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Title:

Speech at Italian Chamber of Commerce luncheon, Adelaide

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Mr. Comazzetto, Senator Garavelli, Dr. Fucito, Dr. Martucci,
Dr. Martini, Mr. Giordano, gentlemen :

Thank you very much for asking me to speak to you today.

I was delighted to accept for two reasons.

In the first place I'm very conscious of the important role the Italian community, and this Chamber, play in the development of the South Australian economy.

Secondly, how could I refuse? Mr. Comazzetto is my landlord, he owns the building containing my Norwood electorate office. He is, by the way, a most considerate landlord.

May I also - on behalf of the State Government extend a very warm welcome to your distinguished visitors - Senator Garavelli, Dr. Fucito, Dr. Martucci and Dr. Martini.

We are pleased and honoured to have you with us and hope that your stay will be an enjoyable as well as beneficial one.

It comes at a time when trade between South Australia and Italy is of increasing importance - and may, indeed, lead to further growth.

The upsurge in both imports and exports is dramatic.

South Australian imports have gone up from about \$3.7 millions in the year to June 30, 1972, to \$6.2 millions in the 12 months to June 30 this year.

An encouraging trend within these figures is that there has been a diversification in the range of commodities imported.

Traditionally, purchases have been concentrated on manufactured goods such as motor vehicles and spare parts, especially tyres, plastics, electrical machinery, timber veneers and the like.

All these items have shown marked rises in imports during the past year. In addition imports of fruits and vegetables (fruit preserved in liquid, olives and gherkins) and beverages have increased substantially - indicating a further sophistication

of the South Australian palate.

In the same period our exports to Italy have more than doubled from \$7.1 millions to \$15.2 millions.

Until recently the bulk of these exports consisted of wool and non-ferrous metals. Recently, however, there has been a substantial rise in exports of fish - fish preparations and lenses and other optical goods.

The trend of the figures suggests that these commodities may take a larger share of the total in future. (The figures, by the way, do not include South Australian trade through Melbourne so the real total is almost certainly higher).

It is, I think you'll agree, a healthy situation and one which my Government is anxious to foster.

It remains, of course, to be seen what effect the recent devaluation of the Australian dollar will have on that trade pattern.

That's the good news.

But, of course, your concerns are much wider than purely Italian-South Australian trade.

Our over-riding concern is with the South Australian economy, and I'd like to take this opportunity to give you an over-view of the situation as it appears to me at present.

Nationally we are going through a period of strain with rising unemployment, strong cost and import pressures on local manufacturers, inflation, and restricted lending.

So far, from the point of view of employment, viewed on a national basis, we are not too badly off.

Unemployment is rising across the nation.

The pattern of recent years or so is that South Australia has suffered disproportionately.

Currently, our actual unemployment rate is almost the same as the national one - 1.83% compared with 1.82% - instead of being well above it, as has been normal since 1966.

But that's cold comfort for the individuals involved and frankly it's cold comfort to me.

This is because of the dimension of the potential threat we face.

South Australia, in the Australian context, is a decentralised area. It is also heavily dependant on a very few key industries - notably the manufacture of motor vehicles and their componentry.

Any deterioration in this State's motor industry and/or the building industry would quickly add substantial numbers to those currently becoming unemployed industries.

And it is precisely those areas which are under threat.

The credit squeeze is having its expected effect on building. Work approved in the three months to July this year was roughly similar to the dollar values approved a year earlier when building costs were so much lower.

I'd point out, too, that unemployment in the building industry has almost immediate repercussions well beyond the confines of those actually engaged in construction work.

The other special problem facing us involves the vehicle industry and the proposals of the Industries Assistance Commission.

Decisions of the I.A.C. on tariffs have already had an impact on our electrical appliance and electronics industry.

The Commission's proposals for motor vehicles and componentry, if implemented, would be even more severe, indeed, to repeat the word I've used already, they could be disastrous.

If they went ahead the effect on employment in this State could be horrible.

Present Commonwealth Government economic strategy is based on economic efficiency - the most effective use of our resources.

This is a commendable goal.

But the Commonwealth Government is also committed to a policy of regional growth. In addition, I believe that social justice demands that the position of the fringe industrial bases - those disadvantages by their off-centre position in population terms from the conurbations of the eastern States - should be reconciled with this national policy.

I realise that this is special pleading - and that it is not popular in certain exalted quarters. But our position is a special one and the livelihood of more than a million people is involved.

I believe therefore that, in pursuing the desirable end of national economic efficiency, the Commonwealth should be prepared to give special attention to the needs of States such as ours.

There are various ways in which this could be done.

The Federal Government could provide a sufficient level of tariff protection for our most vulnerable industries; it could provide compensatory subsidies or support to industry already located or locating outside the major population centres; it could provide State Governments with special money to be used to reduce the added costs of industry in the fringe areas.

One of these courses - or a judicious mix of them - is I believe necessary to prevent South Australia suffering disproportionate effects in time of national stress such as we now face.

We have cause for anxiety in the short or even medium term. In the long term however, given our human and economic resources and the impact of projects such as the Redcliff petrochemical complex, the prospects for future increased prosperity are sound.

Thank You.

SPEECH BY THE PREMIER, MR. DUNSTAN, AT ITALIAN CHAMBER OF
COMMERCE LUNCHEON. ADELAIDE. 30.9.74.

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