



PRIME MINISTER

FOR MEDIA

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ELECTORATE TALK

With the tax cuts and relief from interest rates provided in the Budget, the Budget offers an opportunity which Australians cannot afford to miss, to obtain community-wide support for wage restraint and co-operation. The combination of personal tax cuts and the new tax rebate on home interest rates will improve the position of Australian families dramatically. The Budget also addresses the wider needs of Australian families with increases in family allowances and through the new family income supplement of \$10.00 a week for each dependant child for low income families.

The Budget also improves the position of other needy groups substantially and the efforts of Australian industry to achieve greater competitiveness will be helped by specific Budget measures which build upon the industry package announced on 19 July. The kind of co-operation which Australia needs today cannot, however, be achieved by Governments alone, it cannot be imposed as a matter of Government policy. The Government has done what it can in giving a lead, and providing a basis for co-operation to prevent any new wage push, and I believe the community will want employers and employees, management and unions, to heed the Government's call for moderation and co-operation.

It is important to realise that the ACTU has not yet given its real response in a practical way to the fact that many things in the Budget are consistent with what they have been advocating. But it is encouraging that the ACTU has welcomed the tax cuts in the Budget as a contribution to stability in industrial relations, as satisfying ACTU demands for "tax indexation and an equitable redistribution of the income tax burden away from the lower income earners and families", and is alleviating "the need for unions to apply income tax increases into claims for cost of living adjustments".

This degree of acceptance represents a major advance. What the public now expects is that the union movement will respond positively to the basis of co-operation which the Budget has established, and I am confident that it will do so in practice. A good deal has already been achieved and I have referred previously to wage and salary settlements well below the level of inflation and to recent successful examples of co-operation in the shipping and coal industries.

What we need is a willingness of groups within our community not to push demands which are out of line with these recent settlements and to take account of the enormous costs in terms of employment and Australia's long term economic prospects which would flow almost inevitably from significant wage rises at this time.

When we look at the urgent need for co-operation the Labor Party's talk about prices and incomes policy is total irrelevance. Labor has not got a policy on prices and incomes. The whole proposal is utterly vague and ill-defined, it provides no basis for effective economic management in difficult times. But there is no doubt that in practice, a so-called prices and incomes policy would mean support from the Labor Party for higher wage rises than the economy can afford, together with Government provided benefits which would increase Government spending massively and fuel inflation as a result.

It is also clear that after 12 months of detailed discussion, Labor has not got real ACTU commitment to practical and realistic policies. That is not surprising because Labor's policies are vague in the extreme and Labor has certainly got no agreement to a prices and incomes policy from the employers, because it has apparently not yet seen fit even to consult them.

People should also remember that in any case a deal with the ACTU would not be a deal with all the unions. What do the metal trades unions, the air traffic controllers, the Bass Strait oil workers, the railway workers in Queensland, the BLF and the Shop Assistants' Union, for example think about all of this? What would they be prepared to do? The Labor Party never has and never will be able to get the Australian community to work together. The time when Mr Hayden was in Government and when Mr Hawke was President of the ACTU and of the Labor Party, tells the story of Labor's economic and industrial incompetence in Government, because at that time, when they had the chance to show what they could do, Australia's industrial relations were disastrous. The almost 6½ million working days lost through strikes and disputes in 1974 is more than 50% greater than the number of working days lost last year and as we all know last year was not a good year for industrial relations.

Labor would again pursue divisive policies. Labor's policies remove all incentive to co-operate. Labor would give special and unreasonable privileges to the trade unions, which would give the unions every reason to be immoderate in their demands. Labor's distrust of the private sector means that business will never have confidence under Labor, that its interests will never be taken into account.

Labor would deliberately favour sectional interests, especially through practices such as trade union preference, which would not provide a basis for the community as a whole to work together. Wherever Labor has had a chance to govern, it has always caused economic chaos through mismanagement and wrong policies and this does not happen by chance. It happens because Labor's socialism means that Labor Governments try to drive Australians where they do not want to go and this prevents Australians from working together or co-operating. Australia cannot afford that. It is only with responsible, practical economic policies and by working together, that we will be able to keep building this country and overcome present economic problems.