



EMBARGO: 8.30 p.m.

**PRIME MINISTER**

FOR PRESS

8TH DECEMBER 1977

HURSTVILLE RALLY

On Saturday, a great decision has to be made, a decision about our future, about the kind of life we want to lead, about the kind of country we want to pass onto our children.

We must elect a government that meets the real needs, the real aspirations of the Australian people, that will provide Australians with the freedom to build the kind of life we want, that will provide incentives to achieve and fair reward for initiative, that will create opportunities and productive jobs for our young people, that will give effective assistance to the poor and disadvantaged in ways that increase dignity and self-respect, that will let our great country grow and develop, bringing prosperity and a better life for all Australians.

There is only one choice, for only the Liberal Government has the policies, the experience and the will to meet these needs, to realise Australia's potential. Australia is poised to move into the 80's and beyond with a new found confidence, a new spirit, a new sense of security, a new sense of national purpose.

We were elected to get this country back on its feet, to revive a failing economy and restore to all Australians the prosperity which we once knew. We were elected to cut the inflation we inherited. Inflation is down to 9% and it's falling. We were elected to control Government spending. We have halved Labor's \$4,500 million deficit. We were elected to break the crippling burden of Labor's excessive taxation. We have substantially cut the taxes of every Australian, it's now worth working overtime again. Above all, we were elected to get Australia moving again, and already we can see the results. Industry is starting to invest again, our natural resources are being opened up once more and there is new found confidence in our manufacturing industry. \$6,000 million dollars worth of investment projects in mining, manufacturing, processing, retailing and construction are under way or ready to go and many billions of dollars more are in the pipeline.

Now our task is to work together to ensure that we build on the firm foundations we have laid. A bright future is before us, a future which promises work and prosperity for all Australians. Under a Liberal Government, we are ready to stride into a new era of prosperity and development.

Our policies are demonstrably succeeding. We have the only policies which will keep Australia growing. Policies that will guarantee Australia's development and the creation of new jobs. We will push inflation down to between six and eight percent by next June. We will keep industry investing. We will keep interest rates falling down as much as two per cent over the next twelve months. That's a saving of \$520 a year, \$10 a week to the average young couple buying a new home.

Most importantly we will get unemployment down: investment - that means jobs, getting inflation down - that means jobs, getting interest rates down - that means jobs.

Because of our prudence in Government spending, we can afford more tax cuts for all Australian taxpayers. They will start on the first of February, just two months away. They will increase people's income and inject \$26.7 million a week into the economy.

Because we have reduced inflation the tax cuts will create more jobs. Because people can spend more our factories will have to produce more.

There will be a demand for more employees. That is why, from next February, unemployment will fall and keep on falling. We are determined to foster Australian industry's new found vitality. This Government buys Australian, not the cheapest foreign products our predecessor favoured.

We will give export sales fresh impetus with a new five-year export incentive scheme. We will provide special help to Australian businesses competing for overseas projects. We will actively promote more processing in Australia of our basic raw materials. To small businessmen we will make finance more readily available. Unlike the Labor Party, we are giving Australian industry, Australian jobs and Australian workers, the protection they need.

We have increased protection for industries employing over a quarter of a million Australian men and women. Our swift and effective action has meant the survival of industries such as the apparel, textiles, and footwear industries, industries employing 120,000.

Last week, the Labor Party refused point blank to support our action. They turned their backs on 120,000 working Australians, 80% of whom are women, and many of whom are migrants. It is Labor that is the party of unemployment. It was Mr. Whitlam who, when he was Prime Minister, put tens of thousands of Australians out of work through his notorious, indiscriminate 25% across the board tariff cuts. He made unemployment a deliberate, calculated part of Government policy. He went and cut tariffs, despite the fact that he was warned by a top level report that such a slash in tariffs would throw tens of thousands out of work.

Now he wants to do it again. Labor's tariff policy would cause massive unemployment. Labor wants a "crash" spending programme that would involve \$800 million in six months. That's an annual rate of \$1600 million a year. And they have other promises worth billions of dollars they haven't even costed.

All this would more than double the deficit, unleash inflation once again, and increase interest rates. This could only have one result, it would create more unemployment.

Labor has said it would repeal our February first tax cuts and tax indexation is under threat too. For a fortnight, Labor's half dozen economic spokesmen have been in utter confusion and disarray constantly contradicting each other over their Party's policy on tax indexation. When the Shadow Treasurer, Mr. Hurford, was asked in Cairns what Labor's policy was, he said he couldn't say, because he had only read the "Cairns Post". He said he would be having a press conference in a few days, and he'd make sure he'd read the major city papers by then. He did read the papers, and he immediately cancelled his press conference.

The new tax cuts which come in on February 1st are vital reforms. These tax cuts are fair. People on average earnings of \$10,000 a year will pay a marginal rate of tax of only 32 cents in the dollar. Under the Hayden scales it was 45 cents. From February 1st, it will be 32 cents right up to \$16,000. These tax cuts are substantial. Over 90% of taxpayers will pay less than one quarter of their incomes in tax.

These tax cuts are a significant social reform. A quarter of a million low income earners, tens of thousands of pensioners, widows, and students, with taxable incomes under \$3,750 a year, will no longer pay any tax at all.

These are the people Labor forgot. To pay for abolition of payroll tax, Labor would have to increase personal taxes by \$850 million this year, \$1900 million next.

Only the present members of the Labor Party would seriously put forward a plan to rip \$850 million this year and \$1900 million next year out of the hands of the working men and women of Australia, and use it to pay big and profitable companies.

No jobs would be created. The companies have said so. The working men and women of Australia won't vote for this. They won't vote for any of Labor's policy proposals. They will vote for the Government's positive programmes which meet the needs of all Australians, and which cut their taxes, not increase them.

Our tax reforms have not ended yet. All estates passing between husband and wife, parent and child will be free of Federal Estate and Gift Duty as from November 21st, the day of my policy speech.

Over the life of the next Parliament, both these taxes will be entirely abolished.

Ladies and Gentlemen, the Government's strategy to increase jobs is working. Total employment has risen by 180,000 since we came to office. Only through this Government will our industries fully recover and only through that recovery can we get unemployment down permanently.

That recovery is now underway. A new period of stability and fuller employment is within our grasp. It is an opportunity that might not come again for a very long time.

While our economic recovery is underway, we are helping those looking for work to improve their skills, and thus be equipped to take new jobs as they arise.

Already over 120,000 people have been helped by our training and job assistance schemes, and the number is steadily growing. We are making sufficient money available to ensure that no-one eligible for any of these schemes will be turned away.

We have a constructive, comprehensive and coherent strategy to provide more jobs for more Australians. It is a strategy which inspires confidence, not Labor's doom and gloom. It is a strategy founded on the fundamental assertion that we can make Australia grow and prosper again, and this is something in which all Australians can share.

We will improve the quality of the essential services which the Government provides; we will help the State railways by upgrading the National Mainline System; we will expand existing programmes of support for urban transport. Sydney's train and bus services can benefit from this: we will join the States in a National Water Resources Programme which will boost city and country water supplies; a study will be made of the sharing of electricity supplies in the south-east Australian region; and we will provide a new deal for telephone subscribers by reducing charges for off-peak long distance telephone calls to 40% of the standard rate.

This Government offers Australia a return to prosperity, a higher standard of living, a continuation of efficient, consistent, coherent policies which have provided Australians with a new hope and a better future. We will press ahead with our programmes which are now so clearly succeeding. We will keep this momentum in motion. That will keep Australia on the move.

We have laid the framework for a real advance into the future where Australia can be an example to the world: An economy we can be proud of, social justice for all Australians, care and concern for the disadvantaged, and encouraging initiative and rewarding achievement.

It has sometimes been a hard road getting to that point because of what we had to deal with at the beginning. But our policies are working.

On December 10 by voting for the Government you are voting for a great Australia. My commitment to you tonight is that this Government, the Liberal/National Party Government, stands ready to lead Australia to this better future.

And Ladies and Gentlemen, there is one other thing that I would like to say. In times of politics, in times of elections, there is a tendency to divide this great nation, and in politics too often people seek to divide where they ought not. They bring issues that should not be matters of Party political debate into the political arena.

All Australians in the Federal Parliament, in the State Parliament, in Local Government, Australians wherever they may be, have a duty to reach out beyond the bounds of politics to seek to understand and to define those issues that unite this Australia as one people with a common purpose and common objectives. So that we may achieve a greater, a better, a more just, a fairer society. So that Australia may be an example of a free people united in common purpose, an example for the world.

---o0o---