

Mr. Yocin



PRIME MINISTER

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ELECTORAL TALK

If our great country is again to fulfill its potential - and the standard of living for all Australians is to increase - then the role of our manufacturers will be crucial.

The health of the manufacturing sector is the key to national growth, productivity, employment and reflects directly on the ability of consumers to consume.

If the manufacturing sector is stagnant, without confidence without hope then any chance of economic growth will have been shattered.

Manufacturers - large and small - are the lifeblood of Australia. They directly employ one in every four people in the workforce. They supply about 20 percent of the value of our exports and supply most of the goods we use every day.

This Government is determined to stimulate real growth and productivity in manufacturing.

We have already created a climate where manufacturers can plan ahead with confidence knowing that the national Government will make rational and consistent decisions on their behalf.

During the Whitlam years, manufactueres slowly but surely lost the confidence of government; they lost the incentive to expand and the opportunities to employ. They lost the courage to spend money on plant and equipment. They opted to mark time.

This situation had a wider effect. Consumers also suffered because they often had to pay higher prices for poorer quality goods. Their choice of goods contracted because manufacturers could not afford to invest in new product lines and new techniques.

Those days are gone.

This Government has taken a great number of positive measures that will directly and indirectly return confidence to manufacturers. A number of other measures are at this moment being carefully examined.

Our first - and most important task - has been to get predictability back in government decision making processes.

We are not in the business of keeping businessmen dangling on a rope wondering what we will do next. We are in the business of consultation, not confrontation.

One of our first decisions in government was to set up an economic consultative group to monitor trends in the private business world and to report these trends speedily to the Government. The group includes representatives from the trade union movement, big business and small business.

The information provided by this important group will supplement the wide range of statistical data we receive from official sources and will give us early warning signals about any emerging problems.

We have also looked closely at the role of the Industries Assistance Commission.

Many factors must be considered by the Commission when it presents its reports.

It must examine the method and level of tariff and other assistance necessary to adequately protect Australian manufacturers against import competition.

It has a responsibility to judge whether the industry could be more efficient and to take this into account when applying any tariff.

It must show whether the industry is less efficient than it could be due to fragmentation or lack of specialisation. And fundamentally, it must review the probable economic and social consequences of altering existing levels of assistance.

These reporting rules will not in any way alter the ground rules of the Commission's operations. Rather, they will ensure that the Commission's reports are as detached and independent as possible.

Another of the measures the Government has taken to get manufacturing moving forward again has been the suspension of quarterly tax instalments. Businessmen no longer have the worrying burden of finding cash sums each three months. They can now plan over a 12 month period without loss of liquidity throughout the year.

The Government's 40 percent investment allowance is again aimed at giving the businessman - particularly those who invest in plant and machinery - real incentive to make expansionary plans.

As I mentioned in my broadcast last week, the Government has laid down clear and sensible guidelines for the inflow of foreign money, and of foreign expertise. This measure was aimed directly at getting Australian business back in business again.

The motor vehicle industry - a key industry for any manufacturing nation - now has a strong and

purposeful set of guidelines for growth and development. This sector can now plan ahead with confidence.

I have often repeated our pledge to introduce the individual and company aspects of the Matthews Report, as soon as practicable. When implemented that report's recommendation for a stock valuation adjustment and a depreciation valuation adjustment will materially assist expansion in the manufacturing sector.

Following an election pledge - and following a recommendation in the Jackson Report on manufacturing industry - the Government is urgently proceeding with a White Paper on manufacturing. This paper will receive top priority consideration by myself and by Cabinet.

The Government is also concerned that businessmen and manufacturers can get on with their production without the shackle of unnecessary regulation. Restrictive regulations are not, for this government, ends in themselves.

Accordingly, we are reviewing the trade practices legislation with the view to removing the crippling red tape and controls that service no useful purpose and that stifle meaningful expansion plans. I want to make it clear here that the consumer will not lose - in letter or spirit - the protection that this law now provides.

Our policies to date and our planned moves underline the central thrust of the Government's approach to the manufacturing industry - and that is to ensure the steady, predictable and long-term creation of new employment opportunities and to foster new products and processes.

Only then will all Australians - whether they are factory workers, farmers, public servants or housewives - have a real chance to live their own lives the way they want.