



22

## PRIME MINISTER

FOR PRESS20 FEBRUARY 1977Embargoed until 1900 hours 20.2.77

### ELECTORATE TALK

The Government enters 1977 strongly determined to break the back of inflation - and determined to reduce unemployment.

Our fight against inflation is in reality a fight against unemployment. Inflation must be conquered - and the real productive areas in the community given the opportunity and confidence to expand - before Australia sees a lasting and sustained reduction in the numbers of those seeking work. If we do not beat inflation - irrespective of any temporary action we might take in "make work" schemes - Australia will continue with a deep-seated unemployment problem.

Today, our country has too many people in dole queues, too many people unable to find jobs. This situation has not occurred overnight. It has been an escalating problem in Australia since the Labor Government took office in December 1972. At that time unemployment was around 137,000 - or 2.4% of the workforce. Inflation had been running for 10 years - as measured by the CPI - at an annual rate of 3.5%. Three years later, when Labor were voted out, unemployment was around 329,000 - or 5.4% of the workforce. Inflation had leapt to more than 16% in Labor's last year.

What caused this dramatic increase in unemployment and inflation? Three sets of official figures provide a telling answer. When Labor came to office, the budget deficit - that is, the difference between what a Government receives in taxes and what it spends on services like pensions, roads, etc. - was \$774 million. When it left office, the deficit was rapidly heading for a staggering, and unprecedented \$4,000 million. Also, during the three Labor years, average wages rose by 15.2%, 28% and 12.8% respectively, while Federal Government expenditure rose by 22.6%, 33.1% and 37.9%. Australia was living beyond her means. These figures do not lie. They prove beyond doubt that Australia's high unemployment is a direct legacy of A.L.P. policies. We are now paying and suffering because of those policies.

/The

The grim situation we inherited 14 months ago could accurately be likened to a slippery slide - easy to slide further down, difficult to stop, and even harder to climb back up. There is no doubt that had the Labor policies of big spending continued - the policies they still preach - then we would be now further down the slide, with little or no prospect of recovery. The Government has made a considerable achievement in holding unemployment at present levels and stopping further deterioration.

What was Labor's cure for the problem? They certainly didn't stop, or even try to stop inflation. In fact, they still don't mean to stop inflation. They introduced a regional employment development (RED) scheme - a temporary make-work scheme. But costs got out of hand, so they abolished this scheme themselves. Yet today, they call for its re-introduction. They have nothing new to offer - only tired, old and failed policies.

In contrast, the Liberal/N.C.P. Government has not deserted the unemployed. We have moved quickly and creatively to introduce a number of logically planned manpower policies. We've not just skimmed the surface of the problem but have taken responsible short and long term action.

Let me briefly outline some of our measures. We successfully re-organised the N.E.A.T. scheme. When we came to Government, 7,500 were in training under the scheme. Today, almost double that number are in training under N.E.A.T., and most of those are getting in-plant training while engaged in productive employment.

We introduced and later improved a special youth employment training programme. Basically, it pays \$59 weekly per person to employers providing 6 months on-the-job training. Today, more than 4,000 people are being trained under the programme.

We introduced a widely acclaimed Community Youth Support Scheme. It encourages special community committees or existing youth organisations to run counselling and support programmes for young people out of work.

Last month we announced the Commonwealth Rebate for Apprentice Full-Time Training (C.R.A.F.T.) The scheme encourages early technical training and will help overcome the shortage of skilled tradesmen. It is estimated that C.R.A.F.T. will boost the apprentice intake by 12,000 within two years.

Other measures taken by the Government include a relocation assistance scheme, an inquiry into the Commonwealth Employment Service, and our full support of the National Training Council.

Finally, one of our most important initiatives in this whole area was the setting up of a long term inquiry into the relationship between education and training. This will review possible developments in the link between the education system and the changing needs of the labour market and other matters up to the year 2,000.

/Clearly,

Clearly, the Government has recognised the plight of the unemployed. We've done more than talk about the problem - we have put words into action. We have acted to relieve immediate hardship, particularly amongst the young, and we have looked at the problem on a long term basis.

This Government is committed to providing jobs for all Australians who want to work. We will only achieve this goal - on a long term and lasting basis - by beating inflation. There is no other way. Our commitment to beating inflation - as we will continue to demonstrate very clearly - is utterly absolute.

---