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## PRIME MINISTER

FOR PRESS

12 August 1976

### WAGE CASE DECISION

The Commission's decision should add impetus to economic recovery which is already underway.

It will particularly assist manufacturers and businessmen as it will allow them to plan ahead and plan for expansion with greater certainty. It will help stabilise the economic climate.

It will allow businesses to free the money for investment that would have been used up in wages if the full 2.5 percent CPI increase had been granted across the board.

Clearly, the Commission has largely recognised that recovery of the Australian economy depends on continuing wage restraint.

It has understood and taken into account the government argument that unemployment will not be controlled until both inflation and the level of industrial disputes are reduced.

The decision will also have a further dampening affect on the growth of inflation which will add considerably to consumer confidence.

The Government believes that most Australians now recognise the link between excessive wage increases and inflation. We will continue to intervene before the Commission as strongly as possible in the interests of our national economic objectives.

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