of the Whitlam days. It must be analysed and rejected: debated and defeated. It advocated Government intervention in typical socialist style through nationalisation and extending public ownership.

It advocated a return to big spending by: "The abolition of staff ceilings" in the Public Service; the re-incarnation of the R.E.D. Scheme as a Community Youth Corps, which could cost \$600 million, raises phoney short-term employment expectations but makes little contribution to long term job creation; employer subsidies which on some calculations could cost \$1,000 million or more a year, would largely subsidise staff who would have been employed in any case. Yet again, such a Scheme merely acknowledges that there is no short term solution which will rectify imbalances in the economy. The promise to re-introduce Medibank I would return us to the extravagant days when health services were abused at a cost unacceptable to the taxpayer. In the last financial year in which Mr. Hayden was Treasurer the Commonwealth Government's contribution to health costs in Australia rose by 113.6%. Such an advocacy of big spending has won predictable support from leading union spokesmen.

At a time when we are at last seeing the benefits of reducing the deficit to manageable dimensions - namely a new confidence in Australia, here and abroad - the Budget submission by peak union councils, including the ACTU, advocated a Budget deficit of \$3.5 to \$4 billion.

Mr. Hayden's own shadow Budget could lead to a deficit of \$4 billion or more. There just seems to be no understanding by Labor spokesmen of the inevitable effect this would have on inflation; on wages and jobs; on interest rates; on the Australian currency; on confidence in Australia and on willingness to invest in Australia's future.

To add to this, the Labor Conference not only accepted the principle of full wage indexation but affirmed the right of Australian workers on top of this, to "collectively bargain and ... strike". It is impossible for the Leader of the Opposition to deny his commitment to these Conference demands. In all the Conference, nowhere was there any debate about the role played by increased Government expenditure in promoting inflation.

Labor increasingly boasts a commitment to high expenditure and more taxes -- but more taxes minimise individual freedom and increase the Government's direction over people's lives.

Mr. Hayden stated clearly in the F.E. Chamberlain Lecture in March this year that: "The challenge to ... socialism ... is the rapid spread of philosophies based on lower taxes and smaller government...". It is no wonder that the Opposition Leader was subsequently able to protest "that considerable suspicion of the Labor Party ... and of Labor Party Governments remains in the electorate."

For there is no fundamental difference between Mr. Hayden's economic madness and that practiced by the Whitlam Government.

It is valid to remember that during three years of Federal Labor rule taxes from personal income increased 125%. The Adelaide Conference told us, we are to have "taxing of ... accumulations of personal capital". We are told that "this is to be reviewed regularly".

People need constant reminding that the Labor Party is the Party of high taxation and new taxation. But this time we... can at least say we have been warned.

In February this year, the Opposition's spokesman on economic matters, Mr. Ralph Willis, when asked "What is your attitude towards taxation?" replied: "We haven't just talked about increasing Government expenditure, we've talked about alternative policies of raising revenue as well ... we've talked about the need for ... new taxes ... resource rent taxes or super profits taxes ... and some form of tax on capital". In fact in June 1978 Mr. Willis committed himself to the "mammoth task in re-building the public sector .. in convincing the electorate that it should pay a higher level of tax to enable us to do so". Such measures assert the view that the Government knows best what we should do with our money. This economic thinking must be firmly resisted.

When taxation measures, specifically promised by the Labor Party, seek to redistribute resources from individuals to Government, the capacity of individuals to make decisions is severely restricted. Because of this we have effected reforms in the taxation scales.

In this financial year we will collect \$4,000 million less in income tax than if the Hayden tax scales had applied. Put another way, a taxpayer with a wife and two children on average weekly earnings will be over \$1,000 a year better off after the 1st of December this year than he would have been under the Hayden tax scales. Such a move towards lowering the taxation burden enshrines our Liberal principle that Australians must be given the capacity to determine their own priorities in life.

The Labor Party seeks to move in the opposite direction. To add to this the Labor Party is bent on increasing union power and will legislate to that effect.

Its platform from the Adelaide Conference specifically commits a Labor Government to "Supply information gathered by the trans national coperation monitoring agency to the relevant trade unions ... and appropriate international trade union organisations". It further argues that a future Labor Government will allow unionists to "strike in the course of (their) activities immune from any pain or penalties directed against unions or unionists." This is simply capitulation to the union movement and a prescription for community chaos.

The complicity of the Labor Party in industrial chaos can no longer be tolerated. On the 20th of September this year the Leader of the Opposition was reported as arguing that the Labor Party and the unions were "two separate bodies", that he "could not possibly endorse" the "foolish behaviour of some unions". Yet confronted by serious strikes and disputes in recent months - the Telecom dispute, Australia Post disputes, the current Queensland power dispute, the transport strikes in South Australia, Victoria and New South Wales - Mr. Hayden was silent.

How often do we hear Labor leaders defend the community interest when it is being undermined by militant union leadership. The usual silence of Mr. Hayden and Mr. Hawke is a most forceful commentary on the relation between the Labor Party and the unions. They are not separate bodies at all. They seem hand in glove in attempting to distort the social and economic face of Australia. Any doubt that this is so was dispelled by the response of the Opposition parties to the Government's recently amended legislation designed to minimise industrial disruption.

Mr. Clyde Holding, the Member for Melbourne Ports, by his own admission, based his speech in Parliament on material provided by the A.C.T.U. Does this mean that the union movement is now writing some of the Opposition's speeches? This is a tangible demonstration of the subservience of the Labor Party to the needs of the union movement.

We should not be surprised by this. Mr. Hayden is on record as saying of the union movement: "They are very important to us historically. Without the financial support they give us we would ... wither and go into extinction or we would have to obtain funds from other sources."

Labor's attitude in recent weeks is consistent with its approved policy. The Adelaide Conference yields untrammelled rights to union leaders to bend their own members, employers and the public to their will without reprisal. This leads to justifiable fears that Labor in Government would be the mouthpiece of the union movement just as Mr. Holding was the mouthpiece recently of the A.C.T.U.

So much for Mr. Hayden's claim in September this year that the connection between the Labor Party and the union movement was "largely an illusion". We will always assert that Governments must be accountable to the community at large ... not to powerful sections of it.

Indeed Governments' responsibility is to create a suitable economic climate in which goods and services are produced, where jobs are available and incomes can be spent by people in accordance with their own wishes. It is not the function of Government to set specific goals for all Australians: to prescribe for society what it believes society should have. These decisions in the end must be taken by Australians themselves.

Everything a Government does must aim to place economic activity at the service of people not Governments. To secure continued growth and individual freedom in the 80s we need to win the fight against authoritarian planning advocated by socialist governments throughout the world.

Woodrow Wilson summed up the continuing position well when he said, many years ago: "Liberty has never come from Government. The history of liberty is the history of the limitation of Government power not the increase of it." We must strive in the 1980's to write another chapter into that history.

We enter this period with a record of Australia becoming economically healthy once again. Over the last four years of Liberal-Country Party Government in Australia, the objectives for re-establishing economic growth have been maintained.

The Government's consistent policy has been to keep downward pressure on the rate of inflation. As a result, inflation in Australia is now lower than in most other Western countries and there has been a greater increase in our international competitiveness. Labor inherited in 1972 an inflation rate of 5.8 per cent, their legacy to our Government was an inflation rate of 15.1 per cent, which we have been able to reduce to single digit figures. We have controlled the size of the public sector. We have held Government spending over the last three years to a near constant in real terms. By contrast, in one year 1974/75, under the Whitlam Government, Commonwealth outlays rose by 46 per cent. The domestic deficit this year of \$875 million is less than half that of last year. In 1978/79 the volume of manufacturing exports was up 21 per cent. Real private business investment rose by 9.7 per cent.

The Australian Government has been in the vanguard of major industrialised countries in espousing the view that the defeat of inflation is a fundamental pre-condition to lasting economic growth. Only this way, can business confidence grow and profitability increase ... and then, and then alone, will long term increases in job opportunities occur. There is no room for complacency. Much remains to be done.

To go forward into the 80's with vigour and vision we must capture the innovative and competitive spirit of all Australians. Through Liberal Government, individual Australians have the chance for success born of initiative, the utilisation of resources and hard work.

If we maintain our quest for excellence in fields of scholarship, business, the arts, and sport -- we enhance our capacity to strengthen national morale and confidence.

Much is being said internationally about resources these days. Let that debate not obscure our faith in Australia's human resources. The capacity to strive to seek to find, and not to yield, is possessed by all of us.

No doubt, from time to time, there will be those who dampen our creative impulses by cynicism; who obscure our enthusiasm with negative thinking. But we must rise above these obstacles. A Liberal Government will always aim to push the frontiers of individual achievement further and further out.

Any Party can assert its dedication to individual freedom. But a Party expresses that freedom only when it recognises that individuality and diversity are central to the human make-up; that from them stem fulfillment and self esteem.

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For South Australians this is not a time to be timid and tentative in the steps we take. There is cause for confidence and already the first signs have emerged. Now that the South Australian election is behind us, the development of Roxby Downs can proceed. The project is no longer being blocked by a Labor State Government: the Liberal State Government in South Australia stands behind it.

For its part, the Commonwealth, under its foreign investment policy, has approved B.P. and Western Mining undertaking exploration and development of the prospect. Of course, there will have to be environmental studies, but the way is now open to explore the possibilities of this unique resources.

The Roxby Downs project could be of the size of Mt. Isa, a \$600 million - a \$1,000 million copper, uranium and gold investment that could, when developed, add to the workforce some 4,000-5,000 jobs.

All this means that South Australia is now firmly placed to complement the progress being achieved at a national level. The decision made last September 15 by the South Australian electorate has given a further impetus to the developing momentum of Liberalism in this country. The onus is on us all, with resolution and commitment to defend unapologetically what our Party stands for and the principles to which it gives expression.