



PRIME MINISTER

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MR HAWKE NEGLECTS HOMEWORK

Mr Hawke often tells us of his great expertise in industrial relations. One would have thought he would know his facts. Given the importance he gives to a "prices and incomes policy", one would have expected him to do at least a little homework.

Mr Hawke recently said in a national television broadcast that there was never a prices and incomes policy in Britain.

But the facts demonstrate that there was.

Mrs Shirley Williams who ran the policy in Britain during the seventies has said that "In practice it (was) quite a strict policy". She demonstrated clearly that Mr Hawke was plainly and simply wrong.

Mrs Williams also made it clear that the British prices and incomes policy was only maintained by pretty draconian powers and penalties - powers that are not available to an Australian government. It caused companies to cut back on investment and damage their longterm interests with an inevitable destruction of jobs and job opportunities.

But Mr Hawke still won't accept the facts. He's still twisting and turning with word games and excuses. He says "I put it that there was not a situation where there was in place policies in regard to all the elements of prices, dividends, rents and interest.... and I adhere to that as does every commentator who has examined the situation there. There were elements of a prices and incomes policy but part of the problem was that the parts did not make a whole".

Mr Hawke still can't get it right. Don't take my word for it, take the word of Mrs Williams who says quite plainly "In practice it is quite a strict policy. The incomes policy side was voluntary but it was very much kept. On the prices side direct control of the retail mark-ups, the amount that the retail trade could add on to any sale, and there was also a prices code for the private company. And companies had to get approval from the government before they could increase their prices beyond a certain amount."

A noted British commentator and economist, Samuel Brittain, sunned it all up yesterday on Australian radio when he was asked what advice he would give to any Australian government contemplating such policies. He tersely said "forget it".

We can't afford to take a risk with somebody who is as sloppy with his homework as Mr Hawke evidently is. Australia needs substance, reality. This is just another area where Mr Hawke's alleged credentials, in the words of the Financial Review, "Won't stand close scrutiny".