PRIME MINISTER

SUNDAY, 21 SEPTEMBER 1980

ADDRESS TO LIBERAL SPEAKERS GROUP CONFERENCE
MELBOURNE

I would like to thank you all for the invitation to be with you this morning and for the timely way in which you have organised this meeting. You obviously had some percipience about the date of the election.

I have been asked to speak this morning principally about the Labor Party and the damage that the policies of the Labor Party would do to Australia. I will only just skirt around the edges of this particular subject, because if one were to speak in full about the damage that their policies would do to Australia that person would stay on his feet for 24 hours, and still not exhaust the subject.

It is not likely that this could have been a Labor Speakers Group, because with what has happened over the last couple of weeks, if it were, the meeting would have had to be cancelled.

Today I would like to mention the ALP's economic policies - which are in part at least written by Jim Roulston of the AMWSU - defence policies; centralism; the damage they would do to development; what they would do to industrial relations - that would not exist under Labor - and energy policies.

We all know what happened in 1972-75 when inflation increased four-fold in three years. The ALP inherited a relatively sound and strong economy and did enormous damage to it. They inherited an economy that had traditionally perfomed better than the world average, and they made it into one of the weakest economies in the world; with less growth and more inflation than in most of our trading partners.

In one year Federal award wages, under the promotion of Mr. Hawke, went up by 38% in one year. When we think of the industrial record of those years, we should remember the close and friendly relationships between Mr. Hawke and Mr. Whitlam as Prime Minister. I am sure everyone - and Mr. Hawke - would agree, that he was in a position of great influence. Well, it was an influence that did not do much for Australia.

Health expenditure went up 114% in one year under Mr. Hayden's gentle care. Personal income taxes went up 125%. It is no wonder that the country was being bankrupted.

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When we came into office at the end of 1975 it was very like taking charge of a company that was in the hands of the receivers and moving towards liquidation.

Have they learnt anything over the last five years? If we listen to them: not very much. In five areas of expenditure alone they are committed to $2,000 million annually of additional expenditure, as costed by the operative departments and by the Department of Finance. They were figures that would have to go into any Budget if they were ever going to have a chance of introducing a Budget. Then there was the "AM" programme where Mr. Hayden committed himself through the media to over $500 million in social welfare: a commitment which he sought to deny in the Parliament 10 days later. I have no doubt that all welfare recipients will take note of how long that particular commitment lasted. With that promise added there's $2,500 million in six areas of expenditure. What is going to happen when all the other 20 Shadow Ministers get at him and say: "Well, you have given to so and so, and to so and so. Now I want my share!". The additional bill would be quite impossible for all Australia.

It is no wonder that Mr. Hayden wants to do away with the Department of Treasury. It is a bulwark for commonsense. It is a bulwark for honesty and policies that would in fact work within Australia. Yet Mr. Hayden wants to abolish the Department of Treasury. He wants a Budget every three years to five years. If they think that that is the way they can hide their expenditure programme, that really would not work.

Amongst the other programmes that they would want to pursue: the old bogies of intervention in the business life of this country; of nationalisation of certain industries; establishing and extending public enterprise in many areas, but un-named and un-defined; establishing a hydro-carbon corporation - I suppose to drill dry holes with taxpayers' money; a national fuel and energy commission to do more of what private enterprise ought to be doing for itself. None of this should be any surprise to us, because they said - or Mr. Hayden said in the Chamberlain Lecture in 1979: "the challenge to ... socialism ... is the rapid spread of philosophies based on lower taxes and smaller government ..." In 1978, Mr. Willis committed himself to the "mammoth task in rebuilding the public sector ... in convincing the electorate that it should pay a higher level pf tax to enable us to do so". Then, Mr. Hayden says: that Labor's revenue raising plans are "somewhat more radical than had been outlined up to 1972". He said he had committed his organisation to a capital gains tax, a resource rental tax, a levy on domestic oil producers, and a number of initiatives in the tax area and other measures of that nature. Well, what a wonderful policy to go into the election on: "a number of initiatives in the tax area and other measures of that nature". That would cover any tax increase they could ever want.

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It was Mr. Willis who elaborated on other measures when he said it was "wrong" if we didn't have "some form of tax on capital, be it death duties, capital gains tax, wealth tax, or perhaps some kind of combination of those, or all three". If that is not sufficient warning, then Mr. Hayden in a little tape - we have a copy of it, it was sent to all branches of the Labor Party around the country and I suppose the faithful were meant to play it and listen to it in rapture - he said: 'look, if what we are talking about publicly doesn't meet what you want in fact, read the whole policy document, read the whole platform, because there are an enormous number of things in it, and they are committed to doing the lot. But in our public presentation we are committed to being selective, because otherwise it won't sound too good.' This was all on tape. It was a remarkable little tape. But it made it perfectly plain that they are committed to doing everything in the platform document. Because of these statements on tax, nobody could say that Australians have not been warned.

There is in that abortive social contract, a promise of a 'Royal Commission into wealth': who would undertake that? Who would want to be in charge of that Royal Commission? Is it going to be Bill Hartley, or is it going to be Jim Roulston? They are probably amongst the likely candidates. Under cover of something of that kind, introducing a wealth tax, a capital gains tax, or re-establishing death duties must be high on the list of the objectives of the Labor Party and of the socialist left in this State.

It was Mr. Hawke who called the ALP economic policy in Adelaide last year a 'gutless sellout to the left'. Even Neville Wran, when he could then speak, was calling it a 'hotchpotch'. Returning to the three to five yearly Budget instead of having one once a year, and remembering it was Clem Jones in Brisbane who said Mr. Hayden could not even read a balance sheet, when he starts getting into difficulty in the second, third or fourth year, no doubt it will be Mr. Hartley who will tell him what the red figures mean.

That is enough on economics, because their economics is hopeless. It just does not exist. It would be a disaster. It would destroy the gains that have been won over five years. And instead of having a proud place within the international economic community, Australia would immediately become one of the weakest nations in the world. I am sure that Australians are not going to abandon the kind of confidence that they do now have in Australia's future for the hopelessness that would flow from Labor's policies.

Let me turn now to defence. They have given some kind of lip service, to condemnation of the invasion of Afghanistan; some kind of lip service to support for the increased defence expenditure that we have undertaken in Australia. But on every hand, their tendency is to criticise what we do, what the United States does. And where do you find criticism of the Soviet Union, of the Soviet Union's invasion of Afghanistan, of the Soviet Union's support for that terrible occupation of Kampuchea by more than 200,000

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Vietnamese troops which is costing the Soviets $1,000 million a year. "(Afghanistan) is ... far away from our area of interest and Australia is not threatened ... after all... who would want Afghanistan". That was Mr. Keating shortly after the invasion, in January of this year. Well, the Soviets obviously want Afghanistan.

Senator Georges, in a debate in the Autumn this year: "There is more dignity and morality in the Soviet Union than there is in our own society and in many Western Societies". Tell that to the trade unionists in Poland who are struggling for some degree of freedom.

Then accused President Carter of being concerned about that invasion in Afghanistan because he has an election this year, and us because we have an election this year. But what about Margaret Thatcher who has just had an election. What about Helmut Schmidt, a most notable socialist and leader of Germany; one of the most respected figures around the world in a free society. He is infinitely concerned and has said so publicly on many occasions. Is he concerned only because he has an election some time this year? What about Pierre Trudeau who has just won an election? Or Mr. Rowlings, the Labor leader in New Zealand. He has at times been suggesting that Mr. Muldoon should have taken a more vigorous stand in relation to certain aspects of opposition to Afghanistan. Was he doing it because there is to be an election.

Making that kind of criticism of President Carter is almost to suggest that the United States was responsible for the invasion, and not the Soviet Union. I fail to understand why it is that the Australian Labor Party which purport to support ANZUS, purports to support the Western alliance, must always direct its criticism at the United States and at our allies, rather than at those who are the enemies of freedom.

In the last couple of days in the north, speaking for Mr. Hayden who cannot speak just at the moment - and I hope he gets his voice back soon, I think it is better if people can understand exactly the sort of things he would say - Mr. Bowen has criticised our increasing defence co-operation with the United States, suggesting we are trying to get the United States more involved in the Indian Ocean - indeed we are, and we ourselves are because the alternative would be to leave it as a Russian sea. It is time that the Australian Labor Party started to direct their criticisms where they properly belong: at the power which has the largest and most powerful land army in the world, infinitely the largest; at the power that has achieved nuclear parity, if not nuclear superiority with the West. The USSR has been spending 12% to 14% of their Gross Domestic Product on defence for year after year. When the Americans have increased their defence expenditure, which has not been in many of those years in real terms - the Soviets have increased theirs more. When the United States during that period, the high years of detente, was reducing defence expenditure, the Soviet Union went on increasing defence expenditure. They have never deviated from that path. Detente for them does not in any sense diminish their competition with the West, and with the

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kind of free societies which are so important to us. Why is it that the Australian Labor Party feels utterly unable to understand that.

It is not surprising now, that when you find a senior columnist in the Melbourne Age saying some aspects of Labor policy as presented by senior spokesmen, are remarkably similar to those of one or other of the Australian communist groupings. That is not the Liberals or Malcolm Fraser saying that: it is a senior and respected columnist in the Melbourne Age.

There have been other things. What did happen at that midnight meeting between Mr. Hayden and Yasser Arafat where there were no witnesses to what occurred. Were there agreements entered into? Understandings entered into? We all know Mr. Hartley's affiliations and sympathies in these particular areas, over the years long exhibited. I would be very surprised if somewhere in the background Mr. Hartley's influence was not evident in relation to that visit and to that particular meeting.

How is it that a senior Victorian spokesman for the Australian Labor Party, and for the socialist left, wrote with such enthusiasm a press report: "Australians must realise, like Iranians, that the United States is the number one enemy". Well, we know that that happens to be the view of the socialist left in this State. It is our task to make sure that all Australians know that that is the view of the socialist left, and therefore of a very significant element within the Australian Labor Party. That some spokesman called for the approval of the Soviet invasion of Afghanistan, and he happens to be not only a senior spokesman for the socialist left, but as I am advised, a senior press officer for Mr. Wilkes. And for a leader of the Labor Party in the political domain to allow any servant of his to make a statement like that - and to stand unrepudiated - is to have the Labor Party endorsing that kind of statement. So, you have the two policies: that particular policy and the lukewarm condemnation of Afghanistan from some spokesmen in the Federal Parliament.

There are other aspects of the Labor Party which have not changed. They want to amend the Constitution to see that "the Senate has no power to reject, defer or otherwise block money bills". just to minimise the powers of the Senate instead to abolish the Senate. They also want to amend the Constitution to provide for its alteration by a simple majority of the electorate, offering no protection thereby for the smaller States: Tasmania, South Australia, Western Australia, Queensland, smaller in numbers. There was a certain compact in this nation at the beginning of Federation because of our large size; and because it was between six separate States, the States smaller in population wanted some protection. That protection in terms of altering the Constitution ought to remain. But the Labor Party would seek to abolish it.

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There are some spokesmen, some Messiahs of the Labor Party, who would plainly seek to go much further. Mr. Hawke has said "we must have one government with ... unquestioned power ..." Unquestioned for what? Not to be subject to challenge before the High Court? Not to be subject to challenge because they infringe upon States' rights? It is an interesting phrase, "with unquestionable power". Couple that with the attacks of the Labor Party on the High Court over the last eight months. When you add those up, they come to considerable condemnations and criticisms indeed. It is no accident that this Labor Party, which criticises everything of importance in our society, has over the last year turned considerable attention to the High Court itself, which is the bulwark of the Constitution and a defender of the rights and the liberty of individual Australians.

But Mr. Hawke went on : "... Australians would be better served by the elimination of the second tier of government - that is, by the elimination of the States. And I must confess that I don't have any idea what States' rights are". We do believe in a diversification of power. We do not believe that all power be in the hands of one group of people, and especially ~~so in a~~ country as large as Australia.

What would have happened to this country if there had been no States from 1972-75, and there had been total power in the hands of Mr. Whitlam, Dr. Cairns and Mr. Hayden - because he was a part of it, supporting everything that was then done. The disasters that befell us would have magnified many-fold, and our capacity to recover ~~might well have been~~ infinitely diminished.

There have been arguments over the last 10, 12 or 14 years that have been difficult for the Liberal Party and for the nation. Offshore sovereignty and High Court cases which gave authority to the Commonwealth. It would have been possible for us to say to Dick Hamer in relation to Bass Strait, or Sir Charles Court in relation to the North West Shelf, "well, the courts have given us sovereignty and we are going to exercise it totally. Our Department of National Development will move out into the States and you can get out of the area. It is of no concern to you". That is precisely what the Labor Party have said they will do. But we have set about in a painstaking way to negotiate a series of agreements on mining, drilling, fishing and the management of all resources offshore. We have come to an agreement with all the States - Labor and Liberal - in a truly historic set of documents which have established agreement. We have done this without having to go to referendum. We have done it without dispute. We have done it in a way which established a commonsens relationship between the administration of the States and of the Commonwealth. But the Labor Party would want to tear that all up and assert total Commonwealth power. Again, it just shows their philosophy of life which is so different from ours.

If we look at the question of development, Mr. Hayden queries whether we want the forthcoming increase in development to be undertaken in the way in which it is, in the proportion to which it is. He queried that point recently, almost suggesting there will be too much development. This again gets back to their

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old philosophy of being much more concerned about the distribution of wealth than about the creation of it - not understanding that if there is not the creation of wealth, governments will never have adequate resources to meet the needs and aspirations of their own people, for schools, for hospitals, for roads, for all the environmental services, national parks and all the rest that people expect of Governments in a modern society.

Quite apart from what Governments need, without the creation of additional national wealth, there will not be the resources available to people, for them and their families to lead the kind of lives that they would want in a free society, because if Governments consume more, there is less immediately for families to consume. What we produce in any one year is finite. To cast doubt on the nature of development, to suggest that there should not be as much development: well, from 1972-75 they stopped development dead in its tracks. We should not doubt their capacity to do that once again.

They have said they would expand the functions of the Foreign Investment Review Board, which has defended and protected Australian equity in major resource projects very well over the last five years. They are also going to establish a spying body; information is to be gathered about trans-national corporations. There will be a monitoring agency, a spy agency, to find out information on the trans-national corporations and to give that to the relevant domestic and international trade union organisations and to the United Nations. Well, you do that and what overseas corporation would ever again invest in Australia. So when Mr. Hayden says he doubts that there should be as much investment and development going forward as we have planned, as we have encouraged, and will continue to, we know quite well that he has the immediate power and the capacity, and the policies to prevent that occuring. We should not doubt what they say in relation to it.

Tony Street has recently said somthing substantial about industrial relations, and also about the Labor Party's so-called social contract, or rather Sunday afternoon agreement which was repudiated before Sunday night came around. What they have in their platform is serious and we need to understand it. "The rights of unions to regulate their own affairs ... free from Government and judicial interference". What about the rights of members of the trade unions to know how their money is spent; a right which has now been established with reports to each trade union member. What about the right of trade union members to have their representatives elected by secret ballots properly conducted; a right that would be taken away immediately under that plank of Labor's platform. They would "exempt unions from provisions of the Trade Practices Act". Section 45D has been of remarkable use, and effectiveness, over recent years, and it must remain. "The repeal of all penalties for strikes against arbitral decisions of the Commission or a Conciliation Committee ...". All right, you have an Arbitration Commission, you have a decision with total obligation on the employer to support it, prosecution before the courts, before the law, or fines or worse if he does not, but no obligation at all upon the trade unions to abide by the decisions of that Commission. That is a pretty one-sided arrangement, but that is the way the Labor Party would do it.

"The prohibition of action by the Commission to insert or register clauses in awards or agreements excluding the right of workers to resort to industrial action". The bans clauses which are important, which should be there, especially for some of the outlaw unions.

"Securing the immunity of unions and their members from actions for tort ... committed by or on behalf of a trade union in contemplation or furtherance of a labour dispute...". Trade unions are already the most powerful organised group within this country. Some people, maybe once BHP or CRA or other corporations might have had significant power in a total sense, but if you look at the power of the major trade unions, if you look at their annual incomes, sometimes of $8 million or $9 million or $10 million a year; for what purpose do they use it? Not to advance the cause of their members very often, not to be a dividend to their shareholders, their constituent parts, but for the political purposes of the union heirarchy at the top. When union members start to get and start to read the report of how those union officials spend and disburse funds of that kind, it will be interesting to see what the reaction of rank and file union members will in fact be. I believe it could well result in a massive pressure for a reduction in union fees so that monies can be spent on union purposes, to advance legitimate industrial purposes, and not for the massive political intrusions of unions such as the AMWSU.

Quite plainly, in a modern society unions have great power. While we would agree that in the conduct of industrial relations a sensible relationship by management and conciliation, negotiation and consultation, about all the various things that can affect working men and women of this country, is of enormous importance. And while we would also hope that the overwhelming majority of disputes or potential disputes could be resolved through that process of consultation and conciliation, without resort to law, we know quite well that from the facts of life that that just is not possible: the Builder's Labourers - who would suggest that you just go and negotiate nicely or reasonably with Mr. Gallagher.

Who would suggest that the AMWSU and their leadership would at all times be reasonable, pleasant, coming to a sensible agreement around a conference table without resort to threats, without putting pressure on industries and businesses that often could not sustain it without the support of law. To put the trade union movement, or to free the trade union movement from any restraint under the law, is to put trade union officials, the purposes of the unions, totally above the law. That could be a disastrous situation for this community or for any community.

The relation to these particular things is very like the relationship between a ventriloquist and his doll. You have a situation in which the left hand moves a little bit and the doll nods its head. That I think is the relationship between the trade union movement and Mr. Hayden.

It is worth asking questions about the one member of the troika who still has his voice.

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Mr. Hawke, as President of the Australian Council of Trade Unions: he was from 1972 to 1975 in a position of enormous influence: President of the ACTU and President of the Australian Labor Party with a warm, constructive, beneficial relationship with the ALP Prime Minister of the day. What happened as a result of that beneficial and productive relationship? Federal award wages went up 38% in the 12 months to March. That was one result of that relationship. Another result was an all time record of well over 6 million man-days being lost in 1974 for industrial disputes. Is there any suggestion or any reason to believe that the same would not happen again; that he will have more influence with the union movement as a politician than he had as President of the ACTU. If there were to be a better situation with Mr. Hawke in the Parliament than out of it, one can only assume then that his influence as President of the ACTU was one for the worse than one for the better. But it is worth nothing that he has said: "... the major contribution of a Hayden Labor Government with myself as Minister for Industrial Relations will be to take the Government out of the role of active participant; to be there simply to put its resources and knowledge for the availability of the Commission and of the parties",

That of course, is precisely the position that Labor adopted in 1973-75; with the kind of results which you know. He has also said: "the Commonwealth is trying to take over the major role of arguing a position". That's not the position of a Government, he says. "It should put a factual position before it and leave it to the parties ...". Well, who is going to protect the public interest? Who is going to argue against that kind of massive wage increase - 39% as occurred - in the 12 months to March1975. Because every employee knows that that is against the interests of every employee, and every business and manufacturer knows that it is against their interests likewise. I suppose Cliff Dolan - who is President of the ACTU, and we will look forward to working with him and with the ACTU after the elections - made it plain that there is no social contract between the ACTU and the Labor Party. But I suggest that the philosophy that the Labor Party has adopted, Mr. Hawke or no, would be a damaging policy indeed.

I would like to make two other points briefly: in relation to the energy crisis, even though Mr. Keating has said they would collect more from an oil resource tax than we get out of the levy, and that their policies wouldn't mean much to the motorist, which carries one sort of implication for prices. Even though they have said that, they are trying to give the impression that under Labor people would have cheap petrol. Well let me only say that cheap petrol would represent the most selfish policy that any Government, any community, could pursue at the present time. It would be saying that you and I, and our generation, can use up Bass Strait, that we can run it dry, and then when it is run dry at the end of this decade and into the 1990s, our kids can make all the adjustments that we failed to do, that we did not have the courage to undertake. Because the Rundle shale-oil deposit would not come on stream. Under that sort of policy the North West Shelf would not have been pursued. Under that sort of policy the

liquefaction of brown coal would not even be examined. It would leave Australia dry; beggars for fuel on the international market, having to pay prices much higher than are now paid.

It would indeed be a selfish policy. It is worth noting I think in passing, that if, in the normal course of events, the recent Saudi price increase of $2.00 a barrel is carried through into Australian prices - and I say in the normal course of events, because in the past we have made the decision twice a year, before January 1 and before July 1 - that would mean an adjustment this time, because of the strength of the Australian dollar on the international market of significantly less than a cent a litre. So all the scare talk that Labor has suggested - a 5 cents rise on 1 January - is obviously a lot of sheer nonsense.

The last thing that I want to say very briefly, is to mention again the Socialist Left in this State, because the plain reality of life, as recorded through the journalists in the newspapers before we started to get into an election environment, is that the Socialist Left has an increasing influence in Victoria, and through Mr. Hayden, on the whole political scene of the Labor Party. They said themselves in the "Labor Star", which Mr. Hartley controls, that the Socialist Left has a big say in most of the functions of the Party. They control the Party's newspaper. They run the head office. They run a weekly radio programme on 3K2 and the Party's Administrative Committee. "If they get any more control, there will not be anything left for anyone else", a Labor MP in Victoria, reported in the Melbourne Age. Mr. Hawke called him a "canker within the Party". But they are there. They are part of the Party, and they dominate the Party. It is no wonder that Mr. Hawke is bitter about it, because again it was Bill Hartley who reported in relation to that Adelaide meeting a year ago that Bill Hayden had accepted Jim Roulston's advice on wages and economic policy, and that's never been denied. That is the deal done with the Socialist Left, and that in fact is the so-called agreement between the unions and the Labor Party which even now Mr. Hawke has come to endorse for the sake of a momentary peace.

These things I think, need to give us some cause for concern, but the intervention of the Labor Party in Queensland; the sacking of Dr. Klugman, the demotion of Mr. Young, are all related to the ultimate strength of the Socialist Left within the organs of the Party. Why is Mr. Hayden so unwilling to criticise the Soviets? Why does he criticise our defence policies and the American defence policies so avidly. Why does he pursue big spending so much. Is that just to buy off the left, but in national forums tries to distance himself in fact from their cost.

It is Bill Hartley, who Victorians probably know and recognise better than most other Australians, who does have the last word. Because "more and more the Labor Party is coming generally to the view that anti-Sovietism and anti-communism are anti-working class". And he says: "Mr. Hayden has done more for the Socialist Left than they could ever have managed for themselves", as reported in the Bulletin. No wonder Mr. Hartley calls Mr. Hayden "the best Labor leader for the Socialist Left ...". And now he has said more recently "the Socialist Left (has) regained de facto control of the (Victorian) Branch, especially in the areas of policy committees".

We really do need to make sure that not only Liberals but the wider Australian community understand this in the few weeks ahead of us.

We also need to make sure that people understand that the Labor Party mean what they say. In 1972 they tried to give an impression of moderate, reasonable, sensible, rational decisions in Government. How many moderate, reasonable rational decisions were made between 1972 and 1975. It is a party that is bankrupt of ideas. The very fact that they have to resort to attacks on personalities to the extent that they do, the very fact that they have to try and resurrect an exercise by a few CMF officers somewhere down the track - Operation Manhaul - and claim that as national policy, the very fact that Mr. Bowen over the last couple of days, has again criticised the increasing defence co-operation with the United States, all these things are signs of desperation of a Party unfit to lead Australia into the 1980s.

You asked for a speech about the Labor Party; the damage they would do to Australia instead of one that was promoting the positive things that we will be doing over the 1980s. I think it is useful to have a forum in which all these strands could be brought together because in sum they would represent the total destruction of our kind of society.

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