



## PRIME MINISTER

MACQUARIE NETWORK WEEKLY BROADCAST  
BY THE PRIME MINISTER, THE RT HON.  
WILLIAM McMAHON, CH, MP.

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### 35-HOUR WEEK

Interviewer: Paul Lynch

- Q. Prime Minister, you, your Cabinet colleagues, and various other Government spokesmen, including the Q.C.s whom you've retained to appear before the Commonwealth Arbitration Commission, have made it clear that you stand one hundred per cent against a general increase in the number of people getting the 35-hour week. Why is that ?
- PN. ' The question that must be answered by anyone who thinks about the 35-hour week, is this. What will the effect be upon the mother, and the children in the home? What will be the effect on people on fixed incomes, as for example on people receiving superannuity payments? What will be the effect on our export in competition with the exporters of other countries? These are the problems we face. And I think it can be crystallised in this way - that if the 35-hour week were introduced, and we tried to replace those hours, by overtime working at penalty rates, or by fresh labour, then, we believe, the cost to the community would be something of the order of \$2,500 million to \$2,600 million per annum. And secondly, and this is of crucial importance too. We believe that on the evidence available to us at the moment, unit cost would go up by as much as 18%, depending upon the effective reduction in working hours. I want to emphasise those words 'unit cost could go up by as much as 18%' under the conditions that I have mentioned. That is the reason I believe we have to oppose the 35-hour week whenever we have the opportunity to do so before the Arbitration and Conciliation Commission.
- Q. Prime Minister, you qualified your phrase 'unit cost'. Now that is a technical term of course. What does it mean to the average person listening at this moment? Does this mean that everything is going to go up 18% in price?

PM: It means that on the average, you would expect that those costs would go up by the amount that I have mentioned, depending, of course, as I said, on the effective reduction of the working week itself. What it does mean is that unit costs go up, then, of necessity, the price of goods in the retail stores must go up as well, and these prices have to be paid by the mother, and they have to be paid by her on behalf of the children, and in time it must lead to a lessening of purchasing power by the other people that I've mentioned, particularly the exporter and the person on fixed income.

Q. One argument put forward in favour of a shorter working week is that if you have people working for fewer hours, more jobs will be created. In a time of unemployment, do you see that as a good argument ?

PM: There are many better ways of getting increased employment and reduced unemployment than by reducing hours of work, particularly under present circumstances. As an example, for the last year or more, we have been creating opportunities for greater employment. We gave additional funds to the States in order that they could build up work opportunities. We reduced income tax so that there would be greater purchases in the stores, and this would reflect back into employment-giving opportunities in the factories. This is the way of getting greater production, greater employment, and giving greater prospects for improving living standards, and this is what we want to do.

Q. Prime Minister, twice in the past two months your Government, through a Q.C., has intervened before the Commonwealth Arbitration Commission to try to prevent the granting of a 35-hour week in two separate industry areas. Now in both cases your submissions were rejected by the Commission. Does this make you feel that perhaps this isn't the best time in the world to be opposing the 35-hour week?

PM: No, we wanted to make a point before the Arbitration Commission. We wanted it to be known what we thought the impact would be on the community. And above all we wanted to prevent a flow-on to other industries. And in the most recent case, that is in the container depots, the Commission itself stated that this was not to be taken as a rule to apply to all other industries; it was not to be taken as a precedent. We hope the Commission will be able to live up to that rule, and certainly, whenever we get the opportunity to intervene, we will do so to prevent it becoming a precedent.

Q. Is the 35-hour week going to be, do you believe, one of the big electoral issues of this year?

PM: Not necessarily, but I think people must continuously bear it in mind, and the more they know about the facts, the more, I believe, public opinion will be mobilised against the 35-hour week. But we don't want to make this a political issue. We certainly don't want to make it an electoral issue. But if there are strenuous efforts made by the trade union movement, and little or no control from the Australian Council of Trade Unions, then inevitably it will become a political issue, and consequently an electoral one.

Q. The retiring A.C.T.U. Counsel, (Mr Willis, from memory), said some few weeks ago when he left his position to run for office, that already one Australian worker in five works for 35 hours a week. Do you know whether that is a correct figure?

PM: I don't doubt that it is because usually he is pretty accurate, but I couldn't give you a precise answer because I haven't checked on the facts myself. But I don't think that gets away from the crucial issue that faces us. If we get a 35-hour week under the conditions that I've mentioned, then, of necessity, people must pay more and get less. And that must affect those who, we feel, it is our responsibility to protect, the poorer sections of the community, and above all, the family group. They'll pay more, they'll get less, and their prospects for the future will be dampened.

Q. A final point, Prime Minister, on a lighter note, of course, clerical grade officers of the Commonwealth Public Service don't work a 40-hour week. In fact, they work pretty close to a 35-hour week already. Does this mean that the Commonwealth Public Service is not productive?

PM: I can't make a comment about this because they get their awards through the arbitration system, or through the Public Service Arbitrator. As that award has been granted we have to live with it, and do the best we can. I want to prevent a flow-on to other industries if I can do so.

Thank you very much, Prime Minister.

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