Leader of the Opposition

ELECTORAL TALK

THE HON. MEMBER FOR WANNON - MALCOLM FRASER

There are two sections of the community who are playing very important roles in the Government's economic strategy.

It is the same sort of role as played by a laboratory rabbit.

Without this humble contributor to medical research, scientists would never find out if the wonder drug worked. But nobody asks him if he wants to be sacrificed in the cause of human health.

And nobody in this Government has asked the private sector and the beef grower whether they want to be sacrificed as the Government experiments with the nation's economic health.

That however is what is happening.

The Government has squibbed the wages issue. It is not taking on the union leaderships in defence of its solution to wage cost pressures, which is wage indexation.

It is not even putting a whole-hearted public case against wage rises outside the indexation framework.

It is letting the number of unemployed build up. The effect must be to intimidate the trade union movement, and cause union leaders to moderate the demands they make on behalf of their members.

The Minister for Labour, Senator McClelland, told Parliament this week that there would still be a quarter of a million people out of work by the middle of the year.

And he admitted that in January when 240,000 school leavers enter the work force, the number would be 400,000.

It would be surprising if these estimates are not merely the best end of a range.

Senator McClelland might have been more accurate if he had admitted that with luck, the number of unemployed would be only 400,000 in January and with luck it might be only 250,000 in June.

Our economic advisors warned us that there could be 500,000 out of work in the first part of next year.

Parliament House, Canberra, A.C.T. 2600
With unemployment, in seasonally adjusted figures, now at just under 300,000, this must be a real danger.

It is tragic that the Government's mishandling of its finances has forced it to abandon its regional employment programme. It has run out of money for this form of welfare, and just as it is in trouble financing Medibank.

This is an aspect of the present situation that has disturbed the President of the Australian Council of Trade Unions, Mr. Hawke.

He warned the Government that if unemployment was increasing endlessly, the very fabric of society was going to be brought into question, and he called on the government to adjust its thinking on the Regional Employment Scheme.

The other laboratory bunny in the Government's economic experiment is the primary producer - the person who grows the food.

While the incomes of those with jobs go up, the income of farmers, like revenues in the private sector, goes down.

The price of meat to consumers has handly gone down. Most of the benefit from the lower price for beef on the hoof which farmers receive is absorbed in handling costs before it reaches the shop.

Over the past year, the consumer price index has risen by 16.9 per cent but with food excluded, the index has gone up 20.5 per cent.

That means that steady or falling food prices have made inflation easier to bear for everybody except those who produce the food.

It has helped take some of the pressure off the demand for higher wages.

And it has been done by a government which begrudges the food producers a subsidy for the fertiliser they spread on their farms and which the Industries Assistance Commission says should be restored.

If there is a moderation in the consumer price index for the September quarter of this year, it is going to be because of very depressed food prices.

If this does occur, we can expect to see the Government claiming that it is starting to get on top of inflation. But any such moderation would be at the expense of tens of thousands of Australian farmers.

The Opposition agrees with the Treasurer that the primary economic target is inflation.

But it believes the way to beat inflation is by getting the economy working, and by using the tax system to take the heat out of wage demands.
The Government is instead profiting from unemployment and from the increasing financial difficulties of the rural sector.
Author/s:
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Title:
Labor government, economy

Date:
14 September 1975

Persistent Link:
http://hdl.handle.net/11343/40662

File Description:
Labor government, economy

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