



PRIME MINISTER

SPEECH BY THE PRIME MINISTER, THE HON. R.J. HAWKE, A.C., M.P.

PRESS CLUB

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AS I SAID AT THE BRISBANE CHAMBER OF COMMERCE ON MONDAY, THE TIMING OF THIS EXTENSIVE VISIT TO QUEENSLAND IS ENTIRELY FORTUITOUS. IT HAD ABSOLUTELY NOTHING TO DO WITH THE REMARKABLE EVENTS NOW UNFOLDING; AND OF COURSE, NO ONE COULD HAVE FORESEEN THEM.

AND OF COURSE, I'D BE THE LAST PERSON TO WANT TO INTRUDE ON MR BJELKE-PETERSEN'S PROBLEMS; AND I DON'T PARTICULARLY WISH TO CANVASS THE POLITICAL CRISIS INTO WHICH QUEENSLAND HAS BEEN PLUNGED SO SUDDENLY.

BUT I MIGHT JUST SAY THAT IT IS JUST AS WELL FOR THE PEOPLE OF QUEENSLAND THAT MR PETERSEN DOESN'T APPLY TO HIMSELF AND TO HIS ASSOCIATION WITH LABOR PEOPLE THE SAME STANDARDS THAT HE APPLIES TO HIS COALITION PARTNERS.

BECAUSE I CAN TELL YOU THAT MR PETERSEN HAD NO DIFFICULTY AT ALL IN TAKING FROM A LABOR PRIME MINISTER AND A LABOR TREASURER, AN EXTRA \$31 MILLION FOR QUEENSLAND WHICH WE OFFERED AT THE PREMIERS' CONFERENCE. AND THAT \$31 MILLION WOULD ENABLE THE QUEENSLAND GOVERNMENT, IF IT HAD ANY MANAGERIAL CAPACITY, TO INTRODUCE A WIDE RANGE OF NEW ACTIVITIES TO PROMOTE RECOVERY WITHOUT HAVING TO INCREASE ITS OWN TAXES.

IT'S ABSOLUTELY ESSENTIAL FOR QUEENSLAND THAT THERE SHOULD BE STABLE GOVERNMENT HERE TO ALLOW THE STATE TO TAKE ADVANTAGE OF THE INITIATIVES WE HAVE TAKEN.

FOR THE FACT IS THAT THERE CAN BE NO BROADLY-BASED NATIONAL ECONOMIC RECOVERY UNLESS QUEENSLAND PARTICIPATES IN IT, AND SHARES IN ITS BENEFITS.

AND THAT, OF COURSE, IS WHY THE PRESENT EXTRAORDINARY POLITICAL CRISIS IN QUEENSLAND IS A MATTER OF NATIONAL CONCERN.

BECAUSE, ONE OF THE THINGS THAT IS ABSOLUTELY ESSENTIAL FOR STEADY NATIONAL RECOVERY IS STABILITY AND PREDICTABILITY. THAT IS OF PARTICULAR CONCERN TO THE BUSINESS COMMUNITY IN QUEENSLAND AS MUCH AS ANYWHERE IN AUSTRALIA.

AND ONE OF THE REASONS WHY THE AUSTRALIAN BUSINESS COMMUNITY, TO A DEGREE NOT KNOWN IN AUSTRALIA SINCE THE WAR, WITHDREW THEIR POSITIVE SUPPORT FOR OUR POLITICAL OPPONENTS IN THE LAST FEDERAL ELECTIONS; AND EVEN TO A CERTAIN EXTENT, TRANSFERRED THAT SUPPORT TO LABOR.

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THE AUSTRALIAN BUSINESS COMMUNITY HAD BECOME
DISENCHANTED AND DISTURBED BY THE POLITICAL INSTABILITY
AND UNPREDICTABILITY OF POLICY WHICH HAD COME TO CHARACTERISE
THE COALITION GOVERNMENT OF OUR PREDECESSORS.

BUSINESS CANNOT PLAN EFFECTIVELY, CANNOT TAKE
THE INITIATIVES AND SOMETIMES, THE RISKS, ASSOCIATED WITH
THE CREATION OF NEW JOBS, IN AN ATMOSPHERE OF UNPREDICTABILITY
AND INSTABILITY.

AND THE EVENTS IN QUEENSLAND OVER THE PAST FEW
DAYS HAVE PROVIDED A RECIPE FOR INSTABILITY UNKNOWN IN
QUEENSLAND FOR MORE THAN A QUARTER OF A CENTURY.

THERE IS NOW NO POSSIBLE PERMUTATION OR COMBINATION
OF COALITION POLITICIANS WHICH COULD RESTORE STABILITY TO
QUEENSLAND. THAT CAN ONLY BE DONE BY THE PEOPLE
THEMSELVES.

AND BECAUSE OF QUEENSLAND'S SIGNIFICANCE IN THE
NATIONAL ECONOMY, IT WILL BE SOMETHING WHICH AUSTRALIANS
EVERYWHERE WILL WATCH WITH INTEREST AND CONCERN.

AND OF COURSE IT IS PRECISELY BECAUSE OF QUEENSLAND'S SIGNIFICANCE, IN TERMS OF THE NATION, THAT I DECIDED THAT I WANTED TO MAKE QUEENSLAND MY FIRST MAJOR VISIT OUTSIDE THE CAPITALS, AS SOON AS THE BASIC WORK OF ESTABLISHING A NEW GOVERNMENT AND LAYING DOWN THE FOUNDATIONS FOR THE NEW ECONOMIC PROGRAM - THE PROGRAM OF NATIONAL RECONCILIATION, RECOVERY AND RECONSTRUCTION - HAD BEEN COMPLETED. AND THAT IS WHAT WE'VE BEEN DOING OVER THE PAST FIVE MONTHS.

IN THE POLICY SPEECH I SAID THIS:

"WE OFFER NO MIRACLES. WE OFFER NO OVERNIGHT SOLUTIONS FOR THE IMMEDIATE PROBLEMS WE FACE OR THE DEEP-SEATED PROBLEMS WE MUST FACE TOGETHER... WHAT I DO OFFER IS A PROGRAM TO PRODUCE GROWTH AND EXPANSION IN THE ECONOMY, ACHIEVABLE GOALS FOR THE REBUILDING AND RECONSTRUCTION OF THIS NATION."

WHAT WE HAVE DONE IN THIS INITIAL PERIOD IS TO LAY FIRM FOUNDATIONS TO FULFIL OUR COMMITMENTS OVER THE TERM OF THIS GOVERNMENT AND BEYOND.

OUR OVERRIDING CONCERN HAS BEEN TO RESTORE BALANCE TO THE ECONOMY AND TO ESTABLISH THE BASIS FOR SUSTAINED ECONOMIC GROWTH.

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- IF WE ARE TO SERIOUSLY TACKLE UNEMPLOYMENT
- IF WE ARE TO RAISE THE LIVING STANDARDS OF ALL AUSTRALIANS
 - WE MUST LIFT AUSTRALIA'S ECONOMIC PERFORMANCE
 - WE MUST ACHIEVE A RETURN TO GROWTH.

I BELIEVE A RETURN TO ECONOMIC GROWTH IS NOW IN SIGHT.

THIS GROWTH SHOULD START TO GATHER PACE DURING THE COURSE OF THIS FINANCIAL YEAR.

TO CREATE THE BASIS FOR THIS EMERGING GROWTH, WE HAVE HAD TO TAKE SOME DIFFICULT DECISIONS,

THE MAY ECONOMIC STATEMENT CONTAINED SOME HARD DECISIONS, AND THE BUDGET TO BE BROUGHT DOWN ON 23 AUGUST WILL CONTINUE TO EXERCISE THAT FIRMFNESS.

RECOVERY CANNOT BE PAINLESSLY ACHIEVED OR QUICKLY ACHIEVED.

GIVEN THAT UNEMPLOYMENT WAS EXPLODING WHEN WE CAME TO OFFICE, IT WILL TAKE A LONG TIME EVEN TO COMPLETELY HALT THE GROWTH OF UNEMPLOYMENT, LET ALONE ACHIEVE SIGNIFICANT REDUCTIONS.

WHILE INFLATION SHOULD FALL SIGNIFICANTLY OVER THE NEXT YEAR, UNLESS MORE SUBSTANTIAL PROGRESS IS MADE, THE CAPACITY OF MUCH OF OUR ECONOMY TO CONTRIBUTE TO GROWTH WILL BE PUT UNDER GREAT STRAIN.

THE PROSPECTS FOR GROWTH WILL ALSO BE PUT AT RISK UNLESS WE ENSURE THAT THE DEFICIT IS REINED IN AS THE PRIVATE SECTOR RECOVERS.

THIS IS ESSENTIAL TO AVOID PUTTING UPWARD PRESSURE ON INTEREST RATES AND SO WEAKENING THE PROSPECTS FOR PRIVATE SECTOR INVESTMENT.

I WANT TO NOW TAKE THE OPPORTUNITY HERE IN BRISBANE TO SPEAK ABOUT OUR POLICIES FOR GROWTH AND EXPANSION IN A NUMBER OF KEY AREAS THAT ARE ESPECIALLY RELEVANT TO QUEENSLANDERS.

LET ME BEGIN WITH OUR MINERALS AND ENERGY POLICIES.

OUR AIM IS TO ESTABLISH A STABLE CLIMATE FOR LONG-TERM INVESTMENT IN THE MINING AND ENERGY INDUSTRIES.

TO THIS END THE GOVERNMENT IS MOVING TO ESTABLISH CLEAR AND CONSISTENT POLICIES FOR THE DEVELOPMENT OF AUSTRALIA'S MINERALS AND ENERGY RESOURCES.

WE ARE PRESENTLY REVIEWING FOREIGN INVESTMENT POLICY IN ORDER THAT CLEAR GUIDELINES ARE AVAILABLE TO INVESTORS

- AND THE POSSIBLE BENEFITS TO AUSTRALIA FROM FOREIGN PARTICIPATION ARE MAXIMISED.

THE GOVERNMENT IS DEVELOPING A PROPOSAL FOR A RESOURCE RENT TAX WHICH WOULD RATIONALISE THE PRESENT COMPLEX AND ARBITRARY SYSTEM OF TAXES, ROYALTIES AND OTHER CHARGES ON MINING AND ENERGY PROJECTS.

- WE LOOK TO CO-OPERATION WITH THE STATES AND INDUSTRY IN DEVELOPING THIS PROPOSAL.

THE GOVERNMENT IS DETERMINED TO PROVIDE THE FULLEST SUPPORT FOR SECURING OVERSEAS MARKETS FOR AUSTRALIA'S RESOURCE EXPORTS.

RIGHT NOW THE DEPUTY PRIME MINISTER AND MINISTER FOR TRADE, LIONEL BOWEN, IS OVERSEAS, ENGAGED IN A SERIES OF TALKS IN JAPAN, THE UNITED STATES AND CANADA TO SECURE AND ENHANCE AUSTRALIA'S RESOURCE EXPORT MARKETS.

I NOW TURN TO ANOTHER MAJOR AREA OF CONCERN FOR QUEENSLANDERS, THAT OF AGRICULTURAL TRADE.

THIS HAS A SPECIAL IMPORTANCE FOR ALL AUSTRALIANS. AGRICULTURE CONTRIBUTES ALMOST HALF OF OUR EXPORT EARNINGS.

WE ARE ONE OF THE PRINCIPAL SOURCES OF MANY AGRICULTURAL COMMODITIES ENTERING INTO WORLD TRADE - PARTICULARLY BASIC FOODS SUCH AS WHEAT, BEEF, SHEEPMEATS AND SUGAR.

HOWEVER, WE ARE NOT IN A POSITION TO SIGNIFICANTLY INFLUENCE PRICES.

THE NEED FOR INTERNATIONAL CO-OPERATION BETWEEN PRODUCING AND CONSUMING COUNTRIES IN DEALING WITH COMMODITY TRADE PROBLEMS IS OF SPECIAL IMPORTANCE.

WITH FEW EXCEPTIONS THE PROBLEMS WHICH PERSISTENTLY AFFECT OUR TRADE IN AGRICULTURAL COMMODITIES ARISE FROM POLICIES AND PRACTICES OF OTHER GOVERNMENTS.

THE MOST VISIBLE OF THESE POLICIES IS THE EUROPEAN ECONOMIC COMMUNITY'S (EEC) COMMON AGRICULTURAL POLICY.

THIS HAS DONE GREAT DAMAGE TO THE AGRICULTURAL EXPORTS OF AUSTRALIA AS WELL AS TO OTHER MAJOR AGRICULTURAL EXPORTERS.

THE COMMON AGRICULTURAL POLICY HAS NOT ONLY GREATLY RESTRICTED ACCESS TO WESTERN EUROPEAN MARKETS.

IT HAS ENCOURAGED A VERY SUBSTANTIAL INCREASE IN THE INEFFICIENT PRODUCTION OF PRIMARY PRODUCTS BY THE EUROPEAN ECONOMIC COMMUNITY VIA ELABORATE ASSISTANCE MECHANISMS WITH SURPLUSES PUSHED OUT ONTO WORLD MARKETS AT SUBSIDISED PRICES.

THIS IN TURN HAS SEVERELY DISTORTED WORLD AGRICULTURAL TRADE BY DEPRESSING PRICES AND DISPLACING AUSTRALIAN AND OTHER EXPORTERS FROM MARKETS WHICH THEY HAVE TRADITIONALLY SUPPLIED - AND LOCKING THEM OUT OF POTENTIAL NEW MARKETS.

IN MAY, JOHN KERIN, OUR PRIMARY INDUSTRY MINISTER, VISITED BRUSSELS TO PRESS BEFORE THE EUROPEAN ECONOMIC COMMUNITY THE NEED TO RESOLVE ISSUES RELATING TO EEC SUBSIDIES ON AGRICULTURAL EXPORTS AND TO REVIEW ACCESS FOR AUSTRALIAN AGRICULTURAL PRODUCTS TO EUROPE.

THE FEDERAL GOVERNMENT REGARDS THIS AS A MATTER OF VITAL IMPORTANCE.

WE MUST REINFORCE OUR EFFORTS TO ACHIEVE AN IMPROVEMENT.

THE HIGHLY EFFICIENT AUSTRALIAN SUGAR INDUSTRY IS ONE WHICH HAS SUFFERED AS A RESULT OF UNFAIR TRADING PRACTICES WHICH HAVE BEEN PURSUED BY THE EEC IN THE COURSE OF SUBSIDISING ITS WAY UP FROM BEING A NET IMPORTER OF SUGAR TO THE WORLD'S LARGEST EXPORTER.

THE SUGAR QUESTION BECAME A MAJOR FRICTION POINT IN OUR TRADE RELATIONS WITH THE EEC. THE EEC REFUSED TO JOIN THE PRESENT INTERNATIONAL SUGAR AGREEMENT WHICH RELIES ON A SUPPLY MANAGEMENT MECHANISM. HAVING REGARD TO THE VAST INCREASE IN ITS EXPORTS OF SUGAR, THE EEC'S POLICIES FRUSTRATED THAT AGREEMENT.

WE ARE CURRENTLY PLAYING A LEADING ROLE IN THE NEGOTIATION OF A NEW INTERNATIONAL SUGAR AGREEMENT.

AND WE AND OTHER MAJOR EXPORTERS ARE CONSULTING CLOSELY WITH THE EEC WITH THE AIM OF ENSURING THAT THE EEC WILL BE A MEMBER OF THE NEW AGREEMENT.

THE AIM OF SUCH A NEW AGREEMENT WOULD BE TO INTRODUCE STABILITY INTO THE WORLD SUGAR TRADE TO THE MUTUAL BENEFIT OF BOTH PRODUCING AND CONSUMING NATIONS.

IN AN EFFORT TO COUNTER THE EFFECTS OF THE COMMON AGRICULTURAL POLICY, THE UNITED STATES HAS RECENTLY RESORTED TO PROVIDING SUBSIDIES FOR EXPORTS OF PARTICULAR AGRICULTURAL PRODUCTS.

THIS HAS ACCENTUATED TENSIONS IN INTERNATIONAL AGRICULTURAL TRADE.

SMALLER EXPORTING NATIONS, SUCH AS AUSTRALIA, WHICH CANNOT JOIN THE SUBSIDY AND CREDIT RACE, WOULD OF COURSE BE THE LOSERS IF THE TWO "GIANTS" DO NOT EXERCISE RESTRAINT.

WE WILL BE ENDEAVOURING TO PERSUADE THE EEC AND THE UNITED STATES THAT SUCH A DEVELOPMENT WOULD BE TO THE DETRIMENT OF ALL IN THE LONG TERM.

BEEF IS ANOTHER EXPORT PRODUCT OF MAJOR INTEREST TO QUEENSLAND.

IT TOO IS FEELING THE BRUNT OF OTHER COUNTRIES' UNFAIR TRADING PRACTICES.

THE INCREASING ACCESS BEING PROVIDED BY JAPAN FOR IMPORTS OF GRAIN FED BEEF FROM THE UNITED STATES HAS BEEN AT THE EXPENSE OF BEEF IMPORTS FROM OTHER SOURCES, PRINCIPALLY AUSTRALIA.

THE UNITED STATES HAS ASKED AUSTRALIA TO ACCEPT VOLUNTARY RESTRAINTS ON EXPORTS OF BEEF TO THE UNITED STATES MARKET THIS YEAR.

TO DATE THE U.S. OFFERS HAVE BEEN TOO LOW. NEGOTIATIONS ARE CONTINUING. AUSTRALIA IS SEEKING THE BEST POSSIBLE DEAL FOR OUR BEEF PRODUCTS.

AS YOU KNOW, I HAVE RECENTLY RETURNED FROM MY FIRST MAJOR OVERSEAS VISIT AS PRIME MINISTER.

I REMAIN CONVINCED OF THE NEED TO ACTIVELY SUPPORT THE NEGOTIATION OF INTERNATIONAL AGREEMENTS TO PROVIDE GREATER AND MORE PREDICTABLE ACCESS TO OVERSEAS MARKETS FOR OUR AGRICULTURAL COMMODITIES.

AND I REPEAT THE COMMITMENT I MADE EARLIER THIS YEAR THAT MY GOVERNMENT WILL WORK HARD AT THE TASK OF DEVELOPING BILATERAL ARRANGEMENTS FOR SECURE ACCESS FOR OUR FARM AND FISHING PRODUCTS.

QUEENSLAND HAS A SPECIAL INTEREST IN OUR RELATIONS WITH JAPAN, OUR LARGEST TRADING PARTNER.

OUR EXPORTS TO JAPAN IN 1982 REPRESENTED 26 PERCENT OF TOTAL EXPORTS, WHILE IMPORTS FROM JAPAN WERE VALUED AT ALMOST \$A4.8 BILLION OR 20 PERCENT OF TOTAL IMPORTS.

MINERALS ACCOUNT FOR ABOUT HALF OUR TOTAL EXPORTS TO JAPAN WHILE AGRICULTURAL PRODUCTS ACCOUNT FOR ANOTHER QUARTER.

FOR TWO DECADES AUSTRALIA HAS EXPERIENCED RAPID GROWTH IN ITS EXPORT TRADE WITH JAPAN AND THIS HAS BEEN LINKED CLOSELY WITH JAPAN'S OWN ECONOMIC GROWTH.

REGRETTABLY, WE DO NOT FORESEE THE SAME RATE OF GROWTH CONTINUING, ESPECIALLY IN OUR RESOURCES TRADE.

WHILE OUR EXPORTS OF ENERGY AND INDUSTRIAL RAW MATERIALS WILL REMAIN LARGE IN ABSOLUTE TERMS, PROSPECTS FOR FUTURE GROWTH OF EXPORTS OF THESE COMMODITIES ARE LESS THAN GENERALLY PERCEIVED AS RECENTLY AS ONE YEAR AGO.

WE NEED TO BROADEN OUR TRADE INTERESTS IN JAPAN BY SEEKING OUT TRADE OPPORTUNITIES IN THOSE SECTORS OF THE JAPANESE ECONOMY WHICH ARE GROWING FAST.

I BEGAN MY REMARKS BY SPEAKING OF MY GOVERNMENT'S COMMITMENT TO EXPANDING THE ECONOMY AND IDENTIFYING ACHIEVABLE GOALS FOR THE RECONSTRUCTION OF OUR NATION.

THE GOVERNMENT IS BUT A SHORT WAY THROUGH ITS FIRST TERM OF OFFICE BUT ALREADY WE HAVE TAKEN SOME IMPORTANT STEPS TOWARDS ACHIEVING THESE GOALS.

WE MUST CONTINUE TO FOCUS OUR ATTENTION ON BASIC STRUCTURAL PROBLEMS IN OUR ECONOMY, TO TACKLE PROBLEMS OF INFLATION AND UNEMPLOYMENT TOGETHER AND TO RESTORE OUR COMPETITIVENESS IN A VERY COMPETITIVE WORLD.

I BELIEVE NO PREVIOUS GOVERNMENT OF AUSTRALIA HAS IN SUCH A SHORT TIME MORE DECISIVELY ESTABLISHED ITS STANCE IN THE FUNDAMENTAL MATTER OF NATIONAL ECONOMIC POLICY.

LET ME JUST REITERATE WHAT I SAID AT THE CHAMBER OF COMMERCE LAST MONDAY, BECAUSE IT REALLY DOES SUM UP THE PURPOSE OF OUR EFFORTS OVER THE PAST FIVE CRITICAL MONTHS IN THE HISTORY OF OUR GOVERNMENT AND THE HISTORY OF AUSTRALIA.

WHAT WE HAVE DONE - AND IT IS UNPRECEDENTED
IN AUSTRALIA - IS TO ESTABLISH A COMPREHENSIVE AND
INTEGRATED BASIS FOR CONSISTENT, LONG TERM ECONOMIC
PLANNING. AND IN ESTABLISHING THAT COMPREHENSIVE AND
INTEGRATED FRAMEWORK, WE HAVE SOUGHT TO INVOLVE, ON A
CONTINUING BASIS, THE RELEVANT SECTIONS OF THE COMMUNITY -
OTHER GOVERNMENTS, BUSINESS, INCLUDING SMALL BUSINESS,
THE UNIONS, THE RURAL SECTOR, THE COMMUNITY GROUPS -
WHICH ALL HAVE SUCH A HIGH STAKE IN THE SUCCESS OF OUR
POLICIES, IN BOTH THE SHORT AND LONGER TERM. FOR
WHAT IS AT STAKE IS NOTHING LESS THAN THE FUTURE PROSPERITY
AND WELL-BEING OF AUSTRALIA ITSELF.
