



PRIME MINISTER

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LATROBE/HOLT RALLY

Your choice in this election is clear cut. Do you want our policies of development and confidence, our policies of success? Or do you want Labor's policies of futility and fear, their policies of failure?

Our policies are succeeding - they are ready to take Australia into a new period of prosperity and achievement. We're doing the job we were elected to do.

We promised to reduce inflation: We've broken its back - inflation is 9% and falling. We promised to end Labor's extravagance: Labor's deficits have been halved. We promised to get Australia on the move: \$6,000 million of new investment projects are underway or ready to go.

Interest rates are coming down. In the next 12 months they could be reduced by as much as 2%. This will save the average young couple buying a new home \$10 a week - \$520 a year.

We promised to end Labor's tax ripoff. Everyone's taxes have been cut by tax indexation. They will be cut again in February. These tax cuts are fair. People on average earnings of \$10,000 a year will pay a marginal rate of tax of only 32 cents in the dollar. Under the Hayden scales it was 45 cents. From February 1 it will be 32 cents right up to \$16,000. These tax scales make it worth working overtime again.

These tax cuts are substantial. Over 90% of taxpayers will pay less than one quarter of their incomes in tax. These tax cuts are a significant social reform. A quarter of a million low income earners, tens of thousands of pensioners, widows and students, with taxable incomes under \$3,750 per year, will no longer pay any tax at all. Labor forgot about these groups entirely.

We've got the real answer to unemployment. Investment, that means jobs. Getting interest rates down, that means jobs. Restraining Government expenditure, that means jobs. Cutting taxes, that means jobs.

The First of February tax cuts just two months away will increase people's income and inject \$26.7 million a week into the economy. Because we have reduced inflation the tax cuts will create more jobs. Because people can spend more our factories will have to produce more.

There will be demand for more employees and we are spending \$100 million on job assistance and training schemes which will especially help young people learn new skills. These schemes are helping the unemployed into real jobs - jobs that they can keep. These schemes have helped over 120,000 people already and they are constantly being improved and extended. The major forecasts the Government has before it show that under our policies job opportunities will expand. From February, unemployment will fall and keep falling. What does Labor promise? Labor promises the moon. What are Labor's promises worth - nothing.

In his 1972 policy speech, Mr. Whitlam promised and I quote his exact words: "Labor's first priority will be to restore genuine full employment -- without hedging, without qualification."

In his 1974 policy speech Mr. Whitlam said: "We promised to restore full employment - we have restored it ... in Australia alone, unemployment and inflation do not march side by side."

What a bare faced effrontery. This from a government that increased unemployment by almost 200,000 in one year alone, that pushed inflation up to 19% in the second half of 1974. The Australian people won't ever be fooled again by Mr. Whitlam. With his policy speech lying in ruins, undermined by his own menagerie of economic spokesmen, and panicked by the weekend opinion polls, Mr. Whitlam is going for broke.

His political tactics have always been crash through or crash. Well if you are anywhere in the vicinity next Saturday stand back. There will be bits of his Labor Party flying all over the place. Mr. Whitlam doesn't give Australians any credit at all for judgement or commonsense. He doesn't think they can see through the most transparent deceptions.

Yesterday, Mr. Whitlam claimed that Labor would reduce unemployment by at least 100,000 people. But only a few days earlier Mr. Hayden had claimed that Labor would reduce unemployment by one half of one percent, that is 30,000 people.

Mr. Whitlam has magically created 70,000 jobs, with just a stroke of his speechwriter's pen. Yesterday Mr. Whitlam said Labor would reduce inflation by 5% in the next twelve months. But in his policy speech he claimed Labor would reduce it by 2%. His speech writers had been at it again.

You know that speech writer wrote a biography of Mr. Whitlam called "A Certain Grandeur". I think that "A Certain Delusion of Grandeur" would have been a more appropriate title.

Mr. Whitlam wants a massive increase in personal income tax, a return to the old high marginal tax rates. A "crash" spending programme would run at a rate of \$1600 million a year, over two-thirds of our present deficit. We all know what large deficits do. We all found out under Labor. They increase inflation; they increase interest rates; they increase unemployment. But on top of that, he has an infinity of promises worth billions of dollars that he hasn't even bothered costing. And he wants full wage indexation.

He has no anti-inflation strategy - his big spending, high tax, high wage approach would increase interest rates again. Labor's extravagance would blow the embers of inflation into the biggest economic bushfire Australia has ever seen. His economic bushfire would consume the jobs and the savings of Australia. It would entirely burn out the foundations of growth and prosperity we have built. Given another chance, Mr. Whitlam would make the years 1972-1975 look like a picnic. Mr. Whitlam would actually increase taxes. Labor would recall Parliament to repeal our February tax cut reforms. To pay for the abolition of payroll tax, Labour would have to increase personal taxes by \$850 million this year - \$1000 million next. Labor's payroll tax scheme would not create employment.

Within days of Mr. Whitlam's policy speech, a survey of major employers found that not one company forecast any increase in staff numbers if payroll tax were lifted. Yet Labor should not be surprised. The Premier of South Australia, Mr. Dunstan, made it clear in September that he had tried a payroll remission scheme, and that it had failed. Only the present members of the Labor Party would seriously put forward a plan to rip huge sums in taxes from ordinary Australians and use them to pay big companies. I ask the working men and women of Australia - do you want to give \$6 a week to your company because that's where it would go - and no jobs would be created. The companies have said so.

Let's look at what some of the big companies would get:

UTAH	\$ 2	MILLION
CRA	\$10	MILLION
BHP	\$33	MILLION
KIM	\$ 4.5	MILLION
CSR	\$ 8	MILLION
BANK OF NSW	\$11	MILLION
FORD	\$ 7	MILLION
ACI	\$11	MILLION
DUNLOP	\$11 - \$13	MILLION
GENERAL MOTORS	\$10	MILLION

Labor's policies are a sure-fire recipe for economic disaster, more unemployment, higher inflation, higher wages - with lower investment and business confidence. Mr. Whitlam hasn't changed, the Labor Party hasn't changed. No wonder a survey of 244 Victorian manufacturers last Friday showed that manufacturers overwhelmingly felt the return of a Labor administration would have adverse effects on their business. Small firms, with less than 100 employees, had the least confidence in a Labor government. Compared with a similar survey during the 1975 election, there is even less confidence in Labor now than there was then. Labor's confusion and socialist ideology would be disastrous for business confidence, disastrous for getting jobs.

* See last page

Mr. Whitlam always talks about increasing employment. His policies have always increased unemployment. His policies on employment are worthless. Labor actually reduced the number of people in 1975 who had jobs. We have reversed that trend. Under our policies, the number of people in jobs has increased by 180,000. Under a Liberal Government, Australia will grow and develop at a rate which ensures the number of jobs keeps increasing. We have reduced inflation and we are giving Australian industry the protection it needs to ensure existing jobs are maintained. We will not be a party to exporting Australian jobs. Mr. Whitlam is obsessed with reducing protection for Australian jobs. He is the unemployment expert. His notorious 25% across the board tariff slash wiped out tens of thousands of jobs. Mr. Whitlam went ahead with that disastrous decision - despite the fact that he was officially warned by a Tariff Board report that such a slash would harm industry and create more unemployment.

He made unemployment a deliberate and calculated act of his Government's policy. Now he wants to do it again. Mr. Whitlam and Senator Wreidt say Labor is committed to an immediate restructuring of industry. We all know what that means - they want to restructure tens of thousands of Australians on to the dole.

Australia enjoyed 20 years of full employment under successive Liberal Governments. In just three years, the Whitlam Government made unemployment a major problem, with their extravagance, their high wages policy, and their indiscriminate tariff cuts. Now they're calling for the dismantling of protection. They refused point blank to back the support we have given to the apparel, textile and footwear industries which are major employers throughout Australia. They refused because they said they were a free trade party. The consequences of this callous betrayal of working Australians are immense. As the Executive Director of the Australian Confederation of Apparel Manufacturers said: "No industry could be certain of survival if a Labor Party ... came into power."

With a Liberal Government, each industry - and the men and women employed in each industry - can rest assured they will receive the protection they need. We have increased protection for industries with a total employment of over a quarter of a million Australians. Our long-term policy is to concentrate our efforts on the things we're good at doing. But to talk about restructuring Australian industry now when unemployment is high and the economy is not running at full capacity is arrant nonsense. It is academic theory - which involves highly practical unemployment. That's what Mr. Whitlam wants to do for the unemployed.

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 people into unemployment."

This week Mr. Hawke said he wanted Labor to promise to maintain employment in the footwear, clothing and apparel industries, but he was overruled by Mr. Whitlam, Mr. Hayden and Mr. Young. About half the factories in these industries are concentrated in Victoria, both in industrial suburbs and country centres. About 80% of employees are women and many of them are migrants. Due to the Government's commitment, employment has begun to revive recently and new equipment ordered.

Labor refuses to give any firm assurances to these industries - industries employing 120,000 people. So much for Labor's professed concern for unemployment. Which other industries has Labor marked for the guillotine? Is it the wood, wood products and furniture industries, with employment of 73,000? Paper and paper products and printing, employing 97,000? Basic chemicals and related products, 56,000? Appliances and electrical equipment, 81,000? Industrial machinery and scientific equipment, 80,000?

The only job Mr. Whitlam is anxious to protect is his own as Leader. It's no wonder Mr. Hawke is going around the pubs saying Mr. Whitlam's stature has diminished. Mr. Hawke says the Labor Party used to be Gough Whitlam, but it isn't any longer. No doubt he had in mind Mr. Whitlam's single most powerful election promise - to resign within two years. Mr. Whitlam has promised it. Mr. Hayden has promised it. Mr. Hawke has promised it. It's about the only promise they currently agree on. But people should be beware. This promise is likely to be as reliable as all his other promises. Labor hasn't changed - it's still the party of confusion, contradiction and conflict.

After weeks of hopeless confusion on tax indexation, payroll tax, uranium and wages policy, Labor's half dozen economic spokesmen had a 90-minute five-way telephone hook-up. Mr Whitlam was left out of this happy hook-up. He has got a major hang-up over that. At the end of this 90-minute marathon Mr. Hawke announced "absolute consensus" had been reached - and promptly gave three conflicting versions on wages policy in the space of a one page statement. If that's Labor's idea of consensus, imagine what a disagreement would be like.

Mr Whitlam's complaining about people who ring him up on talk-back shows. He says that people who ring him up are all Liberal supporters. I think he is right - there are millions of Liberals all over Australia and the number is growing each day. Poor Mr Whitlam. He cannot talk to his colleagues, he won't talk to the press, and he complains when he talks to the people. Soon there will be no one left in the whole of Australia for Mr Whitlam to talk to.

As for poor Mr. Hurford, he would love it if people stopped talking to him. When a journalist recently asked him in Cairns what Labor's policy was on tax indexation, he said he couldn't say because he had only read the "Cairns Post". But he added he would be having a press conference a few days later, and he said he would make sure he had read some of the major city papers before then. But having read the papers, he wisely cancelled his press conference.

What has become crystal clear over the last fortnight is that Labor does not understand the economy, has no coherent, agreed economic policies and, above all, has no effective strategy to reduce unemployment. They are still the party of disunity, disagreement and discord. In short, their policies would only serve to increase unemployment. One of the greatest causes of unemployment is unjustified industrial disputes. In the Victorian power dispute 450,000 people were laid off for weeks. - 36,000 permanently lost their jobs.

One of our major achievements is that we have established the framework for commonsense, justice and order in industrial relations. Labor for once are quite agreed on what they would do in this area - repeal all our reforms protecting individual unionists and the general public; and place unions above the law.

Labor would repeal secret postal ballots for the election of union officials. Labor would repeal our laws which let unionists know how their union's funds are being spent. Labor would exempt unions from the provisions of the Trade Practices Act. Labor would repeal all penalties for strikes against Arbitration Commission decisions. Labor would repeal our laws dealing with demarcation disputes. How could anyone object to laws as obviously fair and essential as these?

The reason is not hard to find. The left wing unions are all affiliated with the Labor Party. They all pay money to the Labor Party. And they have a large voice in determining official ALP policy. Mr Whitlam is unable to resist them. That's why he has completely abdicated responsibility for the damage which their disruption can cause. 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. Our firm and responsible policy has the support of responsible unionists

In my policy speech a fortnight ago I outlined a comprehensive programme which realistically tackled the problems we face, and which included creative and dynamic policies to meet Australia's needs. Our new initiatives were carefully costed. They are a responsible and workable strategy for restoring Australia to prosperity. Our clear, consistent economic policy has been shown to work. By getting inflation down, the deficit down, interest rates down, taxation down, we are giving the economy the stimulus it needs to grow. By getting investment up, growth and development up, production and productivity up, we are creating more jobs for more people - not temporary, artificial jobs which peter out when some government subsidy runs out, but real jobs, permanent jobs, jobs that Australians can keep.

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ADDITION TO PAGE 3

AND IT'S NOT JUST THAT MR WHITLAM'S PAYROLL TAX PROPOSAL DOES NO ONE ANY GOOD.

IT'S NOT JUST THAT IT WOULD TAKE BILLIONS OF DOLLARS OUT OF THE HANDS OF THE WORKING MEN AND WOMEN OF AUSTRALIA, AND PUT IT INTO THE HANDS OF LARGE AND PROFITABLE COMPANIES. IT WOULD NOT PROVIDE ANY STIMULUS TO THE ECONOMY. IT WOULD DAMAGE SMALL BUSINESSES THAT ARE ALREADY EXEMPT FROM PAYROLL TAX. THEY WOULD BE AT A DISADVANTAGE COMPARED WITH THE BIG COMPANIES. AND THEY WOULD HAVE TO BEAR THE ADDITIONAL BURDEN OF LABORS POLICY OF FULL WAGE INDEXATION.

LABOR SIMPLY DID NOT THINK THIS SCHEME THROUGH.

THEIR MASSIVE EXPENDITURE PROGRAMMES WOULD RAISE UNEMPLOYMENT CONSIDERABLY.