



PRIME MINISTER

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ELECTORATE TALK

The election is about many things - inflation, unemployment, national development and a secure future for all Australians. It is also about taxation.

Australian men and women now have a genuine choice - genuine options - between Labor Party policies on taxation and the Government's policies. This will now be a key and central election issue.

Mr. Whitlam has made no bones about his position and policies on taxation. He will abandon outright our tax reforms and tax indexation and will even recall Parliament to change the tax laws.

In one stroke, in one desperate ploy, he has challenged the right of all Australian taxpayers to have the tax yoke removed. Mr. Whitlam thumbs his nose at the intelligence and judgement of Australians. He falls victim to his own rhetoric "We ask the overwhelming majority of Australians to forego nothing" he declared.

"Nothing" is \$6 a week for the wage earner on average earnings. "Nothing" is being pushed back up to 45 cents tax rate for thousands of Australians.

Our tax reforms have cut \$3.3 billion from personal income tax over two years. \$6.3 billion will be saved over three years. Mr. Whitlam dismisses this as "nothing". Every Australian taxpayer, without exception, will benefit from tax indexation and our new tax reforms which take effect in every pay packet in less than ten weeks time.

I make the point again. This year alone, a person on average earnings will be saving \$6 a week on these two reforms. Mr. Whitlam clumsily dismisses the 225,000 additional low income people who will pay no tax at all under our reforms. He will make them pay tax again.

He dismisses the standard 32 cents rate of taxation - universally applauded - that will now apply to nine out of every ten Australians. Remember he would send thousands of people back to paying 45 cents in the dollar.

He dismisses the incentive we have given for Australians on average wages to earn another \$6,000 without paying an additional cent in marginal tax. To Mr. Whitlam, a marginal rate of 32 cents is worth - to use his own word - "nothing".

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It is clear that he knows "nothing" about the concerns of Australian taxpayers. Incentive, and the freedom to spend one's own income are "nothing" to the Labor Party.

He would repeal the greatest tax reforms in Australia's history. But perhaps that is not surprising from the man whose Government increased personal income taxes by 125%. Labor is nothing more, nothing less than a high tax party - it has to be, to pay for its programmes, for its promises.

Last week, Mr. Whitlam unveiled his Party's policies for the next three years. He was less than forthcoming about the cost to the Australian taxpayer. He has announced a big spending programme and nothing he says can hide that reality.

In a replay of the old, failed, policies, Mr. Whitlam proposes a crash spending programme of \$800 million in six months, and an extra \$1,700 million to end payroll tax. Mr. Whitlam has been deliberately vague about the precise details of his proposals. Nevertheless, the cost is vast - thousands of millions of dollars.

He wants to bring in national superannuation which could cost \$2,000 million; go back to the old Medibank scheme at a cost of about \$700 million; take over local Government debt charges at a cost of about \$215 million; promote exports at a cost of some \$60 million; take over state country railways at a nett cost of at least \$90 million; and give tax deductions for mortgage interest at a cost of \$70 million.

Just these promises would cost more than \$3,000 million - and there are many more commitments which Mr. Whitlam has made. How does Mr. Whitlam plan to pay for all these schemes? He can get his money in two ways. He says he will increase taxes, and it is clear he will also have to resort to the printing presses once again - as he did when he had a chance on an earlier occasion. Either way, it is a return to economic chaos.

We also know from bitter experience how Labor controlled the nation's finances - or rather, how it failed to control them. Mr. Whitlam's actual deficit in 1974/75 was almost five times what he budgeted for as his spending went up by 46% in that one year. Mr. Whitlam and his Party are still the Party of big spenders and high taxes. They are still promising to spend something they have not got.

My Government on the other hand will announce policies that the nation can afford. They will be creative and imaginative and designed to benefit all Australians. We will promise what we have already delivered - and that is sound and solid policies properly costed, properly planned.

Australia cannot afford and cannot risk the alternative.