



## PRIME MINISTER

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### ELECTORATE TALK

After three years of policies directed at overcoming inflation and rebuilding the economy, the signs of progress are clear. There is little doubt that 1979 is the year in which the fruits of our endeavours will become apparent.

Official figures provide increasing grounds for optimism. Consumer demand is encouraging, production has strengthened, private investment is growing strongly, investment in plant and machinery is much above last year, while the outlook for housing is showing signs of improvement.

The rural economy too is showing a strength and a confidence that has not been seen in Australia for more than a decade. That is heartening news for every Australian.

A most encouraging sign for Australia this year is the resurgence of investment in our country's great mineral resources. A clear pointer is new capital investment in mining. It was 75% higher in the year to September, while the latest survey by the industry itself shows an expected 32% increase in 1979.

This is a far cry from policies that stifled development between 1972 and 1975.

In manufacturing, major new investments have been announced over the past few weeks. One of Australia's top companies, ICI, has committed a \$900 million investment in Victoria and New South Wales. General Motors Holden, one of Australia's largest employers, is planning a new \$210 million engine complex in Victoria.

Only this week, the Metal Trades Industry Association released a survey which showed in the clearest terms increased confidence in the industry throughout Australia.

Three-quarters of the companies surveyed expected improvement in general business conditions and employment this year. Nearly half the companies reported improved forward orders compared with just ten weeks ago.

It is because of this decisive vote of confidence in Australia, and in the Government's policies, that we are seeing the first tentative stages of growth in manufacturing employment in five years.

The competitiveness of Australia's firms has improved dramatically because we are steadily getting on top of inflation. In fact, Australia is more competitive than at any time in the last seven years. Despite this, much remains to be done, we must consolidate the gains already won.

There is no room at all for the soft or easy option. Economic realities must be faced. There is no room for relaxation of the Government's firm economic management.

However difficult these policies may seem in the short run, they are ultimately the only policies that can keep us on the road to prosperity and higher employment.

Over the last two or three months we have seen some encouraging signs of increasing employment. These are tentative signs but they point in the same direction. Civilian employment has risen in Australia over the five months to November 1978, the first time this has occurred for five years.

In October and November last year employment in manufacturing increased - the largest increase over these two months for five years. Overtime, another key indicator of employment, has risen each month for the last seven months to the highest level since 1974. Similarly, the trend for new vacancies notified by companies to the Commonwealth Employment Service shows a better picture.

In my first broadcast to you this year, I have pointed to a number of areas where the economy is moving ahead much better than it has.

While we must treat the signs with caution -- the optimism in our industries, resurgence of investment in development in mining and manufacturing, a revitalised rural Australia -- they nevertheless give Australia firm ground for confidence.

As each month passes, we will have further demonstration that Australia is recovering from the three years of Labor's mismanagement that hit every Australian firmly and shattered our economy.

Your Government's policies are overcoming inflation, rebuilding the economy, providing new job opportunities and creating a better Australia.

We will stay with the job you have given us.