The Budget which the Labor Government is to bring down this week is a critical one for Australia. As a result of the policies which have been pursued by the Labor Government over the past three years, Australia is now in one of the most serious economic crises in its history.

Unemployment is at its worst level since the Great Depression. Inflation is a record, so is industrial unrest while interest rates are also higher than they have ever been in Australia's history. The prospect of owning a home has slipped away for young couples, under the impact of record rises in building costs and record interest rates.

Average farm incomes have been halved, while for some sections of rural industry such as cattle growers, the only immediate prospect is bankruptcy. The building, textile and clothing industries have been devastated. No section of manufacturing industry is unaffected.

Over a year, the value of the dollar has deteriorated so that in the supermarket it is now worth 85 cents. The collapse of the real estate market has eliminated the last of the traditional hedges against inflation, and it is now impossible to save or invest in a way which stops savings being eaten away by inflation. The average taxpayer works 3 months of the year for the Government, and pays to the Labor Government almost half of every extra dollar that he earns through overtime or extra work.

The Government no longer pretends, as it once did, that inflation was imported into this country. It no longer attempts to deny that the economic dislocation and suffering which have been inflicted on the Australian people is home-made in Australia, by the most incompetent Government the nation has had since Federation.

The Party which in 1972 promised the electorate a growth rate of 6% or 7% in each of the past three years, produced an economy which actually declined last year by 3%. Among the major industrial countries, only Britain and Italy are suffering the same prolonged inflation as Australia. None of this would have happened under a Government which understood the working of the free enterprise system. It would not have happened if the Government had sought to manage the economy instead of waging an artificial war against the State and Local Government structure with the aim of centralising power in the Canberra bureaucracy.
We have, under this Government, seen two budgets brought down dedicated to this purpose.

The budgets of 1973 and 1974 did not even attempt to be weapons against inflation or to be part of any overall plan of economic management. The budget which the third Labor Treasurer, Mr. Hayden, is about to announce is, according to Press reports, unique for this Government. If these reports are accurate, the Labor Government is attempting for the first time to come to grips with the economic problems which through its own policies it has inflicted on this nation. The test of this budget is whether in fact press reports are correct and the budget does have an economic purpose and further whether the budget provisions are the responsible appropriate measures required by the nation to deal with the economic crisis.

**IMMIGRATION:**

The Opposition policy on immigration and ethnic affairs was announced during the past week by the Spokesman, Mike McKellar. It sets out a programme for the active encouragement of immigration at a level which best suits Australia's national interests. Under the joint Opposition policy, immigration is part of a broad national strategy guided by principles of humanity, equity and compassion.

The Liberal and National Country Parties recognise the special needs of migrant peoples.

We also offer the maximum opportunity for ethnic groups to contribute to Australian society.

We will establish a separate Department of Immigration and Ethnic Affairs. Immigration policies will be constantly re-appraised to ensure that they contribute to a steady improvement in living standards for all Australians. There will be full and continuing consultation with ethnic groups and research into migrant needs and problems. The Liberal and National Country Parties believe that immigration is vital to the growth of Australia and for the enhancement of its living standards.

Entry into Australia should be selective but not discriminatory, and the welfare and settlement prospects of the individual migrant will take priority over the immediate needs of the employment market.

The assisted passage scheme will be continued and improved, and the presence of close family relationships in Australia will be an important consideration in approving migrant entry cases.

The endorsement of Misha Lajovic as a Liberal Candidate to the Senate at the next elections will provide a special voice in the Parliament for the migrant community. Misha Lajovic has been selected by the New South Wales Liberal Party in third position on the Liberal Senate ticket which means he can expect to become a member of the Parliament at the next election.
This selection is most welcome to the Parliamentary Liberal Party and to the Opposition.

I am confident Misha Lajovic will be a worthy and distinguished Senator. I believe he will be the first of the great wave of post war migrants from continental Europe under the Calwell immigration programme to enter the Parliament.

Misha Lajovic was born in Slovenia and was a member of the Royalist Underground in Yugoslavia from 1941-1945.

He served with the British Occupation forces in Italy from 1945 to 1948 and migrated to Australia in 1951. He has been a member of the Liberal Party since 1959. He has been active both in migrant affairs and in the Liberal Party and is currently President of the Liberal Party's western metropolitan region and Chairman of its Executive on Migration Affairs.

With the election of Misha Lajovic the Liberal Party in the Senate will number representatives of both the oldest and the newest Australians.

I do not suggest for a moment that Mr. Lajovic is going to Canberra to represent only migrants any more than I would say this of Senator Neville Bonner, the first aboriginal to sit in the Federal Parliament. Mr. Lajovic has been endorsed by the Liberal Party to represent New South Wales, just as Senator Bonner represents Queensland.

Malcolm Fraser, M.P.