

EMBARGO: 8.00PM



PRIME MINISTER

FOR MEDIA

20 FEBRUARY, 1983

LABOR'S ABDICATION : GOVERNMENT BY THE UNIONS FOR THE UNIONS

Finally we have Labor's real policy speech. Last week's speech at the Opera House just gave us Labor's starting price of \$2750 million.

Labor's so-called prices and incomes policy, set out in the Statement of Accord by the Australian Labor Party and the Australian Council of Trade Unions regarding Economic Policy, dated February 1983, is in every sense a blueprint for union government. It means government by the unions for the unions.

Union Veto

This 34 page document dots the I's and crosses the T's on the greatest ever attempted sell-out to left-wing union control of the national government and economy.

From the moment Mr Hawke signs this blueprint he becomes the puppet leader of a Labor Party subject to union veto in respect of virtually every significant decision of national government.

This is made totally plain by the statement "the policies detailed in this document ... are agreed between the parties rather than imposed by the government". (p. 6)

The document not only makes it plain that the policies it covers are agreed between the parties, but that modifications to those policies must also be agreed or else the compact is broken.

That gives the union militants the right of veto across a broad range of government policy. They would have a veto over laws to regulate union behaviour (pp 15-16), levels of protection (p. 20), the number of migrants (p. 23), even over assistance to non-achieving students in primary schools (p. 29). This would paralyse democratic government and transfer power from Parliament to the Gallaghers, Carmichaels and Halfpenny's of this world.

In one stroke this document has given the communists and fellow travellers more than they could ever have got from the ballot box. This document has given them real political power but without any public accountability.

Now we know why Mr Hawke is so keen about his Economic Summit. He wants to lift the ACTU to parity with the national government and give it equivalent power.

WAGES STUPIDITY

Once again Labor and the union leaders have rejected the need for wage restraint; once again they have shown callous disregard for the interests of the unemployed. Their wage proposals are economic madness.

The document states categorically that "... a system of full cost of living adjustments will be strongly supported in tripartite consultations and before industrial tribunals". (p. 9) The words "will be supported" obviously mean by the Labor Party and the unions. A Labor Government would be the advocate of the trade unions in industrial tribunals. There would be no one to argue the case for all Australians.

Their approach to wages would set in concrete Australia's excessive labour costs and our lack of international competitiveness. Their approach to wages would cost Australians tens of thousands of jobs. Mr Dolan said last January - "I don't want to sound cynical about this and I'm definitely not trying to, but while there are 10% of workers unemployed, there are 90% in employment."

In the battle for survival against adverse economic conditions, employers would be faced by the combined weight of unions and Government, not only in the wage tribunals but also in negotiations about over award payments. "Where over award payments exist the Government will support the maintenance of those levels in real terms ..." (p. 9). Small businessmen would be bankrupted; big business would be crippled. Inflation would be institutionalised, and unemployment would be a permanent fact of life for vast numbers of Australians.

There is absolutely no way that Australia's manufacturing industry, already uncompetitive after last year's wage explosion, could survive full wage indexation.

On top of all that, the disastrous thrust for shorter working hours would be supported by a Labor Government. "Bargaining based upon achieving increased productivity via changes in work practices or procedures as a means of reducing hours at negligible cost increases, will continue to be supported ..." (p. 10)

Everyone knows that shorter hours mean higher costs; everyone knows that the drive for shorter hours has contributed materially to Australia's current economic difficulties. Labor and the union leaders either refuse to learn the lessons of our recent past, or simply do not care. This would institutionalize the wage-price spiral and worsen unemployment.

TAXATION

A Labor Government's taxation policy would be subject to control by militant union leaders.

This document outlines precisely what a Labor Government would be required to do.

As well as a general desire for lower income tax, the unions have also directed that Labor should "... endeavour to reduce the relative incidence of indirect taxation. ..." (p. 12)

Labor has already offered massive spending increases. Cutting both direct and indirect taxes as well would bankrupt Australia. It is economic lunacy.

The madness doesn't stop there. A Labor Government couldn't change taxation rates at any time without the permission of union leaders.

Furthermore, the document says that a Labor Government, "... in conjunction with the trade union movement, will annually review the tax scale so that the tax burden will not rise automatically with inflation". (p.11/12) and it also states that the Government would discuss any "general rise in taxation" with the unions before "seeking to give effect to it". (p.13) Clearly again, the unions would control the tax policy of a Labor Government.

By regulating the incomes of unincorporated enterprises (p. 10), that is the self-employed, shopkeepers, builders and tradesmen, the Labor Party and unions will strike at the heart of incentive and enterprise. In their determination to increase the powers of the unions over the economy, Labor and the unions would destroy the self-employed and small business people who are not unionised and never want to be.

MASSIVE INTERVENTION AND SURVEILLANCE

Trade union involvement is to be enforced in every aspect of economic advice, economic planning and detailed economic control of every sector of activity. The only group who is to be immune from intervention and immune from the law are the trade union leaders themselves.

The document says that "comprehensive" and "closely monitored" interventionist policies are necessary to achieve the desired level of growth, with a "planning mechanism" to assist "the transition of the economy into a planned framework". (pp 17-18)

The lives and incomes of "shopkeepers, self-employed builders and tradesmen etc.", are to be subject to a whole new range of government controls.

Business enterprise is to be suppressed, with bureaucratic control and government intervention taking over from the marketplace at every level. No one will escape - from the largest companies to the smallest corner shop or building sub-contractor. Subject to the permission of union leaders at every turn, a Labor Government bound by this document would embark on a program of massive intervention and surveillance to convert Australia into a planned socialist economy for the benefit of the powerful unions.

All sectors of industry, both public and private, are to be integrated (p. 18), and there is to be wide-ranging regulation of manufacturing activity. There will be a pricing authority operating under legislative criteria "designed to ensure that enterprises do not earn profit beyond levels necessary for the maintenance and expansion of the enterprise..." (p. 8). And the States would be asked to use their "unlimited constitutional power" to assist in "...regulating prices charged by important sections of the non-corporate area". (p. 11).

CONCLUSION

Wage increases, hours reductions, extensive intervention and regulation, massive spending, both direct and indirect tax cuts, and huge Budget deficits: that's what this document promises the union leadership. What it promises the people of Australia is higher inflation, higher interest rates, no investment, no growth and no jobs. Economic insanity is the only way to describe it: Bankruptcy can be its only result.

The document lays down that the role of Government shall be "accommodating and supportive" (p. 7) Accommodating and supportive to whom? Obviously the militant trade union leadership.

The Australian community and ordinary rank and file trade unions are ignored. Mr Hawke has not only given the unions everything they could have possibly wanted in wage adjustments, in Government support for wage madness, but on top of that charitable gesture he has handed to the union leadership the specific written power of veto over Government decision-making.

Now we know why he said there was no prices and incomes policy in Britain. The British Labor Party never offered this total and absolute abdication.

Mr Joel Barnett, the Labor Government's Chief Secretary to the Treasury, had this to say about the British social contract:

"... we went much further in the way we co-operated under the terms of the quaintly titled Social Contract, supposedly enshrining a new relationship between government and unions. To my mind, the only give and take in the contract was that the Government gave and the unions took".

"We were, after all, still in the middle of the disastrous 'Social Contract'. It may have helped to secure our election victory but it did nothing to prevent - some would argue it ensured - the 27% growth in earnings (in 1974)".

What Mr Hawke is trying to sell to Australians would have far more damaging consequences.

Mr Hawke's real policy speech, to be signed and sealed tomorrow, does not seek a mandate to govern for all Australians.

It seeks a mandate to hand over the government of Australia to the powerful unions.

There is no way in the world Australians will have a bar of that kind of Government.

---ooo000ooo---
