



## PRIME MINISTER

FOR MEDIA

29 June 1986

As I foreshadowed in my Address to the Nation on 11 June, I have now written to business leaders and business and professional associations calling for shared restraint in incomes and prices. All told, 161 letters have been despatched.

The Government has welcomed the decisions of the National Wage Bench, handed down on Thursday. These decisions were consistent with the approach suggested in my Address to the Nation and provide for firm restraint in the growth of award wages and superannuation payments.

But it is only fair that, if there is to be restraint, it should be universal. I have pointed out in my letter that this requires each organisation to play its part in this national effort in at least two key areas. First, non-wage incomes such as executive salaries and directors' fees should be subject to equivalent restraint. Similarly, price increases should also be restrained to the maximum possible extent. The Government will be monitoring developments in both of these areas.

Incomes policy is an integral part of the Government's broader economic strategy. As evidenced in the outcome of the recent Premiers' Conference, this includes firm restraint on budget outlays and the PSBR, which is the only effective way to address both the current account deficit and high interest rates simultaneously.