FOR INFORMATION

EMBARAGO: 6.00 p.m., Sunday.
22nd September, 1974

ELECTORAL STATEMENT BY THE HON. MALCOLM FRASER, M.P.,
MEMBER FOR WANNON - 22nd September, 1974

THE GOVERNMENT VERSUS THE PEOPLE

In this report I want to talk about the broad thrust of the Labour budget. Detailed proposals will be dealt with in later reports. It is the broad thrust which will prove so damaging and dangerous for Australia.

The Treasurer is on record as having said that he wants to lift Public sector spending to 40% of everything that is produced in Australia. It has been running somewhere around 30%.

In pursuit of this policy the Government has increased its expenditure by a massive 33%. It is the largest increase in any peace time budget ever, taking expenditure to over $16,000 million.

At the same time the Government has tried to suggest that the average Australian can increase his own expenditure on the things he needs for his family and his own home. It can't be done.

The Government has created conflict. The Government is expanding its expenditure without any restraint. It wants a larger proportion of all the real resources to be spent by Government and determined by Government. This would be honest if they, at the same time, said to individuals - "you will have to curb your own expenditure because we the Government believe we know better than you how to spend your money." But they have not said this to individuals and thus there is a competition for resources between private people, on the one hand, and the Government, on the other.

This competition is the basic cause of the massive and damaging inflation now ravaging Australia. I believe that inflation will hit 25%. The Government itself admits implicitly to over 20% in the budget documents. The Government has declared war on private expenditures, the great bulk of which, come from the everyday payments of individuals and families around Australia.

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Until the Government resolves this conflict, either by lessening its own outrageous demands on resources or by telling individuals quite plainly that it is not going to allow them to spend as much in real terms in the future, inflation will continue.

There is a major difference in these matters between the Labour Government and the Opposition parties - we believe that people should have the right to maximise their individual choice and that we should try and do everything possible to establish the circumstances where individuals can solve their own problems, through their own decisions.

The present Government believes that private decision making is wrong and that the Government should tell us how to live. There are other consequences of this massive Government expenditure.

Confidence in the Australian economy is now almost totally destroyed. Nobody believes that the Government's programme will resolve the major domestic problems that face us all. As a result, people will not invest in the future. They will not replace old equipment and they will not pursue expansion programs for their industries.

Thus employment opportunities will fail right around Australia. I believe forthcoming unemployment figures will indicate greater increases than we have seen even over the last two months.

The Minister for Labour has in the figures he has been using excluded school leavers. This seems unreasonable. If a school leaver is registered for work and is unemployed he is a person just as much as anyone else. He is possibly in more difficulty than older members of the community, because he is seeking his first job. Why the Minister for Labour does not count such people in his monthly press statements, I just cannot understand.

The Minister mentioned a seasonally adjusted figure in September of about 110,000 out of work. If school leavers are included the seasonally adjusted figure is very close to 135,000, the largest seasonally adjusted figure since 1946.

Unemployment will involve immense personal hardship and the government will need to develop much more effective and co-ordinated manpower policies to deal with it than it has so far envisaged.

The third major consequence of the present budget concerns Australia's international solvency. The balance of payments has gone sour as a result of the government's policies. The significant reserves of 5,000 million dollars that were built in our time, are likely to be entirely dissipated by June of next year.
Thus the Government has three achievements to its credit; it has a budget which will guarantee the continuation of inflation; it has a budget that will reduce job opportunities and add enormously to unemployment and which at the same time will bring Australia to the edge of international bankruptcy.

FRASER CONGRATULATES HAWKE

There is one other thing that I would like to mention. Mr Hawke, President of the A.C.T.U. and the Labour party has said the budget provides a basis for restraint and co-operation of the union members. I congratulate him on his statement and hope that he is right.

But I suggest that he might have one or two difficulties. The budget is based on 33% increase in Government expenditure, on a 46% increase in income tax collections and 22 1/2% increase in wages and on an impossible minimum 20% increase in inflation.

At first blush there does not seem to be a great deal of restraint in these figures, and Mr Hawke will perform a miracle if he can really get the Trade Unions to exhibit restraint in the face of this quite frantic situation.

There is, perhaps, another solution. Since the budget is predicted on a 22 1/2% increase in wages, maybe he thinks the promise of a further 22 1/2% on top of the recent round of wage increases will be an adequate exhibition of restraint. If so I doubt if the Australian community will agree with him.

The budget is a tragic document. There might be political mileage in it for the Liberal and Country Parties but I would much prefer that the Government introduce a responsible, decent budget that would have protected the interests of thousands of individual people throughout Australia. If that resulted in greater political credit to a Labour Government and some political cost to the coalition parties, I am certain that the Opposition would welcome it gladly and with open arms. There is no joy in the Opposition gaining in political terms at the cost of unemployment, hardship and personal suffering which this budget will involve for thousands of Australians.

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