



## PRIME MINISTER

FOR MEDIA

SUNDAY, 4 APRIL 1982

### ELECTORATE TALK

It is more important than ever for governments throughout Australia to pursue policies of stability and restraint. It is to be hoped that the new government in Victoria understands and appreciated this fact.

The international economic scene is difficult—the present world recession is the worst in many memories. Trade is not picking up. Some major overseas economies and markets are shrinking, not growing and unemployment in many countries is high and rising. Against this background, Australia is continuing to grow and we shall resolutely maintain policies which enable us to do so.

Despite the drought last year, Australia's overall final output grew by almost 3% in real terms in 1980-81 and total output, including both the farm and non-farm sectors, is expected to grow at a similar rate this year. Despite the effects of the world down turn business investment in Australia is continuing at a high level following last year's 30 year record and over 100,000 new jobs were created in the year to January.

But we must face the reality that we are affected by the world downturn; that we are facing tougher competition from overseas. It has not been a good time for the introduction of shorter hours, or for the high wage rises which so much of our workforce has received, and on top of this, widespread strikes over the past year are now making it harder to build up employment. Overseas, goods are being produced more cheaply. In some countries actual reductions in wages have been accepted because they want their jobs, and they want to sell their products. The outlook for Australian products in overseas markets is worsening because our costs have gone up while other countries have contained their costs.

It is against this background that we are getting on with the job of providing the kind of stable government which Australia needs. We need to work with proven policies. We need a steady approach. We need continuity. We need an understanding of what we can achieve together, a willingness to put Australia first ahead of sectional interests.

To be sidetracked from our established path would cause major damage to our economy for years ahead. We must demonstrate afresh to the world our stability and reliability. We must show the world that we will approach our economic future in a mature and farsighted way.

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We need to show the world our determination to handle industrial relations effectively; that we will not demand wage rises which the economy cannot afford; that we are willing to maintain restraint on government spending.

The Government's responsibility to provide the stability on which confidence depends is absolute and overriding. Only in that way can we take advantage of the great underlying strength of our economy. Only in that way can the living standards of Australia's families be secured.

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