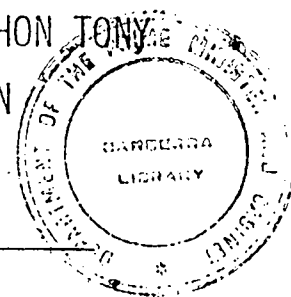


SPEECH BY THE MINISTER FOR INDUSTRIAL RELATIONS, THE HON TONY STREET (ON BEHALF OF THE PRIME MINISTER) TO THE WANNON ELECTORATE, 18 NOVEMBER, 1979

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HELLO, THIS IS TONY STREET, STANDING IN FOR MALCOLM FRASER. AS HIS ELECTORAL NEIGHBOUR, TONIGHT IT IS MY PLEASURE TO SPEAK TO THE PEOPLE OF WANNON.

MY RESPONSIBILITIES AS MINISTER FOR INDUSTRIAL RELATIONS TAKE IN MANY AREAS, ONE OF THE MOST IMPORTANT OF WHICH IS WAGES.

AT PRESENT THE CONCILIATION AND ARBITRATION COMMISSION IS HEARING WHAT I CONSIDER TO BE THE MOST IMPORTANT NATIONAL WAGE CASE SINCE THE SYSTEM OF CENTRALISED WAGE FIXATION BEGAN IN 1975.

FOR SOME TIME NOW THE GOVERNMENT HAS BEEN ARGUING THAT WAGE RESTRAINT IS AN ESSENTIAL INGREDIENT OF ECONOMIC RECOVERY. OUR VIEW IS THAT EXCESSIVE WAGE INCREASES LEAD DIRECTLY TO UNACCEPTABLE PRICE INCREASES, AND THAT VERY FEW PEOPLE ENJOY ANY REAL GAIN OUT OF WAGE INCREASES. FURTHERMORE, THE FEW GAINS THAT SOME PEOPLE GET ARE OFTEN AT THE PRICE OF OTHERS' MISFORTUNE.

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LABOUR IS LIKE MOST OTHER COMMODITIES - IF THERE ARE LARGE AND RAPID INCREASES IN ITS PRICE PEOPLE BUY LESS.

YET THAT IS PRECEISELY WHAT SOME PEOPLE DEMAND FOR THE COMMODITY, IN THIS CASE LABOUR, AND THAT MEANS HIGHER UNEMPLOYMENT.

NONETHELESS, THE GOVERNMENT BELIEVES THAT ALL PARTIES - GOVERNMENT, EMPLOYERS AND UNIONS - HAVE TO ACCEPT THE DECISIONS OF THE CONCILIATION AND ARBITRATION COMMISSION AND OTHER INDUSTRIAL TRIBUNALS. IN HANDING DOWN IT'S LAST NATIONAL WAGE CASE DECISION, A FULL BENCH OF THE COMMISSION SAID THAT IT HAD BEEN BROUGHT TO THE BRINK OF ABANDONING WAGE INDEXATION. IT SAID THAT THE ACTIONS AND ATTITUDES OF VARIOUS PARTICIPANTS IN THE SYSTEM WERE INCOMPATIBLE WITH ITS EFFECTIVE OPERATION AND THE SYSTEM WAS NOT WORKING. THAT IS WHAT MAKES THIS CURRENT HEARING SO IMPORTANT TO THE FUTURE OF WAGE FIXATION.

WHILE ALL PARTIES STATED, AFTER THE LAST HEARING THAT THEY WERE IN FAVOUR OF CENTRALISED WAGE FIXATION, ONLY THE COMMONWEALTH GOVERNMENT HAS MADE A CONSTRUCTIVE EFFORT TO RE-ESTABLISH THE CONSENSUS ON WHICH THE CURRENT SYSTEM ULTIMATELY RESTS. ONLY THE COMMONWEALTH GOVERNMENT HAS BEEN PREPARED TO MAKE CONCESSIONS IN RETURN FOR A COMMITMENT FROM ALL PARTIES NOT TO PURSUE OR GRANT WAGE CLAIMS OUTSIDE THE WAGE FIXATION PRINCIPLES AND A REJECTION OF INDUSTRIAL ACTION IN SUPPORT OF SUCH CLAIMS.

OUR PROPOSALS WERE IMMEDIATELY REJECTED BY THE LABOR PARTY AND THE TRADE UNION MOVEMENT WHO HAD NOTHING TO OFFER BETWEEN THEM EXCEPT THE SAME TIRED OLD SELFISH VIEWS. IT IS PRECISELY THIS SORT OF UNTHINKING STUBBORNNESS WHICH HAS LED TO THE CURRENT DIFFICULTIES IN INDUSTRIAL RELATIONS.

NOW, IN THE CURRENT HEARING, THE LABOR GOVERNMENT IN NEW SOUTH WALES HAS ACCEPTED THAT THE COMMONWEALTH HAD INDEED MADE A SIGNIFICANT MOVE TOWARDS CONSENSUS. IN PARTICULAR THEY HAVE STATED THAT ALTHOUGH THEY PREFER QUARTERLY HEARINGS THEY COULD LIVE WITH 6 MONTHLY HEARINGS IF THERE WAS AUTOMATIC ADJUSTMENT.

WHILE WE WILL HAVE TO LOOK AT WHAT THEY HAVE SAID VERY CAREFULLY IT IS REFRESHING TO SEE A LABOR GOVERNMENT BEGINNING TO THINK CONSTRUCTIVELY ABOUT HOW WAGE FIXATION SHOULD BE CONDUCTED.

UNFORTUNATELY, THIS FRESH APPROACH TO THE PROBLEMS HAS NOT BEEN TAKEN UP BY THEIR COLLEAGUES IN THE FEDERAL PARLIAMENT.

AT ITS FEDERAL CONFERENCE, THE LABOR PARTY GAVE UNDERTAKINGS TO THE TRADE UNION MOVEMENT THAT, IF ELECTED, IT WOULD SUPPORT AUTOMATIC FULL INDEXATION EVERY THREE MONTHS. FURTHERMORE, THEY HAVE NO INTENTION OF STOPPING THERE. THIS CLEARLY IS A MINIMUM ON WHICH THE UNIONS WITH INDUSTRIAL MUSCLE WOULD BE FREE TO BUILD TO GET EVEN LARGER WAGE INCREASES.

THE FEDERAL LABOR PARTY HAS TO MAINTAIN ITS DISCREDITED WAGES POLICY NO MATTER WHAT THE ECONOMIC CONDITIONS, NO MATTER WHAT THE INFLATIONARY EFFECTS, AND NO MATTER WHAT THE RISKS IT MEANS FOR THOUSANDS OF JOBS.

THE COMMONWEALTH GOVERNMENT HAS ALREADY SHOWN THAT IT IS PREPARED TO BE FLEXIBLE. WE WILL NOT BE LOCKED INTO POLICIES WHICH DO NOT MEET THE NEEDS OF THE TIMES. OUR AIM IS TO SEE WHATEVER WAGE INCREASES ARE AWARDED ARE CONSISTENT WITH NATIONAL ECONOMIC NEEDS AND THAT INDUSTRIAL DISRUPTION IS KEPT TO A MINIMUM.

WE WILL CONTINUE TO ACT POSITIVELY AND CONSTRUCTIVELY IN ORDER TO ACHIEVE THOSE AIMS.