

PRIME MINISTER

FOR PRESS

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ADDRESS AT RALLY AT DEAKIN, MELBOURNE

On December 10 the people of Australia will be deciding on the kind of country Australia is to become in the next decade. Do you want Australians having the freedom to build the kind of life they want? Do you want incentives to achieve - and rewards for initiative? Do you want opportunities and productive jobs for our young people? Do you want the poor and disadvantaged to have genuine assistance - which words and increases self respect? If you want this, then the party for you is the Liberal Party.

The Government has had to face many tough and sometimes unpopular decisions. Our responsibility is - above all - to take the decisions we believe are right for Australia, whether those decisions are popular or not. We have not told people there are easy answers. We have not courted popularity with rhetoric and easy formulas. We are doing the job of getting Australia back on her feet.

After the damage of Mr Whitlam's big spending high tax incompetent government, a government that changed its policy from week to week as the factions in the Labor Party wrangled with each other. We have told the Australian people the truth about the way to get Australia back to prosperity. We have rejected the road of lavish promises, of "crash" programmes, of cheap point scoring. We are doing the job we were elected to do. We are going to keep doing that job after December 10.

In the forefront of our minds has been the certain knowledge that if we are going to restore employment those who genuinely want work we have got to get the economy on a sound footing. That is our responsibility to all Australians. It is our responsibility to everyone seeking a job. It is our responsibility to the young people leaving school next month. It is our responsibility to all those who have come to Australia from other countries in the faith that Australia can offer them freedom and opportunities beyond any other place in the world.

We are fulfilling that responsibility. We are keeping that promise. For two years we have pursued a steady course. Our policies are succeeding. They are the only policies that will succeed.

We have halved Labor's inflation to create jobs. Interest rates are coming down - that will help unemployment. We have supported responsible wage restraint - that is helping employment. We have given Australian industry the protection we promised - that is helping employment. We have ended Labor's tax rip-off - income taxes at last are coming down - that will be a major boost to jobs. The crushing tax burden - which increased 125 percent under Mr Whitlam - is being relieved at last.

Let me talk for a moment about taxation because it has become the major issue of this election campaign. The differences between the two parties on taxation reveal the fundamental contrast between the philosophies of the government and Mr Whitlam's Labor Party. We have taken the view that a reduction in the personal tax burden is essential to economic recovery and to boosting job opportunities. Taxes which are too high encourage people to seek higher wages to compensate, reducing the tax burden helps to take the steam out of the wage push; it reduces the upward pressure on prices it helps to control inflation. At the same time by putting money directly into the hands of consumers it creates jobs because as demand rises employers are encouraged to hire more people. Reducing marginal tax rates increases incentive and production. We also believe that excessive taxes erode people's freedom to meet their own needs in the way that suits them best. In the last two years our tax changes have saved Australian taxpayers \$3,300 million.

In February Australians will become the beneficiaries of a major tax reduction. New tax scales and in many cases greatly reduced marginal rates - almost a quarter million low income earners now paying tax will pay not tax at all - in line with the government's general policy of helping those most in need.

The Government's determination to reduce the burden of personal taxation does not end there. Everyone knows of families who have been harrassed and put through great distress by death duties. Businesses have been broken up, widows have had to struggle along with less, families have had no choice but to sink themselves deep into debt. Under this government this distress and worry for the bereaved will cease. As from Monday all estates passing between man and wife, parent and child, will be totally free of Federal estate and gift duty. Over the life of the next Parliament all estate and gift duty will be entirely abolished. Mr Whitlam attacked this decision by claiming that it would not benefit many people. He said "estate duty is paid on a person's estate if it is worth more than \$90,000". He was clearly implying that no duty is payable for an estate of any lesser value. This claim is utterly false. The minimum for many estates is only \$20,000. For others, the minimum is \$40,000. Mr Whitlam's claim that only the wealthy benefit from such a change is completely wrong.

Every year about 13,000 estates have to pay estate duty many having several beneficiaries. That means that many thousands of people are affected each year by estate duty many of them entirely dependent on the deceased's estate for support. It's clear that Mr Whitlam wants to tax Australians to death and keep on taxing them after they are dead. In his incredible policy speech he demonstrated that he would return to the policies which had so damaged Australia when he was in office - higher not lower personal taxes; full wage indexation; high "crash" spending programmes; and poorly thought-out schemes. Six of his programmes alone cost \$3000 million he hasn't told us how or where he would get the money for this.

But it's clear he'd either tax it or print it. Tax it or print it - which is it to be? On Sunday Mr Whitlam said that tax indexation would be postponed for a while. On Tuesday Mr Willis said that Labor would bring in full tax indexation from next July - and Mr Whitlam let it be known that he agreed. On Wednesday, Mr Hayden said the economy could not cope with full tax indexation, and Mr Hurford said in Cairns that he had not read the papers yet so he could not say what Labor's policy was.

In the midst of all this confusion and contradiction Mr Whitlam announced that Mr Hurford would today make the definitive statement on what Labor's policy was, a press conference was scheduled for noon. Well, it is long past noon and there has still been no press conference. Poor Mr Hurford - left in the lurch again. Admit the confusion of Labor's poverty of economic spokesmen, one fact stands out starkly - to abolish payroll tax.

Labor would have to pay the States \$850 million in the first half of 1978. In the financial year 1978-79 they would have to find \$1900 million. Labor has said that they would finance this by raising the Australian people's taxes. That's a total of \$2,750 million which they would rip off the people of Australia. To finance this they have said that they would repeal the law reforming the tax scales which this government brought in. This would raise about \$400 million this year and \$1470 million next year.

But this would still fall far short of the total amount they need to finance the abolition of payroll tax - a short fall of some \$880 million, no less. This is why they will not commit themselves to tax indexation. It is crystal clear that they do not intend to maintain it.

Mr Whitlam will have to take at least \$6 a week from the man on average earnings. Mr Whitlam would remove the incentive we have given people to work overtime. He would increase tax rates from 32 percent to 45 percent. He would rip this money out of the hands of the Australian people and give it to big and profitable companies. Just to take a few examples. Utah would get a windfall of \$2 million.

\$ MILLION

CRA	10
BHP	33
MIM	4.5
CSR	8
BANK NSW	11
FORD	7
ACI	11
DUNLOP	11-13
GENERAL MOTORS	10

And the fact of the matter is that abolishing payroll tax would not increase employment. Mr Dunstan knows that, and has conceded that:

"The (S.A.) Government has already tried a payroll tax remission scheme and found that it does not create employment."

A recent survey of large employers revealed that not one company surveyed was prepared to forecast any increase in their own employment levels, if payroll tax were abolished. The survey showed that, on the contrary, employers considered Mr Whitlam and Mr Hawke's policy of full wage indexation would make the capacity of business to create new jobs worse - not better. Labor's scheme would hurt the self-employed, and many small businessmen, who are already exempt from payroll tax, but would be lumbered with higher wage costs and higher personal tax commitments.

Now Mr Chipp has got into the act. Like a parrot he has come out with exactly the same disastrous economic policy as the Labor Party. Like Labor, he wants to spend an inflationary \$800 million. Like Labor, he wants to end payroll tax for companies. Like Labor, he can't say, or he won't say which new tax he would impose to finance all these schemes. On one economic issue Mr Chipp has managed the amazing feat of out-bidding Mr Whitlam. Mr Whitlam only wants to increase tax on overtime. Mr Chipp wants to end any overtime being paid at all, by ending penalty rates. That is man on the moon stuff. The unions would never accept that. The Arbitration Commission would never agree to it. The Liberal Party will have nothing to do with the destructive economic policies of either party.

Let's look at the next plank of Labor's economic policy. In his policy speech Mr Whitlam committed Labor to "restore integrity to the wage indexation guidelines." It has taken a bare eight days for this item of Mr Whitlam's policy speech to crash in ruins. Mr Whitlam's careful formulas have come unstuck - they can now be seen for what they were - devices to conceal decisions Mr Whitlam was not prepared to place before the Australian people. Decisions he knew would be instantly rejected if they ever

became known. He said - Labor "would restore integrity to the wage indexation guidelines."

He meant - Labor has reached an agreement with the trade union movement - which, after all, pays the Labor Party's bills - that they would back the trade unions claims for maximum wage increases ... regardless of the consequences for employment and for Australia's chances of economic recovery.

For the last eight days, Australia has witnessed incredible prevarication as Labor has tried to keep this agreement concealed. Mr Whitlam's policy speech was only hours old when Mr Hayden said that Mr Whitlam's formula meant support for full wage indexation ... but only for people on less than average weekly earnings. By Sunday Mr Whitlam was saying that Labor wanted full wage indexation for everyone. Mr Hayden confessed he might be wrong. "I feel I'm on shaky ground", he said.

He said questions on wage indexation should be directed to Mr Willis: "I work in the economic area" - "it's a demarcation problem." So much for Mr Hayden as an economic manager.

If he believes wages policy is outside the economic area, he certainly is on shaky ground. Mr Whitlam with his usual degree of frankness directed his press secretary to say: "There was no contradiction" between himself and Mr Hayden on wage indexation. The press secretary said: "We are committed to full wage indexation, but no one has ever asked about the level at which full indexation would apply."

Now today, Mr Hawke has come straight out and said, with brutal frankness, that he is not prepared to wear Mr Hayden's position on wage indexation. Mr Hawke has made crystal clear that under him the trade union movement stands for the biggest wage grab it can get regardless of how many people are thrown out of jobs as a result.

The Labor Party is once again demonstrating what Australians learnt to their great cost in 1973-75: the Labor Party does not understand the economy, has no economic policy, and under its present constitution, is incapable of formulating an economic policy. The Government has a clear consistent policy decided by Cabinet. There is one policy, the policy is clear.

Unlike the Labor Party the government has pursued positive and constructive policies which actually work. 120,000 people mostly young people, have been helped by our training schemes - the CRAFT scheme for apprentices, the NEAT scheme, the education programme for unemployed youth - to name some of these schemes, each of which is designed to do a particular job, and is going it. We are spending more than \$100 million on training and job assistance schemes which especially help young people learn new skills.

One of the most important areas where the government has an outstanding record of achievement is in relation to trade union legislation. In his 45 minute policy speech Mr Whitlam did not have on constructive word to propose about the trade unions - Mr Hawke and the left-wing union leaders wouldn't allow it. The left-wing unions pay money to the Labor Party. They have a large voice in determining official ALP policy. That's why it is Labor's official policy to put unions above the law.

That's why Labor endorsed the Victorian power strike. They endorsed a strike which laid off 450,000 people for weeks; they endorsed a strike which threw 36,000 people completely out of a job. Labor's policy of letting the trade unions have their head resulted in a record period of strikes and industrial lawlessness when they were in office. We have shown that a government prepared to take a firm and fair stand can protect the public.

We have shown this in the air controller strike, in the postal workers dispute, in the case of the ACTU's uranium moratorium - they backed down. And in the Victorian power dispute, it was our move to deregister the unions involved that led to the strikers returning to work.

Of course, Mr Hawke claims the credit for being the great peace maker in that dispute. Perhaps you have seen Labor's commercial in which he is in a motel room hurriedly packing his bags to go out and resolve another of his disputes. Well in the case of the Victorian power dispute, it took Mr Hawke 9 weeks to pack his bags, get out of his motel room, and take a hand.

Unlike the Labor Party we have taken the view that no one can be above the law, that individual unionists have a right to be heard, and to be protected from intimidation, that it is the responsibility of the government to protect the interests of the whole community.

We have passed laws protecting individual unionists and given responsible rank and file unionists the chance to make their voices heard - secret postal ballots for union elections are now compulsory, there is a four year ceiling on the term of office of union officials. We have set up the Industrial Relations Bureau, to protect the public interest and also to act as an industrial ombudsman. Unions are now required to tell their members how union dues are spent. We are protecting individuals against being forced to join unions against their will. Damaging secondary boycotts have been banned. All this adds up to a firm and responsible policy which has the support of all responsible unionists, and which protects the rights of the individual unionist and the public.

Ladies and gentlemen, if we want Australia to be able to make a real contribution in the rest of the world; if we want Australia to be respected in the councils of the world; if we want Australia to get moving in top gear, we have to take a stand as a people and take it now.

In the two years of the government really solid foundations have been laid for economic recovery. Developments are moving in every part of Australia. Confidence is building up. If we can keep to the present course our future is unlimited. The ingredient Australia now needs is certainty - certainty that the responsible policies of the last two years will be continued for the next three years. Certainty that Australia has a government which knows what it is doing and has a policy that works. Mr Whitlam's approach of government by wrangle has been tried and it doesn't work. Australia needs responsible wage restraint. Australia needs constructive policies for trade unions. Australia needs responsible spending programmes, not lavish ill conceived "crash" programmes. Australia needs lower not higher taxes.

This is the way to get unemployment down and keep it down. Let's get on with the job.