



PRIME MINISTER

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INDEXATION AND EMPLOYMENT

The Government took its decision yesterday because it is vastly concerned about employment and the need to provide opportunities for those who are out of work, and especially for those seeking their first jobs.

The number of unemployed will inevitably rise this month, as has been widely predicted.

The Government had the unpleasant task of choosing between the full application of wage indexation and policies which are designed to curb inflation and to enable industry to start providing jobs.

We have placed jobs first. I hope those who will be making submissions to the Arbitration Commission, and the Commission itself, will also place jobs first.

There are no soft options left for Australia. The Government next week will announce difficult decisions in relation to its own expenditure.

Trade union leaders should be more concerned with providing jobs for those who are unemployed than in asking for higher and higher wages for those who remain employed.

There is no point in higher wages at the expense of a neighbour's job. The Arbitration Commission has great influence on the direction of the Australian economy.

If indirect taxes continue to be applied as part of the indexation process, the Government's ability to manage the economy with justice to all sections of the community will be seriously jeopardised.

Those who experience the benefits of wage indexation become an exempt group. Indexation at present compensates them for the effect of indirect taxes which the rest of the community have to bear.