



PRIME MINISTER

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SPECIAL ASSISTANCE FOR COUNTRY CITIES AND TOWNS

The Prime Minister, Mr. Whitlam, today announced details of a scheme to give special assistance to country cities and towns affected by certain Government decisions.

Mr. Whitlam said the Government had set aside funds for this purpose from the \$10 million allocated for structural assistance.

He said: "The Government has taken many decisions in the national interest as part of its fight against inflation and its campaign for greater productivity.

"These policies must stand. The fight against inflation must go on.

"Nevertheless, there are country cities and towns which find it difficult to cope immediately with the effects of some of these policies.

"Our scheme is designed to help them over their difficulties and prevent unnecessary unemployment.

"There will be continued close co-operation between the Australian and State Governments so that this policy is co-ordinated with decentralisation policy generally."

Mr. Whitlam said that those initially eligible for assistance would be companies affected by:

1. the 25% tariff cut;
2. the consumer electronic components and equipment tariff decision;
3. the domestic appliances tariff decision;
4. the lifting of tariff quotas on woven shirts and knitted outergarments;
5. the decision of 18 December 1973 to revise the subsidy and quota arrangements for the shipbuilding industry.

The Government would consider extending its assistance, wherever necessary, to companies affected by other decisions involving structural change.

The scheme will apply in all non-metropolitan centres except those immediately adjacent to capital cities.

The Government will give priority to assistance to relevant companies in Launceston and Wangaratta.

Mr. Whitlam said the scheme was being introduced to supplement existing adjustment assistance measures.

The measures now approved include:

- . Subsidies to companies. Where necessary pre-payment of subsidy may be arranged to grant immediate liquidity. A profit limitation will be applied to such payments.
- . Capital grants to companies or local bodies for the establishment of viable alternative production and employment.
- . Loan guarantees (after necessary legislation has been passed)
- . Finance to companies or local bodies for feasibility studies to improve methods of production or to examine alternative forms of production.
- . Subsidies to help people travel from adversely affected towns to jobs in nearby towns.

The scheme will be administered by the Department of Manufacturing Industry in consultation with other interested Departments pending the establishment of the Structural Adjustment Board. The Interim Committee on Structural Adjustment will review the program and provide advice on both policy and practical aspects. All enquiries should be directed to the Department of Manufacturing Industry.

A reference on the principles and operations of the scheme will be sent to the IAC after the scheme has been in operation for two years.

CANBERRA. A.C.T.