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PRIME MINISTER

FOR MEDIAMONDAY, 8 MARCH 1982LOWE CAMPAIGN DINNER

It is certainly a very pleasant thing to come to Lowe to support Phillip and Pat Taylor in this by-election because I suppose there are candidates, but Phillip Taylor, if you were trying to write out a copy-book candidate for Lowe, I think you would have taken Phillip Taylor's specification and that would have been it. I said a little earlier this afternoon that Phillip Taylor, the electors of Lowe are going to be getting two for one, because Pat has been working very hard with him and obviously Lowe is going to be very well represented after Saturday.

I would like to thank Dr Stuart Smith, the club president for allowing us to use his premises tonight, thank you very much.

I would like to speak to you for a few moments about a number of issues of current importance to Australia. We live in a changing world and while our policy objectives remain firm and resolute, quite obviously the settings of policy, the approaches that we might need to adopt to achieve our objectives change as circumstances change.

We need to remember the Liberal Party since its foundation has been instrumental in bringing to Australians and Australian families the great advances which have been achieved in living standards and in our way of life over the last 30 years. Those of us who do remember the ordinary average house of the average family in the late 1940s and the kind of house people expect and so very often have taken for granted in recent times, the difference in that house, the difference in its equipment is just a mark and one mark of the changed living standards of Australian families. Living standards in real terms have doubled over these times and things that were the exception are very much regarded as the norm and something that all people come to accept and this again represents the march of Australia over those three decades.

It has always been the Liberal objective to keep building Australia up for the future, to bring growth and investment to Australia, to encourage private enterprise and initiative, because this is the only sure foundation of continuing prosperity for ourselves and our children.

This is the great legacy of the Liberal Party to Australia over the last 30 years and I would believe for the next 30 years. The Liberal Party is the only nation-wide party committed to the well-being of all Australians. There was that famous

occasion going back when a Labor Prime Minister, it was John Curtin or Ben Chifley, was in New Zealand during a Christmas period, so he sent a telegram to all the Labor people in Australia, Christmas greetings. Well an Australian Prime Minister is meant to represent all Australians and not just people of one kind. Our Party has a profound responsibility to keep advancing the policies on which Australia's continued prosperity depends. That does not mean taking an easy part, it does not mean coming out with a basket full of goodies to try and buy support in a by-election for Lowe. It means explaining, doing what we believe to be right, doing what we believe will really lead to an improvement in the lives of Australians from one corner of this country to another. That sometimes means taking difficult decisions, but if people know politicians at all, they ought to know they don't like taking difficult decisions for the fun of it. We would all much sooner take the nice, easy pleasant decisions, but if the country is to be well-governed that is not always the way of it.

It is important that we realise that the future cannot be taken for granted, important that we carry to the community the message that Liberal policies alone will carry Australia strongly through the difficulties and uncertain conditions overseas which inevitably affect us.

On the international front, there are obvious threats and tensions, we see them not only in Poland and Afghanistan, but also in Communist influence in Latin America and Africa. New threats can emerge with almost no notice and in these circumstances, the Australian Government plainly needs to be giving its support to our allies, and taking its share of the responsibilities which arise under the western alliance.

In economic terms, the world scene is equally disturbing and we do the Australian people no service at all by trying to turn our back upon it, by trying to pretend that the world scene is other than it in fact is. World trade has remained sluggish. Predicted revivals, predicted at almost regular periods of six months over the last six years have not taken place. Commodity prices have fallen substantially in the last year and this of course, inevitably hurts Australia. We are a great trading nation and we live by our capacity to get access to and sell to the markets of the world. There is little or no growth in the economies of many of our trading partners and the unemployment situation in some of those countries, is vastly disturbing. In Germany it is over 7%, in the United States approaching 9%, in the United Kingdom approaching 12%. But we think unemployment is bad here, try and imagine what it is like in those countries. And by the second half of this year, total unemployment in the developed (OECD) countries is expected to rise to a massive total of 28½ million people.

These difficulties overseas are not new, indeed Australia, has through the determined application of policies, through the energy initiative of Australians and Australian enterprise, managed to swim against the adverse world tide for a number of years. We have problems, and I don't try to suggest that there are not. But if you take two examples in the United States, four years ago their motor industry was producing 15 million

automobiles, this year they are going to produce 8 million if they are lucky. Imagine what that means to unemployment in Detroit and the motor industry throughout the United States and unemployment of a kind that Australia certainly has not known for decades and maybe not even in the 1930s.

If you take the home building industry, where we know there are some problems and our minds are being addressed to those problems at the moment, in the United States home starts are running at about 40% what they were 2 years ago. What is it down here, 10% or 12% and we recognise the nature of the problem, we believe it is significant for us. But would our reaction be if we had a problem of the kind there is in the United States right at this moment.

Australia has been growing economically at more than twice the average rate of other advanced western countries over the last few years. This year international organisations predict that Australia will grow at three times the rate of those countries and that of course, means better living standards for Australian families and that is what it is all about, not some statistic on the board, but how it translates and the kind of lives that Australians can lead in all parts of this country and in the kinds of opportunities that we are able to create for young Australians.

Business investment in Australia in the last financial year had its highest rate of increase for 30 years, and a further substantial increase is expected this financial year. This not only reflects the confidence of investors in Australia's future, it will also provide the underpinning for improvements in living standards in years ahead. Of course, again, this is what it is all about. I think sometimes people believe that we want business investment for the sake of business investment. I don't think businessmen believe that that is the end objective, it is what you are enabled to do with that investment once it is in place. It does translate into more wealth, more opportunities better living standards, more jobs, for Australians. But without the strongly based business investment in many different industries, primary, secondary, and mining. Without that the opportunities ahead of us are going to be much less than they can be and will be under our policies.

Real incomes have risen substantially over the last 18 months and I think this is not really adequately understood. In the last financial year, very nearly \$3 billion - and after tax, after the terrible taxman, not before the taxman - and that is quite a lot in anyone's terms was added to real household disposable incomes, representing a real increase in the standards of life of Australian families. Whatever figures are used, that plain, basic fact cannot be got around. Putting it in another way, in the two years to the September quarter average weekly earnings have increased by over \$13 a week in real terms.

We seek higher real wages through higher production. That is the way to improve living standards right around this country. We seek higher employment through investment in the private sector, and under our policies over 380,000 new jobs were created in the three years to January. Compare that with what has happened in the United States, what is happening in Britain, what is happening in Germany, what is happening in France. Name any other country where private sector employment has been growing as strongly as that over recent years. I suggest you will have to look very long and very hard and Australia is virtually leading the band in relation to employment growth. Australia's success since we came to office shows that our approach works, and this is why, in a deteriorating world situation, it is more important than ever that we maintain the overall thrust of our approach, while remaining flexible to changing circumstances.

What a contrast there is between what we have achieved, the way we have built Australia up, and the way that Labor's irresponsible policies between 1972 and 1975 drove the economy into the ground and destroyed confidence and the incentive to invest.

This is a country where we want to build and expand our population and after the war there began a great migration program and one of the greatest achievements of Mr Whitlam and Labor of those years and of Mr Hayden who was his Treasurer, one of the greatest achievements was to establish the one year in 1975 in which more Australians left this country than came to this country. That is how people thought of the Labor Government after 2½ to 3 years. They just did not want to be here any more and they were leaving and of course in the years since the migration programme has been built again and the country is growing strongly as a result of migration. We have been building this country and we are determined to keep on doing just that.

It is plainly vital in the present situation that nothing should happen in Australia that weakens our competitive position in world markets, or for that matter in our own domestic market because with recession or even depression, quite obviously with 12% unemployment, it is not surprising if Britain gets 6% of wage settlements, their industries will be becoming more competitive and we will have to make sure that we can match that competition. In the present circumstances, excessive wage demands, and especially demands for a further general wage increase at this time, are certainly against the interests of wage earners and indeed, against the interests of all Australians.

It is also important to avoid damage to our competitive position and our reputation as a reliable supplier in world markets which are threatened by strikes and industrial disruptions. How often have we heard over the last several months, I am sorry I cannot deliver those goods at the moment because the container is still on the wharves. I called this Wran's navy the other day. I was told I should have called it Nifty's navy, or Nev's navy or something, and I think it is all the same thing. I thought there was one purpose to which he could put those ships. They have probably all got generators. Well you got that message quite quickly, but I think the Parliamentary Opposition should ask him if it is true that he has bought 50 miles of underwater cables for taking all this power, so that at least the ships can have their generators running, in case nothing else can run in NSW.

The high level of strikes in recent times has not only put at risk our position and our reputation in world markets, it has caused massive inconvenience and discomfort to average Australians and especially in this State as you well know. It has destroyed job prospects for a number of young people.

In the face of this industrial situation, the Government is bringing forward a number of key legislative initiatives and they will be introduced into the Federal Parliament in a very few weeks. We are going to provide employers with automatic right of stand-down of workers who cannot be employed because others are striking. We well know what the position. There has been a provision in the Arbitration Act and the C&A Act, but employers who did not have that right of stand-down written into their award probably had to argue beyond the length of the dispute to get it and some time ago we gave the Commonwealth that right in relation to our employees. We have used it on a number of occasions and we have used it successfully on a number of occasions so that is not a shot in the dark, it is a proven measure and I believe it will equalise opportunities and equalise bargaining positions between management and labour and that certainly needs doing.

Also of course, that legislation will encourage the development of industry unions and seek to protect the right of employees through voluntary unionism and preference to unions and modifications to those present aspects of the law. We are also acting in co-operation with the states in relation to aspects of demarcation disputes and here we are looking at the possibility of establishing a special panel or a division of the Arbitration Act, but backed by powers, backed by legally enforceable powers if other innocent parties are hurt as a result of demarcation and that is being closely examined by the states and we are looking for a report for the Premiers' Conference in June. The waterfront is forth most in our discussions with the states because they are heavily involved. They run ports and harbours and to solve the problems we are facing in that area, we need not only the cooperation of the industry, but the co-operation of state governments also.

Labor always claims to have a special relationship with the trade union movement. The words that I have got down here say that the facts tell a different story, but in fact, they do have a special relationship with the trade union movement and we really need to understand that absolutely. It is a relationship in which the politicians who depend upon trade unions for their money are subservient to the trade union movement and the trade union movement expects the politicians to do what they, the trade unions want in the interests of militant trade union leaders and that is the special relationship of the Australian Labor Party with the trade unions.

There was a comment by Mr Wran the other day which can be paraphrased as saying well I have been nice to the union movement, they should be nice to me. They have not been nice to him or nice to the people of NSW and legislating to give into the union movement is not to way to establish industrial peace.

There was a time when the Labor Party had an unprecedented opportunity to establish industrial peace. They had a Prime Minister, Mr Whitlam and then they had two Mr Hawkes. One as President of the Labor Party and one as President of the Australian Council of Trade Unions. Now who could possibly, Mr Hawke being as good as he obviously is, surely could have established industrial peace even if he was only in one of those positions. Being in both of those positions, he should have been able to guarantee industrial peace for all time.

Now, manufacturers, industrialists, commercial people here will know what happened in those days. Bad as industrial relations were in the last part of last year, bad as they have been in this state over the last months whatever they were much worse when you had Mr Whitlam and Mr Hawke and Mr Hawke in a record 6½, 6½ million working days were lost in one year alone. That again, is an example of the special relationship which Labor had with the trade union movement. All you have seen in NSW is that same special relationship translated into the state arena. Even with recent high levels of strike activity, there is nothing that approaches that Whitlam record of 1974/5.

In NSW Mr Wran has demonstrated that he is unable to solve strikes and none of you will forget recent battles to find food and petrol, or the lack of trains and buses, and all those ships anchored out to sea. Power, that is just a question of legislating to give power workers reduced working hours, of making commitments to the whole state that would not lead to blackouts, would not increased to increase costs, trying to hide it by cutting down on maintenance, so 3 out of 4 Lydell generators are out of business and 50 people have had to come out of Britain to rewind them. That is going to be a long job and you probably have noticed that daylight saving is continuing in this state a month longer than it should have and a month longer than in Victoria and that is because Mr Wran cannot produce the power that is necessary. If somebody is going into the candle business, but watch out Lindsay Thompson is hooking up more and more generating capacity in Victoria, 1,400 million megawatts hooked up in the last 12 months in Victoria, the largest increase in the states grid at any 12 month period and that is why a lot power is coming up from Victoria at the present time. No doubt Victoria will continue to do that and do everything it can to help NSW.

I would like to very briefly refer one or two other issues which I think are on peoples' minds. Home ownership which is an objective for which the Liberal Party has always worked and will work. In 1950 home ownership in Australia was about 50%. It has built up to around 70% under Liberal policy. We are now in a higher interest rate environment. Past policies are I think unlikely to work adequately in this environment, but we want to make quite certain that when policy changed that they are going to be adequate, they are going to be appropriate, they are going to keep home ownership within the reach of average Australian families.

Because these are fundamental matters and these are important matters and they involve significant institutions in this country, some under state legislation, some under Commonwealth. The matters obviously need to be thought through very carefully and not rushed into the public light just to see some other kind of political timetable. The purpose is to get the policies right and once we have done that and feel ourselves in that position a statement will be made about it.

I think probably as a result of the last few days, the question of pension eligibility has been adequately dealt with, but there are plans within the Government, within Senator Chaney's province or no proposals coming forward now or in the budget context to alter the eligibility provisions in a way which would put pensioners at a disability. I was asked on one occasion, would I guarantee that there will be no changes in the next budget and I said no. I would guarantee that there would be no changes because that would rule out changes for the better. Senator Chaney will be bringing some matters before us in the budget discussions where he knows there is some general concern about the inadequacy of one or two provisions. I cannot give any commitment, but these matters are obviously very seriously going to be discussed and the Liberal Party has done what it can to make sure that the letter from me has been circulated to I think all households in Lowe to make sure that the current position is understood. I am sorry if some elderly people who were dependent upon pensions and benefits had been disturbed by some of the public debate that has gone on. I think the political process should owe those people better than causing them concern in the pursuit of political objectives.

Saturday's by-election there is no doubt that Phillip Taylor is the outstanding candidate and the race is not yet finished, it may be getting into the home straight and that is when that extra energy, that extra skill, extra determination is needed to make sure that the votes are there for Phillip Taylor when Saturday comes around and when voting stops on Saturday. So much depends on the energy, the efforts and the enthusiasm of local people. One of the things that gives me enormous confidence in this by-election is the enthusiasm, not just of the candidate, candidates are always enthusiastic, but the enthusiasm of people around Phillip Taylor, the Party workers right out in the branches, enthusiasm from people here, people I have met during the course of the day and the other occasions when I have been in Lowe. That enthusiasm is good, that enthusiasm is infectious. It is that kind of confidence that persuades people who might be wondering one way or the other what to do, to say right, I should go with Phillip Taylor and the liberals.

So, the more people you can speak to between now and Saturday the more people you can impress with Phillip Taylor's qualities, capacity to represent the people and the more people that you can persuade that this Government is here to serve all the people of Australia and we are going to continue to do just that to the very best of our ability, then the more votes you will have for Phillip Taylor and the more certain the result will be, and the better the Liberal victory will be.