Frank Crean

Last week the Treasurer made a speech at the International Dry Cleaning, Laundry and Linen Supply Convention. The Treasurer's speech was an enticing document.

The Treasurer pointed out that inflation was largely caused by demand and cost pressures and that we had suffered less than other countries from overseas induced inflation.

The Treasurer said that inflation hits hardest the weakest sections of the community - it punishes families with no incomes, retired people who, to their dismay, see their savings being destroyed.

Later in the speech the Treasurer spoke on increasing the size of the national cake rather than merely trying to cut it up differently. He spoke of the need for investment in plant and equipment if our economy is to grow.

He spoke of the uncertainty caused by inflation which is now running over 20% a year. He said that our social and economic system is based on dependability through time of a stable monetary standard.

Inflation he said erodes this standard - runaway inflation destroys it.

He said, quoting Maynard Keynes, there is no surer means of overturning the existing basis of society than to debauch the currency.

He spoke of the need for profits to be maintained so that investment could be continued.

He could have been a Liberal making that speech, but the point I wanted to make is that maybe for the first time the Treasurer indicates that he understands that inflation is serious. All the more reason therefore why he should do something about it, and that he refuses to do.

I have said before that because of this government's demand for Australian resources, private people are being pushed to the wall. They struggle to maintain standards but against the weight of demand in the government sector they can't do so. The competition between government spending and private hopes results in enormous inflation.
It will continue until the government moderates their demands - until the Labor government ends its extravagant programmes which can't be fulfilled.

Purely as a result of this speech at the Dry Cleaning Convention there was a clear attempt during the week to take Frank Crean himself to the cleaners and during the week some newspapers were rife with talk of his resignation. I do not think that could serve any useful purpose. Nobody in the Australian Labour Party has shown any better understanding of the problems we face.

It is the collective wisdom of their cabinet and Caucus which is so seriously lacking and which would prevent any Treasurer from taking the steps that he ought.

Energy Policy

1. Uranium

There was a debate in the parliament concerning Australia's energy resources. Australia is one of the world's major potential sources of uranium, but the minister has placed a ban on new exports.

Prices for uranium are high - Australia is therefore denied the benefit of export earnings. Companies are frozen. Mr Connor, the minister, wants to keep uranium here to enrich it, that is so that it can be suitable for nuclear reactors. An enrichment plant would cost $2,000,000,000. I don't know who feels like paying for that at the moment.

In the meanwhile Australia misses out - the export demand for uran-ium won't last forever. The world will probably learn how to develop solar and tidal power. They may be more economic and from a conservationist's point of view, safer than nuclear power. Uranium could become rock in the ground.

2. Oil

Our oil reserves are small by world standards. They will last about 15 years at the present consumption rate. If we had not found Bass Strait oil or established the circumstances to encourage companies to find oil, we would have found inflation boosted enormously by imported oil costs raising four times over the last year from $US2 to $US8 a barrel.

Our earlier oil exploration policies have enabled us to be largely immune from the immediate effect of rising world oil prices. Even in spite of our relative independence, two years ago our oil imports cost $169,000,000 in 1973 $600,000,000 and this year they will cost $1,000,000,000.
Oil is vital to a modern industrial state. I suppose that is why the government abolished all exploration incentives. As a result the exploration programme in Australia has collapsed. One hundred and thirty four wells in the last Liberal year cut in half to 76 in 1973 and almost cut in half to 45 in 1974. Most of the big oil rigs have left Australia. They are occupied elsewhere.

Australia will pay the price of these two years' mismanagement for a long while to come.