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PRIME MINISTER

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ELECTORAL TALK

As the first session of Federal Parliament is now completed for this year, the time is appropriate to broadly review progress.

The record majority in the House of Representatives for the Coalition at the last federal election was largely a cry for help.

The people of this country had simply asked us to get Australia back on its feet again - and in tune with the major economies of the world.

The Coalition Government had inherited record inflation and record levels of unemployment. That was plain for all to see. We also inherited record and wasteful Government spending, an unparalleled Federal Government deficit, record interest rates and an extraordinary and destructive growth in money supply.

Now in just six months, the Government has laid the foundations for economic stability and has paved the way for a return to growth and productivity.

This has not happened by a quirk of history. It is the result of a number of decisive and responsible economic management decisions.

First, the Government moved to cut back on excessive and wasteful Government spending. We moved to reduce the role of centralist Government.

We also imposed growth limits on the Federal Public Service with great success, and without personal hardship.

We moved to halt the runaway supply of money that was a feature of the previous administration's economic policies. We have done this without a credit squeeze and without losing the confidence of the business community or the consumers.

The weakest feature of the national economy in the past two years has been business investment. Businessmen had been caught between the millstones of rising inflation and spiralling wage costs.

The Coalition Government has acted to remove that millstone.

Only a few weeks ago the independent Arbitration Commission was influenced by Government argument that all salary and wage earners should not receive the full consumer price index rise. The Commission limited the rise to those earning up to \$]25 each week. A flat \$3.80 was paid to all other wage and salary earners.

The Commission was convinced by the Government arguments that further steep wage rises would unnecessarily fuel the inflationary pressures.

Of course, the Government has taken a number of measures to restore the ailing manufacturing sector.

In fact, one of our first decisions in Government was to set up an Economic Consultative Group to monitor trends in the private business world and report these trends speedily to the Government. This move has been very successful.

We also looked closely at the role of the Industries Assistance Commission. And at the factors that must be considered by the Commission when it presents its reports.

Another of the measures the Government has taken to get manufacturing moving forward again has been the suspension of quarterly tax installments. Businessmen no longer have the 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% investment allowance is again aimed at giving the businessmen - particularly those who invest in plant and machinery - real incentive to make expansionary plans.

Additionally, the Government has laid down clear and sensible guidelines for the inflow of foreign money and foreign expertise. This measure was aimed directly at getting Australian business back in business again.

The Government is also reviewing the trade practices legislation with the view to removing the crippling red tape and controls that serve no useful purpose and that stifle meaningful expansion plans by companies.

Overall, business leaders are now able to invest with much more confidence, knowing that Government will make responsible economic decisions.

The Government's much debated medibank reforms are further evidence of our desire to assist those most in need. It also provides choice for all Australians as to the type of health care they require.

Some of the reports on the way in which medibank will operate have confused many Australians.

Let me set the record straight.

Medibank remains. It will be available for every Australian. It will continue to provide high quality health care insurance. There will be no means test at all.

Australians on lowest incomes - and those wholly dependent on pensions - will not have to make any payments under the arrangements we are introducing. Their right to the full medibank benefit - without cost - remains.

For those who will be contributing to health care - that means the vast majority of Australians - there are now four clear options available.

These options are factually and concisely explained in a pamphlet now available throughout Australia.

Australians do not need to make an immediate decision on which form of health cover they desire. The new measures will not come into effect until October].

This session has also been notable for other significant Government decisions.

We have moved to establish a Commonwealth Ombudsman; we set up a House of Representatives Expenditure Committee that will improve the capacity of the House to scrutinise public expenditure; we set up a Government Members Parliamentary Reform Committee that will examine all aspects of the parliamentary process.

In the important areas of international relations we have moved to rebuild friendships with long established allies, particularly the United States. My forthcoming visit to China and Japan also underscored the importance my Government places in maintaining and developing relationships with these two nations.

Australia is now entering a critical period in its recovery.

The forthcoming round table session of talks between the Government and the trade union movement - and later between the Government and employer organisations - will be an important milestone in our efforts to achieve economic stability.

The Federal Government's August budget will also be crucial to the nations economic recovery.

Officials and ministers are already at work planning and developing a budget that will play its part in our overall recovery.

Government's however cannot do it all. Businessmen, trade union leaders, rank and file trade unionists, and Australian families all have a special part to play.

The fight against inflation and unemployment is not one for the Government alone. It demands the support and sympathy of all Australians who care for the future of their country.

For all of us the great national tasks remain to be completed. We have only just begun.