



# PRIME MINISTER

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## ELECTORATE TALK

One of our important responsibilities is to present a balanced, realistic view of where our economy stands, and of the prospects which lie ahead. People have a right to expect that the various elements bearing on Australia's economic position will be explained in a rational way, so that the whole picture emerges and can be understood. Balance, stability - they are the keys to keeping Australia's economy on course, not only in the public presentation of the position but also in the substance of responsible economic management.

Australia does not function in isolation. When the economies of the major industrialised nations strike trouble, then that is reflected in Australia. We are affected by the slackening demand for our products in those countries. We are affected by the levels of interest rates in Europe and America. The unhappy truth is that the economy of several of these major countries is not growing. Not only that, but in some instances, they are actually producing less.

There are many economic indicators, but I think the plight of the United States' motor car industry illustrates the position quite dramatically. Four years ago, the United States produced 15 million vehicles. Last year, they produced half that - seven and a half million. Imagine the impact of that change on jobs, people's spending, the suppliers of metals, and so on.

In the face of a world economic downturn, Australia has done comparatively well. Our economy has grown faster than the average rate of other major industrialised countries in recent years. Business investment growth in Australia was at its highest for 30 years in the last financial year. After-tax real incomes have been rising in Australia and more jobs have been created. In the three years to last February, almost 380,000 new jobs were created in Australia.

We know that we can succeed in Australia against world trends. We cannot avoid being influenced by those trends, but there is much we can do ourselves to meet the challenge of keeping Australia's economy on course in the face of difficult international conditions. For the Government's part, it is committed to providing stable, reliable government, the kind of government that inspires confidence among business people, large and small, in Australia and overseas. That is fundamental.

At the same time, the Government must be sufficiently flexible to respond to changing economic circumstances internationally and at home. As a nation, it is vitally important that we recognise ourselves as an integral part of the world market place in which we must compete to sell our wares. We must be reliable suppliers of quality goods at the right price. At a time when the market for so many goods is very tight indeed, we are jeopardising our competitiveness. Put bluntly, this is a time for containing costs. This is not a time for shortening working hours. Nor is it a time for substantial wage increases when in some other countries people are actually accepting reduced wages in order to preserve jobs. This is not a time for talking the economy up or talking it down. This is a time for sound economic management, for stability and reliability.

It is a time to recognise our achievements in the face of a world downturn and to accept the challenge of keeping Australia competitive in the difficult period ahead.

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