

# PRIME MINISTER

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## ADDRESS TO EASTERN REGION RALLY, SYDNEY

This is the crucial last week of the election campaign. All the polls show that we are winning - but the only poll that really counts is the poll held next Saturday, the tenth of December. We've still got a lot of hard work to do over the next seven days. We've got to do more than just maintain our momentum. We've got to accelerate it.

David Combe, the secretary of the Labor Party, says he doesn't believe the polls. You all remember David don't you? He had to be brought back off a Russian ship to explain why Mr Whitlam tried to finance Labor's 1975 election campaign by borrowing money from a foreign government. David doesn't believe the polls - because he says that they show Labor is doing worse in New South Wales than they did in 1975. Well they should be doing worse - the Labor Party is insulting the intelligence of the Australian people by presenting the same recipe for disaster they cooked up between 1972 and 1975. They still think that good government is spending up big - they still think that the people will accept a party of disunity, disagreement and disaccord.

Our policies, by contrast, have been working. We have broken the back of inflation. Inflation is 9 percent and still falling. Interest rates are falling and in the next twelve months they could be reduced by as much as 2 percent - that is a saving of \$520 a year for the average young couple buying a new home. Investment is increasing - \$6,000 million of new investment projects are underway or ready to go - that means jobs; and the September quarter figures confirm the strength of investment - that means jobs. Because we have controlled government expenditure we have been able to introduce historic tax reforms - tax cuts for every taxpayer. Tax indexation has ended Labor's tax ripoff. Our February tax reforms, reforms which are already law, will inject \$26.7 million into the economy - that means jobs. Under our tax reforms, taxpayers on average earnings of \$10,000 a year will pay a marginal rate of tax of only 32 cents - 12 cents less than under Mr Hayden's scales; and they can increase their income up to \$16,000 a year without moving on to a higher marginal rate of tax. Over 90 percent of taxpayers will pay less than one quarter of their income in tax, we have restored incentive for endeavour and fair reward for achievement. It's worth working overtime again and an additional quarter of a million low income earners with taxable incomes under \$3,750 per year - including tens of thousands of pensioners, widows and students - will no longer pay any tax at all. And we haven't just stopped there.

On being elected we will legislate to exempt all estates

passing between man and wife, parent and child, from Federal estate and gift duty. From November 27, 1977, the day of my election speech, and over the life of the next Parliament all Federal estate and gift duties will be entirely abolished.

Australia is on the move again. We've got the real answer to unemployment. Investment means jobs; getting interest rates down - that means jobs; restraining government expenditure - that means jobs; giving tax cuts - that means jobs.

Mr Whitlam, with his usual high regard for the truth said that I'd used the term "unemployment" just once in my policy speech. Well, I used the word a number of times - and I'd like to put some of them on the record again.

I said:

"Because of our job maintenance strategy because of the growth and development our policies have made possible, unemployment will fall from February and keep falling".

I also said:

"It is Labor that is the party of unemployment. Labor today are still peddling the same policies which in one year increased unemployment by 157 percent...

"The only things that went ahead under Labor were inflation and unemployment. Mr Whitlam wants to do it all agin."

I'd like to repeat that: He'd do it all again. He is obsessed with reducing protection for Australian jobs. When he was Prime Minister he used unemployment as a deliberate calculated act of government policy. He wiped out tens of thousands of Australian jobs with a stroke of his pen by slashing tariffs by 25 percent across the board, despite the fact that he was officially warned by a report that industry would be harmed and unemployment would be created.

Now he wants to do it again - Mr Whitlam and Senator Wriedt are committed to an immediate restructuring of industry. We all know what that means - they want to restructure tens of thousands of Australians onto the dole.

Labor's past performance and present policies make their protestations of concern for the unemployed a hollow mockery. After 20 years of full employment under successive Liberal governments they made unemployment a major problem, with their irresponsibility, their extravagance, their wages policy, and their tariff cuts. Now they're calling themselves a free trade party.

Well, industry has seen through them - as the Executive Director of the Australian Confederation of Appaxel said yesterday:

"No industry could be certain of survival if a Labor Party committed to free trade and the restructuring of industry came into power."

The working men and women of Australia have seen through them - that's why Labor won't get into power. We have given Australian industry, Australian employment, the protection it needs. We have increased protection for industries with a total employment of over a quarter of a million Australians. We know quite well that Australia has got to focus on the things we're good at doing - but to talk about restructuring Australian industry at a time when unemployment is high and the economy's capability is not fully used just means more unemployment - that's what Mr Whitlam wants to do.

Our policies have the support of many Labor men - Mr Dunstan backs our stand on protection. In Singapore last month, he said "It's a perfectly proper thing for us to say ... we can't allow our employment to be lessened by imports which will simply throw our people into unemployment."

This week Mr Hawke gave his unqualified support to maintaining employment in the footwear, clothing and apparel industries to a group of long standing Labor supporters and contributors in the apparel industry. Mr Hawke and the Victorian State Secretary of the A.L.P., Mr Bob Bogg, had approached these Labor supporters to raise funds for Labor's election campaign - but Mr Whitlam, Mr Hayden and Mr Young overruled Mr Hawke's assurances. They have refused to give any firm assurances to these industries - industries employing 120,000 people. Well, the industry is responding with an advertising campaign to tell workers what the consequences of Labor policy would be - and the unions are considering their position - after all, it's their members jobs that are at stake.

Can Mr Whitlam as Labor's unemployment expert, tell us which industries Labor has marked for the guillotine. Is it the footwear, textile, and apparel industry, employing 120,000; the wood, wood products and furniture industries, employment of 73,000; paper and paper products and printing - employment of 97,000; basic chemicals, and related products - 56,000; basic metals - 88,000; fabricated metals - 104,000; appliances and electrical equipment - 81,000; industrial machinery and scientific equipment - 80,000.

It's no wonder Mr Hawke is going around saying Mr Whitlam's stature has diminished. Yesterday, Mr Hawke was reported as saying to a fellow drinker at Adelaide's Victoria Hotel: "Don't worry about Whitlam he won't be there long. He has said he'll only be there two years. The Labor Party is not Gough Whitlam." When the drinker replied: "I know it isn't but at the moment it is," Mr Hawke dismissed Mr Whitlam again saying "No. It used to be." The drinker persisted, saying: "But all you see on T.V. is Whitlam". By this time Mr Hawke's patience with the drinker was exhausted. He wound up the conversation with a Hawkerword.

The Labor Party hasn't changed - it's still the party of confusion, contradiction and conflict. Labor just can't get it together.

Mr Whitlam's policy speech is only two weeks old, but everyone of his policies has been contradicted - or dismissed.

by one or more of Labor's own clutch of economic spokesmen.

I'll just take Labor's so called tax policy. First, Mr Whitlam said he would rid the country of unemployment by abolishing payroll tax. Almost immediately, a survey was undertaken of major employers and not one reported that it would increase its staff if payroll tax was lifted. They would simply add this new subsidy to their profits. Labor should have known this would happen. Mr Dunstan had tried a payroll tax remission scheme in South Australia and found it had no effect on employment at all.

Now the President of the Labor Party, Mr Hawke, has said that, unless companies guarantee to take on more staff, the whole scheme will be dropped - we will have to look at other alternatives, he says.

And what alternative does he suggest - only one, tax cuts - the very thing which we offer and Mr Whitlam has scorned.

In his policy speech, Mr. Whitlam said he would take away the tax cuts which are now law and will take effect in February. This would significantly raise everyone's tax bill and it would force a quarter of a million widows, pensioners, and other low income earners to pay tax.

He entirely forgot about this quarter of a million low income earners until Mr. Hurford rushed forward with a last minute patch up scheme. Poor Mr. Hurford heralded this after-thought as a "new tax initiative".

But Mr. Whitlam tried to leave Mr. Hurford in the lurch again. When Mr. Whitlam was asked why the Labor Party had taken so long to announce their exemption for minimum income earners, Mr. Whitlam replied that it had been Labor policy all along, and that he had been saying it all along.

Mr. Hurford was saved by journalists from the most dreadful embarrassment of finding that his "new tax" proposal wasn't new. The journalists rummaged through their notebooks, played back their tapes, and found that Mr. Whitlam hadn't mentioned it before.

But quite apart from saying that they would repeal our February tax reforms, it was clear that Labor proposed to abandon another of our vital reforms, tax indexation.

For a fortnight, each Labor Spokesman has fallen over himself in his haste to put his views on this subject, and dissociate himself from the entirely contradictory statements of each of the other economic spokesmen.

After three days, Mr. Whitlam admitted he would have to "postpone" tax indexation. Then within hours he said he might have expressed himself wrongly on this. Next day, he and Mr. Willis were saying there would be full tax indexation from next July. Then Mr. Hayden said there would be no tax indexation until the economy could cope. And we all know how soon the economy could "cope" with any concession with Labor running it - never.

Obviously, Mr. Hawke realised this as he got into the act by saying Mr. Hayden's statement was just one man's view, and the unions which he represented would accept nothing short of full indexation.

Through all this, the Shadow Treasurer, the official spokesman on these matters, sat in shaking silence. When a journalist finally caught up with him in Cairns, Mr. Hurford said he couldn't say what Labor's policy was because he had only read the Cairns Post.

Last Monday, Mr. Hawke announced that all conflicts were over, there would be full indexation from July. Yesterday, Mr. Whitlam said Labor's position was that there would only be fifty percent indexation from 1978/79.

This he said had been decided in the weeks before his policy speech, it was just that no one had bothered to ask him about it. Asked why the decision had not been announced previously, Mr. Whitlam said there was a limit to the number of things which would be announced in a policy speech. And he topped this by saying: "You will remember I was only able to read to the rapturous audience in the Opera House, about half of the text of the speech",

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 economic policy decided by Cabinet. There is one policy, the policy is clear. By reducing inflation, the government deficit, interest rates and taxation, by increasing investment, growth and development, economic recovery is underway. It is this new era of prosperity and growth which will provide more jobs for more people - real jobs jobs that they can keep. And in the meantime, we can increase the motivation to work and the skills of those out of work so that they are ready to take new jobs as they arise. This is the real answer to unemployment, not some patchwork, temporary, inflationary scheme which is all Labor can devise. This why unemployment will fall from February and keep on falling. This is why only under a Liberal Government can we get unemployment down, and keep it down.

In the two years of this 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 Australia has a government which knows what it is doing and has a policy that works.

Only a Liberal Government has a policy that works. From now to next Saturday, I ask everyone here for your full-hearted, vigorous support.