



PRIME MINISTER

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ELECTORATE TALK

The Government's Budget is the right Budget for Australia - the only Budget for Australia. The Budget had one major objective - to build on the foundations already set for the long term economic stability and prosperity of Australia. We met that objective without quibble, without pretence.

That Budget has been exceptionally well-received by Australians. I have spoken to many Australians over the last few days - and almost without exception they said we had produced a good Budget.

Of course there are moans about cigarette prices, and beer prices and petrol prices - but people understand why we had to take these decisions. They understand that there is no easy way out of economic problems. There are still no quick fixes.

The people I spoke with - farmers, factory workers, Australians from all walks of life - all recognised that we had to keep on with the firm policies and with our policy of restraint.

Even though this Budget had some so-called "unpopular" news, people have received it far better, I believe, than our previous two Budgets. That says a great deal about the intelligence, commonsense and fair-mindedness of Australians. I don't believe the kind of newspaper headlines we saw after the Budget reflect in any way the real feeling and real spirit in Australia.

One of the reasons the Budget has been accepted is that Australians can see that inflation is being beaten - a 5 percent inflation rate within ten months is a reality.

Australians remember all too vividly that when we took office inflation was in excess of 15 or 16 percent. That was hitting hard and direct at the needy, the poor, the disadvantaged, the pensioner, the farmer, the family - and business.

Our policies have slashed inflation and have created conditions where interest rates can continue to fall. As interest rates keep coming down - in a steady and in a sustainable way - that gets to the heart of Australian life.

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The level of interest rates affects every Australian, every buying decision. Lower interest rates really benefit young couples buying a home or improving an existing home; it helps farmers who rely so heavily on borrowed money to finance expensive equipment; it helps someone buying a new car or borrowing money from a bank or a building society for any reason at all; and it helps business, large and small.

Reducing inflation and reducing interest rates will do more to help every Australian than any other act of Government. In fact the real stimulus to the Australian economy will come from lower inflation and lower interest rates - and not from some Government induced spending programme that pumps money out of ever-turning printing presses.

Of course lower inflation and lower interest rates will make our great industries more competitive in Australia and in world markets. You all know what this will mean for jobs, for confidence and for growth.

Significantly, of course, it means that as a resource-rich nation we will become a favoured nation for investment. Countries will be looking to Australia with our lower inflation and with a sound and stable economy for years ahead.

Australia now has a high reputation in the great finance markets of the world. Countries know we are pursuing the right policies, they know we mean business.

Countries look also to Australia not only as a nation with a sound economy but as a country with continuing political stability. Investors still remember the damage caused to Australia --to Australian industry and jobs--by the political instability of the three Labor years.

They now look to Australia with sound, responsible and sensible economic policies and to an Australia with stable, united and determined Government. We will not fail on either account.