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PRIME MINISTER

E. & O.E. - PROOF ONLY

TRANSCRIPT - PM's SPEECH, ALP FUNDRAISING DINNER AT GAMBARO'S

9 OCTOBER 1983

PM: Ron Harvey, Keith, Parliamentarians (other Parliamentarians), other distinguished guests, ladies and gentlemen. May I right at the outset thank those who have been responsible for organising this evening, but very much more than that thank all of you who have come along tonight, paid your money to be here and listen to us and in that way to support us. I have been informed that while there are many here who are either actively involved in the Labor movement, politically or industrially - a very large proportion of the audience tonight, who are not in that category, the members of the business community, and others who necessarily have not in the past had any particular association with the Labor Party. I know those in the Labor movement who are here will excuse me if I say to that latter category, those who haven't got that association particularly with the Labor Party or the Labor movement, that I am particularly pleased that you're here and privileged that you've attended. In a sense it's to you that I particularly want to speak this evening.

Now I guess the most useful thing I can do is really in a sense to talk about what's been happening in the federal sphere. Before I do that I do want to pick up some of the comments, very important points that were made by Keith, which refer to the real prospect that confronts Queensland, of not having the possibility of a stable Government, if in fact, the people of Queensland are not livened up to give a clear working majority to the Labor Party. Now I have witnessed the disintegration of the conservative forces in this country, over a considerable period of time. As I have been saying here in Queensland today, and indeed I made the point when we made our Cabinet visit here with such impeccable timing, a couple of months ago; you know what happened when we came, the coalition disintegrated. We're pretty good at taking the Cabinet around Australia. When we came up here, the coalition disintegrated. We went to Perth and we won the America's Cup. I think I might stop taking the Cabinet out of Canberra now. It's too good a record we've got. I can't keep up. But, the point I make is this that that coalition disintegrated which occurred the day that we were here with the federal Cabinet, is indicative of the sort of thing that has in fact been happening around Australia for some period of time now. As I have been saying to gatherings today, to gatherings in Brisbane, we have witnessed in the last couple of years the rejection of conservatism in Australia. Commenced in my home state of Victoria in April 1982, and I do want to say to you people here particularly tonight, that you should dwell upon that lesson, because there are comparisons

of very considerable significance. The Conservative Party had been in power in Victoria for more than a generation. And it has failed to live up to the expectations which the people of Victoria to have of it, as this great country of ours and that great state of Victoria moved from the years of plenty and affluence which characterised the 50's and the 60's, the 70's, as we moved into a very different Australia in the 1980's. This country has not been able to escape the ravages of recession which have characterised the rest of the world. And as we move from those years of affluence and opportunity, of full employment into times of crisis, the conservative party in Victoria showed that it was not able to match the expectations, the challenges and the requirements of that state. It had in Victoria, the people of Victoria had faced a Labor Party which had gone through its period of crisis. And as you know I call the shots straight in politics. I don't try and hide things which at times may be of embarrassment to us. It is the case that in Victoria, because of the way we had conducted ourselves at times, the Labor Party had not, probably at times, not endeared itself to the people of Victoria. They for some legitimate reasons had had doubt about our capacity to deliver the goods of government. The Labor Party faced up to the responsibility. It looked at itself. It said it was a time to better internal failing. It was time to come together. It was time to use the great array of talent that was available within the Labor movement. And outside the Labor movement, sympathetic to it to draw up policies which were relevant to the challenges of the times that were confronting Victoria, and with specific policies to say to the people of Victoria, the time indeed has come that you should put your trust and life in this rejuvenated Labor Party - under the new leadership of John Cain. They went to the people in April 1982, to the people of Victoria, after a generation of conservative government & said we will trust the Labor Party. We will trust the Labor Party under its new leadership of John Cain. Now that was April of 1982, some 18 months ago, and I suggest to you that it's a matter of very great significance that on every occasion since April 1982, that the people of Victoria have had an opportunity, to give expression to their view to whether they should continue to have confidence in that Government which they elected on 18th April 1982. On each of those occasions they had more than confirmed the decision which they then took, and all polls consistently showed that the people of Victoria are satisfied that they made the right decision. And I believe that to the people of Queensland the lesson of Victoria is very important - because the analogies are so clear on both sides of politics.

You've had here a conservative government, for all but a generation, and through those years of affluence of 1950's and 1960's, and as we went into the seventies they have been able to be associated with growth in Queensland because of the inevitable basic forces that were operating in this country. The great resources that existed here ensured that that happened. But they have disintegrated. You've witnessed the fact, not an opinion from Keith Wright or Bob Hawke, or from Peter Beattie. You've witnessed the fact that during this year they have shown that they are not able to deliver stable government. You don't have a majority government in Queensland now. There's one simple reason why you don't have it, and that is because the partnership, the coalition, has dissolved.

It has dissipated. They weren't able to live and work together in Government. They are not able to live and work together in an election campaign, and there is no reason in logic why they should be able to live and work together in Government after an election. They have disintegrated. So you have - that was their analogy with Victoria - the inadequacy of the Government - people who have not got the capacity in terms of their philosophy or their disposition or their training, to address themselves to the problems and the challenge of the present, and certainly are incapable to match the challenges of the future. Similarly in this state, as in Victoria, the Labor Party here, the Labor movement - went through this period of crisis, and for a period the people of Queensland were entitled seriously to ask, whether they could entrust government to a divided Labor Party. Now the Labor Party here with assistance from us federally, assistance which perhaps at the beginning they may not have entirely welcomed, but nevertheless with integrity they accepted, the intervention that took place. And there has been a massive transformation in the Labor Party. They have done here what was done in Victoria. They have addressed themselves assiduously to policy issues. They have drawn up a program and a set of policies which are relevant to the current needs and the future challenges of Victoria. And in terms of personality, and I intend no disrespect to those who have gone before, but they have chosen in Keith Wright, a young enthusiastic energetic, articulate leader, who is capable of expounding the policies and who is manifestly capable on election to the Premiership to deliver the goods.

Now I suggest to the people of Queensland that the analogy could not be clearer, and I suggest to you that just as the people of Victoria, in the whole of the period since April 1982, - have expressed consistently their satisfaction at the choice they made, so will the people of Queensland after the 22nd October, so express their satisfaction. Of course, what Victoria did was not in isolation. And after Victoria, as I have said before recently up here - after Victoria it was South Australia. The people of South Australia knew that the philosophy, the attitude, the practices of conservatism were not appropriate to the problems confronting South Australia. They threw out conservatism and brought in Labor under a new young and dynamic leader in John Bannon.

In February of this year, in Western Australia, a state which in so many ways is capable of proper comparison with Queensland - they did the same thing. A period there, a long period of conservative government, and it was proving incapable of translating itself from the years of affluence to the times of crisis. There were people who by nature looked for their inspiration in the rear vision mirror of history. That's no way of facing up to these times of crisis, and the challenges of the future. But the people of Western Australia, very decisively, by a margin greater than that which is required here on the 22nd October turned to the party of the present, the party of the future, the Labor Party under the rejuvenated leadership there, of Brian Burke. And what Victoria had done, what South Australia had done, & what Western Australia did, the people of Australia on the 5th March did. And we can say again, federally in the Labor Party we got into our periods of problems, division, but we assiduously directed ourselves, particularly in those latter months, we directed ourselves to trying to analyse what is the essential malaise that's gripped Australia in recent years.

What are the sorts of things that needed to be done to meet those challenges and start to take advantage of the great resources, material and human that we have in this country. And in making that approach and certainly as I led the Labor Party in that election I said to the people of Australia, we are not hidebound by some philosophy, some dogmas. We will direct ourselves to the needs and problems of this country, and the people of Australia responded. So I want, in the relatively short time available to me to try and explain with you the sorts of things that we have been trying to. the thinking which has guided me to my Ministry in tackling the crises which the people of Australia on the 5 March asked us to tackle.

Now the first thing that we did as we said in the election campaign, was decide - just for a moment let's put all the theory, all that to one side. We don't need the economists at the first stage. What you need at the first stage is a clear understanding of what was wrong if you like, with the Australian society. What had happened in those last seven years of conservatism. And I understood from my long period in public life, that we were entering, had entered the period in Australia in which we were dissipating our capacities- our great capacities because the major force of Government over the previous seven years had been directed, not to trying to bring Australians together, and to tap the great resources which existed in the various organisations of Australia, but that those capacities had been set against one another. But the great capacities of the trade union movement, and the great capacities of business large and small, had been set against one another, in a deliberate process of confrontation and divisiveness. And I understood, as well as I understand any single thing in this world, that if you have the capacities of your people and your organisations set against one another in this divisive confrontation then nothing is more certain than that the country must go down hill. You can't win, Australia can't win, if your people and your organisations are set against one and other. So I said, and the party said with me, that what we have to do as our first task, is to reconcile Australia, to reconcile Australians, to reconcile the organisations of Australia one to the other & that's what we set about doing. I said that within eight months of coming to office, we would start that task. We were commissioned on the 11 March, in office on the 11 April - that great National Economic Summit Conference met in the House of the people, the House of Representatives in Canberra. And that was no mere formal gathering, nothing like it had ever happened before in the history of this country. And I can assure you, that it was an eye opener to me who probably had had the opportunity over the previous twenty years, more than just about any other Australian, to get to know the industrial world in Australia, on both sides of the industrial fence. It was an eye opener to me to see leading figures of industry, & people from the trade union movement meeting for the first time, talking constructively and cooperatively together --not merely, in the formal sessions of that Summit, but in the informal gatherings that occurred. And you saw leading figures in Australia, who had not really sat down and talked together before, recognising that each, on each side were decent people, were Australians committed, not merely to pursuing their own cause, but given the proper sort of environment and the proper sort of leadership for people who did want basically to work together. And that's what we have done since then. We moved in the Parliament to establish by legislation, not

by convention, but by legislation, to establish in an ongoing statutory form the Economic Planning Advisory Council.

I just want to talk to you a little bit about that. Yesterday we had the second meeting of the Economic Planning Advisory Council. There I was in the chair, with two of my senior ministers at either side of me, and around the table, this is in the Cabinet room, the Cabinet room of the Government of Australia. That's where we meet, that's the sort of importance we attach to this. There were the representatives of very large business organisations, Mr Coates, the head of AMP. One of the great organisations in its right, but by its vast investment policy is deeply involved in just about every sector of Australian business. Brian Kelman the head of CSR, the conglomerate as you know, in the mining, manufacturing, rural areas of Australia. Also Mr Don Hughes, head of Cadbury-Schweppes, another very, very large organisation. There were these leaders of large business. Mr Don Gibbons, the representative of small business of Australia. The national chairman of the National Farmers Federation, Mr Michael Davidson. The representatives of the ACTU, the representatives of the Australian Council of Social Service, the representatives of the Australian Consumers' Organisation, the representatives of local Government, and the representatives of state Government. And there they were sitting down, not as had been characterised in the previous seven years, in terms of divisiveness and confrontation, that there were these people sitting down in the Cabinet room of Australia, with the Prime Minister and with senior ministers working together bringing their combined knowledge and experience to help the Government, and the Government to help them with an interchange of information and ideas - to say what is the dimension of the crisis confronting this country. What are the paths down which Australia needs to move to optimise growth and employment, and what are the decisions that need to be taken to get us moving down those paths. Now my friends I want to go to you that that is the fundamental basis of what has to happen in this country. And I suggest to you that having been able to engender that new spirit of cooperation, it is no wonder that the actual decisions that we've been able to take as Government, are already producing the evidence that we have reached the bottom of the recession and we are now on the way up. I refer you to some of the decisions that we have taken, all of them integrated towards trying to get Australia moving again. In the overwhelmingly important area of employment we have, with our Community Employment Program, set aside an additional \$300 million dollars. That money is to be available in consultation with the state Governments and the local Governments and the community organisations, to have nominated projects which will be worthwhile for particular communities right around Australia, & which will offer jobs to the most disadvantaged amongst the unemployed. So that the projects will be ones which have been arrived at on the basis of consultations. Projects which will be of lasting value to the community, and certainly and most importantly, projects which will, as far as possible, offer the opportunity of training and experience, for people, particularly our young people, so that once they have been through those projects they will have a better opportunity of moving into the normal employment force. Now we've done that. In the area of housing any economist will tell you that if you can get your housing sector of the economy

moving, that is the one which has the greatest spin-off into other areas and particularly into important sectors of manufacturing industry. Now what we have done are two things. In respect of public housing we have increased by a massive 50% the funds available for public housing, lifting them from \$333 million up to \$500 million in one year so that there can be the beginning of biting in to that great back log of housing requirements for the less fortunate citizens of our country. That, of course, will not only meet their requirements, but it will generate significant employment opportunities.

In the private housing sector we have introduced a scheme - the first home owners scheme - which has been acknowledged by the Housing Industry Association which is representative of the employer groups of this country - it has been acknowledged by them as the best, most relevant, most far-sighted housing scheme in the history of this country. That is what the industry has said publicly. They have said that for two reasons. One, that it is addressed towards those in the community who without such a scheme would have virtually no chance of acquiring at any relevant, early period of their married life the opportunity of owning a home. Secondly, it is directed as distinct from the previous scheme, towards new homes, not to finance the transfer of existing homes as had characterised the previous schemes.

In those two areas of direct employment creation and of housing we have quickly moved to start to get the economy on an upward path.

In other areas of importance we have moved to give effect to our commitments which are concerned not only with economic growth, but in equity within our community. I don't exhaustively list all the things which we have done, but I go to some of them - the most important.

In the area of medical and hospital insurance this country has been characterised since 1975 by the imposition of five different conflicting schemes which have produced a result where, I would suggest, that you could number on the fingers of two hands those people who understood what it was all about. Now, we have introduced the concept of Medicare which will be in place by February of next year. It will bring universality of coverage. It will bring the principal into being in Australia. Every person, irrespective of their level of income need no longer have any fear of sickness, doctors' bills and hospital bills because it will be related to the capacity of people to pay and it will give to the community the capacity not to insidious spying, but by responsible oversight to eliminate the fraud, the over-charging which has come to characterise the operation of doctor and medical services in this country. I say that not to cast a reflection on the majority of medical practitioners in this country, but on that unfortunate minority who have been involved in that sort of situation.

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In the area of education we believe that if we are going to maximise our chances as a country of bringing harmony into our society and importantly to train as effectively as we can the young people of this country to be able to do the sorts of jobs which are going to be required in a rapidly changing technology and a rapidly changing economy, then you have got to utilise your resources in education according to criteria which are effective and equitable. We have substantially increased the funds available for education by the order of 4-5% in real terms and we have made sure that they will be allocated in terms of need and it is a matter of great pride to me as Prime Minister and to my Government that we have received from the wide spectrum of the education community, both in the public and the private sector, congratulations for the new initiatives that we have taken.

In the area of social security we haven't been able to do all the things that we would like to, but very quickly we have moved to try and ensure that some sectors of the disadvantaged who have been most hurt by the recession, shall quickly receive the most assistance. The single unemployed rate by March or April of next year will decrease by 22%. By November of this year in respect of family units where there are pensioners or unemployment beneficiaries with children who have suffered most - in those areas there will be in respect of those children a 20% increase in the assistance which you as a community, through your government, provide to them.

Now, those are the specifics - some of the specific decisions that we have taken - but in talking to those of you who are here from the business community I want you to understand that we have taken an integrated approach to the question of economic policy planning because in this highly complex society in which we live now we have got to understand that what happens in an economy represents the outcome of a whole range of inter-acting decisions. Some of the most important of those are these - obviously in the area of wages policy. What happens there is going to be significant. Now, this country has two alternatives in respect of wages policy. It has the policy opportunity which is being countered by John Howard and which seems to have come to the top in the Liberal Party and they still haven't accepted it. The industry is more sensible than this. He looks as though he is fighting a losing battle. But that philosophy is the one which says we shouldn't have any intervention by an independent Conciliation and Arbitration Commission. What we should have is a situation where the unions are left free to use their strength where they have it to force whatever level of wage increases they would like. Now in the situation where your economy is really deeply depressed it may well be that if you accept and adopt that philosophy wages may not move very much because after all if you run your economy down far enough as it has been after 7 years of conservatism, then there are not many groups left with very much power. What you have got to do is think ahead and ask yourself what is likely to happen once the economy gets moving if you have the other the other policies in place you are going to make the economy grow.

I can assure you that the experience of 1980-1981 and into 1982 where that philosophy was allowed to operate produced the massive wages explosion which was part, indeed, of the further deterioration of the economy and that is precisely what would happen in 1984 if we didn't have in place the wages policy that we have now because we have achieved an historic situation which occurred this week. The Metal Trades Union did something which had never been done before. It had a National Wage Case decision brought down - that had often happened before - but on this occasion for the first time in the history of Australia, the unions, the Metal Trades Union, with the ACTU, signed on the dotted line ... (tape ends)

... not to make any further claims beyond that. We will wait now six months and we will come to the Commission again. For the first time in Australia's history you have now got a situation where the trade unions have said, alright we will sign on the line. The decision that was made by the Commission will be the one that binds us. There will be no further increase. Now, I suggest to those of you in the business community - I know that if I was in business, the situation that I would prefer - I would much prefer to have a situation where I had an opportunity going into the Tribunal or my employer association and arguing the case and when it was brought down, knowing then for six months what the situation is and knowing that I have signed on the dotted line with the signatures of the unions with which I will have to deal. Indeed the independent Conciliation and Arbitration Commission says in its judgement that it believes that in the situation that it can see in a rising level of economic activity, the signs of recovery. It said unequivocally and unanimously that it believed that that promise was the one which would most likely facilitate economic recovery. I believe - indeed I know - that they are right.

Against that you have, as I say, this frightful alternative of saying what we will do. You just abandon any sense of the community interests being represented and you will just make it open slather, so, as I say, the inevitable result of that would be that the strong would get stronger and the weak would get weaker.

That is one very important area of economic policy. The other, of course, is monetary policy. I simply say, if you look at the situation now, I ask you to compare it with what we inherited. Under our Government, as a result not just of the decisions we are taking and I acknowledge that, to a very large extent because of the confidence that we have instilled in the financial and business community in this country and overseas, you now have interest rates coming down in all sectors. The long term, the short term and in the housing sector interest rates are coming down. That is good for business. It is good for the housing industry. It is good for the economy as a whole.

In respect of the operations of the exchange rate, that is a matter of great importance to this country. When we were elected on 5 March within 24 hours I was confronted with one of the hardest decisions that any Prime Minister or Treasurer would have to make because under the influence predominantly of Mr. Peacock, there had been a run on the currency. People had taken money out of the country so immediately we had to make a decision. We devalued by 10%. It was a decisive firm act of judgement which was recognised and

applauded across the board in this country and internationally. So, if you look at wages, if you look at monetary policy, if you look at the control of management of the exchange rate, you can see that we have made these deliberate decisions.

In the area of industry policy, a matter of some importance in the light of the decision that has just been announced yesterday by GMH in respect of Acacia Ridge, what we have done there is shown our preparedness to sit down and talk with industry and make the sorts of decisions which are likely to maintain a viable industry in this country.

First, an obvious instance with regard to steel. We were confronted - Australia was confronted with a situation during the last election where it was very likely that the steel industry was going to be closed down in this country. That was an option that was being very seriously considered by BHP. I said, I believe on behalf of the people of Australia during that election campaign, that it was inconceivable that Australia should not have a steel industry. I promised that as close to within 100 days as it was possible, that we would bring about a steel industry plan which would ensure that Australia would maintain an efficient and viable steel industry. We kept that promise and right across the board once the financial and economic connotations in this country and outside of Australia, your Government has been applauded for that package that we brought in. Again it was historic. The first time in this country that government had sat down with the employer in the industry and with the trade unions. The Government said, now come on, what are the things we each have to do to make this thing work. As a result, government ... money by way of bounty to try and ensure as far as we could that the holding up of the steel industry wouldn't have adverse down-stream price effects, so we made our contribution. The industry itself committed itself to a very substantial investment program and the trade unions committed themselves to changes in work practices which would enable the introduction of new technology and methods of production which would ensure our objectives of an efficient and viable steel industry and that is what we did there.

Now, in the motor vehicle industry, the decision that was taken here this week by GMH reflected what had happened in this country under the recessionary policies of our predecessors. GMH had been forced to make a decision to fine down their operations and it is a matter of great regret to me that that will involve some dislocation, some discomfort here in this great city of Brisbane. They will have the opportunity of transferring and I'm ... altogether attractive proposition to transfer to South Australia, or to Victoria, from this great State, but nevertheless, the better opportunity than will be available to many of the other victims of conservative economic policies in this country.

What we have done in this situation is again to make an historic move. Senator Button is the Minister responsible for the steel industry plan and he has now announced the putting together of a council in the motor vehicle manufacturing industry which will consist of representatives of the five manufacturers in the industry and of the unions to sit down with government so that together we can try - as we did with the steel industry - to work out how, providing all our accumulated wisdom, experience and knowledge, we can get together a plan for the industry which will maximise its

opportunity, not merely of surviving, but of growth.

So, my friends, I think you will appreciate that in a very short period - we have only been in government for six months - you can see that we are delivering the goods and I repeat to you what I said before. It is not first of all economics, it is first of all basic common sense and that common sense is, as with any group, whether it is personal relationships between man and wife, with a small group of people - it is just as true in a nation, you are not going to produce the best results if you are at one another's throats - if you are fighting one another, if all your resources are dissipated in confronting one another. That is true between individuals, so it is true as a nation. So we have started the healing process of conciliation in Australia. Within the context of that new environment that we have created we are applying deliberate policy to the field of economics, social welfare, to get Australia moving and to do it in a way which is most equitable for the people of this country.

Now, I don't apologise for having spent some time implying really rather briefly when you think of all the things that have happened - to try and give you the outline of what your Federal Labor Government has been doing and what the basic philosophy underlying it is.

One of the things which I don't believe that I, my Ministers, and the Government, have a monopoly of all wisdom when it comes to what should happen in Australia. I believe we have a lot of good things and a lot of great capacities, but we certainly have no monopoly on those things. I and my Ministers recognise that there is a great fund of wisdom and experience in the business community, as there is in the trade union movement and as there is in other organisations. We have already in an historic way - historic in the sense it has never before been done - in the 83 year history of this country - we are bringing those resources together - those very great resources - and it is working. Australia is going to be a much better place through 83/84 and beyond because we have deluded the promise of reconciliation.

I say to you, what we have done ... (inaudible) and what we will continue to do in cooperation with business and the trade unions and employer organisations is exactly the same thing as we have done in Queensland because we are the same party - the Australian Labor Party federally is represented and reflected in the Labor Party here in Queensland and you don't have the conflict that you've got in the party with conservatives. Mr. Peacock, when he was here yesterday, didn't even know the name of the leader. He referred to my friend Gerry White ... (inaudible) Mander.

Coalition partners in Canberra are fighting one another up here. The Liberal leaders of other States are not coming up here to fight and work for the Liberal Party. They are coming up to work for the National Party. What we have done nationally has been reflected here because we are the one party. We have the same beliefs. We have the same commitments. It is a matter of pride and pleasure for me, Keith, to be able to be here again with you, to give you my support and to say to a meeting like this, through you and through the media to the people of Queensland, what we have been able to do, Keith Wright will be able to do for

Queensland and together, because we do have a great commitment, as we have already proved, to the State of Queensland, I believe Labor in Canberra together with Labor here in Queensland can start to right so many of the accumulated wrongs that have sparked since the last generation of conservatism here.

This is a great State. It has great resources - of people and of natural resources. All that is required is a government that is committed to harnessing in harmony the people and those resources and there is, I believe under such a government, no limit to what can be done for the people of Queensland.