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## PRIME MINISTER

### ADDRESS TO BUSINESSMEN'S LUNCH, COOLANGATTA, 16 FEBRUARY 1981

I am quite sure that as member for McPherson Peter White will be a very good member, who will not only be able to represent this electorate and its particular interests, but also the state of Queensland and make a very worthwhile contribution to the Party Room and to the general government of the country. I am looking very much when Parliament first meets on about the 24th of this month to welcoming Peter White in the Liberal Party as your member.

He has got a good record of service, he is a local and he knows the area and knows your concerns. Referring beyond that, it is fair enough I think sometimes to ask why vote Liberal. Why Liberal, as opposed to some other political party.

I believe the Liberal Party is the only effective Australia-wide party which represents the interests of all people, of all groups within the Australian community. I believe the Liberal Party alone is capable of effectively defending and building the kind of Australia we want, in which freedom and the importance of individual men and women and their children is paramount in all the policies we pursue, where people are free, where they are not pushed around by the bureaucracy, where they are given some special protections against the sometimes inevitably growing bureaucracies and intrusions of a modern state. Where they are not oppressed by the prospect of higher and higher taxes; I'll have something to show in a (inaudible) about that because I assert without fear of contradiction from any of my good friends that the Liberal Party stands in the forefront of tax reform and tax reduction.

Throughout Australia, the Liberal Party is successfully representing great electorates. Great electorates such as the one of McPherson, except there is something unique about this electorate not repeated in any other place. As the only Australia-wide party we represent as many or more rural seats as the National Party and I think that is worth noting. We represent great traditional cities, Townsville, Bendigo, Launceston and many others. We are the party where the policies in a real sense are really made. We are part of a great national movement right around Australia, founded by Sir Robert Menzies and many other far-sighted people in

the last days of Labor Socialism in the mid-40's, and has been the greatest political party that Australia has ever seen or will ever see. Because the Liberal Party will endure and strengthen while Australia survives, and that is going to be forever.

Labor really isn't a credible alternative. I think that's probably recognised. Even on taxes they're still talking about higher taxes and more taxes, and they've tried to run away from the fact that they were proposing a wealth tax. But the leader of the Labor Party Opposition in Victoria shortly after the elections said it's time we had a wealth tax, and it's quite plain that that kind of punitive approach is very much a part of their philosophy. They were proposing a capital gains tax and, you know, it's very much against the Liberal Party philosophy to have a capital gains tax. And I was surprised when Glen Sheil caught up with the idea and wanted to have a capital gains tax with about 20%. If he did I think that would be about the highest capital gains tax in the western world. I know some countries have them and they don't advance their causes by so doing. And I thought this state had abolished death duties. I didn't really know that Joh was wanting us to introduce death duties on the living as Glen Sheil's capital gains tax would be.

The Labor Party is still living very much in the past. The Left is more influential than ever. (Inaudible) three elections in a row pretending to be moderate and in Opposition that's what the Labor Party always do. Mr Hayden obviously thought he tried another tack and he said we've got to stop trying being moderate; we've got to stop trying to pretend we're not openly and blatantly socialist in everything that we do. We've got to retain our socialism and go about it in a full blooded way. Well if he wants to go on talking like that we can have another general election, and double the majority again. But a majority is enough but it is a tiny reminder to the people of McPherson that the Labor Party isn't an option,

The National Party in Canberra are great partners in a great coalition and the relationship in that coalition I think is probably better than it has been in any coalition in all the years I have been in the Parliament. And that's going back to the middle sixties. But I don't know how it's happened, the State branch of the party seems to have proposed policies that are slightly unrealistic in relation to the nation's affairs in this by-election. But I don't really know why a state branch of a party wants to get into the business of trying to make federal policy anyway. Well they've got their own policy problems within the State sometimes. But I noticed only yesterday my good friend, Joh said the only party pushing for lower taxation is the National Party - we'll just query that a little - we're a low taxation party and we've administered Queensland that way. We're the only ones to keep pressing our policy on. Well that's a great

statement. But the part I would like to draw to your attention and we have administered Queensland in that way. I really would like to question that a little bit. Because when Joh first became Premier in 1968, was it, he had 83,000 public servants. How many do you think he has got today? 100,000? 110,000? It's 149,000, a growth of 60,000. Now I don't know whether that is the greatest growth of all the States but it is certainly a very great growth. He spent in 1968 \$220 a head for the people of Queensland. In 1979/80 he spent \$994 a head, which is an increase in real terms of 55%. And if he had held that money constant in real terms so that the good people of Queensland should have got the benefit of lower taxes instead of higher government spending, there would have been \$780 million to give back to the people of Queensland in taxes lower than they would now pay. That's \$27 a month for every man, woman and child in the State.

Now when he says that we're a low taxation party, we've administered Queensland in that way, I believe that those figures put a question mark over it to put it mildly in quite a substantial way.

Well a lot has been said about the flat rate tax proposal and I don't think that's really taken very seriously. I don't think anyone with a social conscience and a concern for this community, for the total community which is the concern of the Liberal Party, are more of those who believe in our philosophy.

I don't think anyone could give much credence to a proposal that would seek to more than double the tax on somebody earning \$9000 a year with a dependent spouse and at the same time halve the tax on somebody earning more than \$50,000 a year. I don't think there is much social justice in that. I don't think this community is one that will support a proposal of that kind which is so blatantly and plainly inequitable. The proposal that was put would cost, slightly later figures than the ones I had a week ago that John Howard has worked out for me. The latest proposals on the normal states' share would have involved a reduction of \$500 million in the Commonwealth payments to the state of Queensland for general revenue purposes. Now do we really believe that the state of Queensland is prepared to accept its share of that particular reduction, when only three or four days ago all the Premiers signed a document, an agreed document from the States asking for more money, a greater share, higher returns we would have to tax, they wouldn't have to tax it, and give it to the States to spend as they want. And this is just one of the reports of that particular document in one of the papers today which states they press for a bigger slice of taxes.

So when Premiers come to Canberra I have never yet known a Premier say, look I've got enough money on this particular issue, Prime Minister, I don't need more on that issue. Have you ever known a Premier to come back and say he has enough? They always want more. If somebody wants to reduce taxes as

I do, and that's why we sometimes say no to Premiers at the Premiers' Conference. That's why we have staff ceilings, that's why we have 10,000 less public servants than we did five years ago in the Commonwealth. If you really want to reduce taxes you have got to show that you are fair dinkum in restraining expenditure. And you don't allow your state bureaucracies to run wild, you don't allow your own expenditures to run wild. And you don't go to every Premiers' Conference saying how mean the Commonwealth is, they should give us more money, They should be saying give us less money so long as you use what we don't pay in taxes. Well, John's share of the less on his own proposals is \$500 million and when we have that Premier's Conference I think I might collect it from him.

But, ladies and gentlemen, that's really a bi-play. I got out those figures that somebody got for me, and I thought them too good not to use.

The really important thing is that Australia is growing in confidence, Australia is growing in capacity, just as the Gold Coast is growing forward strongly, the spirit of free enterprise, that's what's happening here in different ways is being mirrored right around Australia. The re-building of this nation is well underway. What we've done in the last five years is in a real sense is building the foundations. But if you are going to build a strong nation, the foundations have to be strong. And they are. But a lot of it is underground. But from now on, through the ages, the next three years, you are going to see the result of it all above ground. And they'll be wider and wider recognition of the benefits of our policies.

I think there are still some who may not feel that progress has been made, but if they go to Britain, go the United States, or to Europe, they'll see the great difference between the confidence and enthusiasm in Australia and the difficulties being experienced in many other countries.

Of course, we had to get the fundamental things right. Inflation had to come down because it robs the retired, the aged, it hurts the weak most of all. It makes it hard to sell our good side either in Australia or overseas, therefore it destroys confidence and jobs. And that's why, having worked at it for five years, having our inflation now below the average of all western countries, and right now at the bottom of range, it's a beacon of hope all around the world and people say why has Australia been able to do things, which they've not been able to do over the last five years in other places. And I think that the fact that our inflation has come down while theirs has been going up is the fact that this economy is growing while the world economy is standing still is all the more credit to all Australians, because we've gone against the tide.

It's easy enough, perhaps, if you are reasonably sensible to get a bit of growth and expansion into an economy, to have jobs increased, but if the whole world's economy is growing, you get picked up in that. The world economy isn't growing, the world's trade has not been moving much and Australia has gone against the tide in a resounding way as a result of what we've done. And a large part of that is as a result of the decline in the government's claim on resources. And the size of the public service is a sign of that - 10,000 down on five years ago and in the same period Joh's has gone up 14,000.

And the third fundamental accept the economic growth we need in this country. Because we need that growth so that we'll have jobs for people but also so we will have the resources to enable people to have the standard of life they want, for themselves and their families, but also so that governments can take a reasonable share to provide the things that governments must do without taxes being too punitive. And the OECD is now believing that Australia will grow at 4% this year, while many of the major OECD countries won't grow at all, some, the poorest ones their economies will even shrink - they'll produce less than the years before. And think what that means for their standard of life, for the jobs in those countries. It's a circumstance that is depressing and hope that it is soon reversed. Business investment is upward, oil exploration is the highest since 1969, mining and manufacturing \$33 billion intended for Australia and about \$8 billion or 25% of it is because of Queensland. Because the broad economic policies of this State, that there is a bit more restraint in expenditure and allows a compatible and encouraging investment and development in the great state of Queensland. But the growth is across Australia. In many different kinds of industries, in mining, manufacturing and also in rural, because before the drought rural employment had grown for the first time in 30 years. And that again is a mark of what we've done.

But this is happening because government policies are not longer pushing private people and individuals and businesses aside. We passed the ball to private enterprise and with the imagination and initiative of Australians, we're picking up and running with it, to the advantage of themselves, their families, all Australians.

And so employment has grown strongly over the last year, and especially so in this state. This helps to provide resources for those in need. We introduced the present sensible income test for pensioners, we indexed pensions twice a year to protect the elderly, pensioner health benefit cards have been relaxed to benefit additional people. We have provided in the last budget, special additional assistance to welfare beneficiaries with dependent children. We have provided funds for 700 projects to build homes for the elderly and 12 of them are being built in this electorate.

We want to continue to restrain public expenditure, to provide strong growth throughout this economy so that we will have a greater capacity to reduce the burden of taxation. But it's got to be done sensibly, it's got to be done in a realistic way and there's no point in coming forward with schemes that might sound good if you look at the front cover but fall apart once you take that cover off. And I believe our way of restraining government expenditure, of encouraging growth in this economy, offers the only real way to lower the individual tax burden on Australians and on Australian families. And we reject totally the high tax policies of the Australian Labor Party.

Ladies and gentlemen, as a result of what we have done over the last five years, and as a result of the initiative and work of countless thousands of Australians in this state, on the Gold Coast, right around the Commonwealth, Australia is now a beacon of hope for many advanced industrial countries. People have said how has Australia been able to achieve, why haven't other countries been able to, why have you been able to get your growth up and your inflation down and so many others have failed to do so.

As a consequence there's a respect from our neighbours, from our trading partners, the respect from business people and financiers who want to invest their dollars in Australia, sharing with us the growth and potential of one of the great countries of the world. And this area, the Gold Coast, is a symbol of this spirit of private enterprise. You've only got to look around to hear more and see how much has been done because people have confidence, and they back their confidence with dollars.

The philosophy of the Liberal Party in government has I believe opened the vision of Australia which seemed quite out of reach a few years ago. We now need to plan ahead with a clear perspective of what we are about. We need to have it understood that our policies are not ones for this week, next month. They're not policies for a by-election, they're policies for the term of Parliament from the decade that will last, that will endure, that will stand the test of time. The policies which will mean I think that we're not going to be judged on our rhetoric, but on our actions, on our results. And here you can see the results all around.

But in this there is a role for everyone who believes in our cause, there is a role for everyone especially over the week who believes in Peter White as I do. People want to be assured that our decisions are carefully thought through, there is a consistency in judgements in our policies, that we are governing in accordance with our philosophy and ideals and that our decisions show concern for the well-being of individual Australians and their families. I think people want to know that we offer something much more than a good standard of living, something much more than nuts and bolts of a material society. We offer a way of life steeped in freedom and the values which have stood by the Liberal

Party since its foundation in 1945. And in getting that message across, there is an opportunity for everyone to do something about it, either to recruit more members of the Liberal Party or to convert one, two, three or four a day, depending on your energy and your powers of persuasion from one or other of the parties - I don't mind which to our cause because our cause is right, and our cause is right for Australia. I have a total and utter conviction of that, and if I didn't have that conviction I'd stay on my own farm.

Your vote for Peter White is a chance to keep in touch with the work of the Liberal Party in Canberra. It is a chance to make sure you have a voice in the party room, a voice that can speak to government of your concerns, not just for this election, but for the wider Australia which we all love. It's a chance to see that the successes of the past are not squandered on some hairbrain schemes which are brought out that last for three weeks and are not intended to last beyond that. It's a chance to have a responsible voice in the Fraser/Anthony government which I believe has done much for Australia. But there is a great challenge ahead of us and the work has just begun.

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