



PRIME MINISTER

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ELECTORATE TALK

Labor's economic policies show what contempt the Labor Party has for Australians. It is just a re-run of the tired, tried policies that Mr Whitlam forced on Australia, and which caused a great deal of hardship for all Australians.

It is Labor's age old answer to any economic question: to spend, spend, spend. Labor would add according to their estimates, a further \$2.75 billion to the Budget deficit, and the real cost of their policies would be a lot higher. Labor admits its big spending would require a greatly increased borrowing program, and says it would raise some of that money with indexed national recovery bonds. These are the kind of securities which would be required by a Government which was having difficulty borrowing money, and if investors were worried about higher Government spending and higher inflation.

It is extraordinary that Labor should feel it necessary to outline the steps it would take to deal with the consequences of big spending and high inflation. Of course, their bigger borrowing program and their indexed bonds would draw funds from banks and building societies, and leave less money for housing and business. Interest rates would be forced up; families paying off their homes would be hit hard; small businesses would be hit hard, and farmers, who are struggling with the severe effects of the drought, would also be very hard hit.

The Labor policy document acknowledges that the Government has built up our exports, has laid the foundation for a big increase in exports when world trade picks up, and has increased our international reserves to a record level. But this same document foreshadows a serious balance of payments crisis arising from policies they would introduce. They go on to say how they would then deal with that crisis by greatly increased borrowing overseas, and by a higher tax on imports, which would of course add to costs.

It is again extraordinary that a Party offering itself for office should predict a balance of payments crisis caused by the policies it would introduce if it were to obtain office. It is a recognition by Labor of the risks in their own policies. And it is more than that. It is a recognition that overseas investment would flood out of Australia, and be replaced by Khemlani type loans.

Labor's economic policies also tell us what we have always known, that Labor would immediately destroy the wage pause. That of course is exactly what the trade union movement wants, and if you ever wanted any evidence of the influence of the trade unions over the Labor Party, you only had to look at the front page of last Friday's Sydney Morning Herald where Mr Hawke was shown happily shaking hands with those well-known Left Wing unionists, Laurie Carmichael and John Halfpenny, after receiving \$50,000 for his campaign from their union. That picture tells its own story. Labor and the unions are totally alone in wanting to smash the pause and sabotage the return to competitiveness and profitability in our industries which the pause will give. But then that is what the Left Wing union leaders want.

Labor's economic policies have not only been attacked and condemned by the Government. Labor's spokesman on employment, Mr Young, was asked last Friday whether two people in the studio would have a better chance of employment if Labor was in government. He said "No...." The Australian newspaper has described Labor's policies as "disastrous" and "the road to recklessness". The Financial Review Editorial said that Labor was relying "on a naive 19th century faith in funny money". Labor's economic program, far from being one of "reconciliation and reconstruction", would plunge Australia and Australians into despair.

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