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PRESS RELEASE BY THE ACTING PRIME MINISTER, THE RT HON.

J.D. ANTHONY, MP

PROPOSAL FOR SPECIAL PREMIERS CONFERENCE

All of us have become increasingly concerned at the increase in unemployment.

This has resulted not only from the growing effects of the international economic recession on the Australian economy, but also the rapid escalation of wages in Australia in recent times.

This very substantial increase in wages over the last few years has cost a large number of Australians their jobs.

Over the most recent six months average ordinary time earnings of Australian males went up at annual rates approaching 17 per cent when in other O.E.C.D. countries wage increases were reflecting sober assessments of the need to save jobs; over the most recent six months for which data are available, the annual rate of wage increase has been about 8 per cent for the O.E.C.D. as a whole and under 5 per cent in the U.S.

Although the Budget contained a significant number of measures to cope with the worsening employment situation, the position has deteriorated even more rapidly than was thought likely at the time of the Budget.

The Government is conscious of the strong and growing sentiment in the community for wage restraint in the interests of saving jobs.

The Government believes the time has now arrived for those in the community who have jobs to sacrifice a future wage increase in the hope that this will help those in the community who do not have jobs or who run the risk of losing their jobs over coming months.

The Government has therefore decided to call a meeting of Premiers and the Chief Minister in Canberra on 7 December to consider proposals for a series of measures, including a 12 month pause in award wage increases in the public and private sectors.

The Government seeks the full support of the States and the Northern Territory in this initiative.

We also seek the support and participation of the employers and the unions.

The proposal is that there should not only be a pause in wage and salary incomes, but also other incomes of different kinds throughout the economy.

No measure would be likely to have a more beneficial effect on a deteriorating employment position than what is now being proposed by the Government.

If the pause is achieved, there will be made available savings from budgets at all levels of Governments in respect of expenditure which would otherwise have had to be incurred to pay rising wages and salaries. Some hundreds of millions of dollars would be involved.

It is an integral part of the Government's proposal that these savings should be devoted to expenditure on employment related activities. The details of this would be the subject of discussion with the States and the Northern Territory.

I and a number of my colleagues propose over the next few days to discuss the Government's initiative with all of the Premiers and the Chief Minister. During these discussions the initiative will be outlined in more detail.

This initiative demonstrates the Government's determination to do all it can to save jobs and to take practical and lasting steps to help employment. It is the Government's hope that this initiative will receive strong support from all sections of the community.

CANBERRA

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