PRIME MINISTER

STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING MP

HOWARD'S CONFIDENCE TRICK ON SAVINGS

John Howard's mail out of his plan to tinker with the tax rate on savings is more than just a serious campaign blunder. It is also seriously dishonest.

Mr Howard's letter - apparently sent to millions of voters - trumpets the encouragement of savings "by cutting the tax on savings interest by up to 25 per cent."

When asked today to detail this hitherto secret policy, Mr Howard refused, saying the detail would be released "soon". Mr Howard may have got away with this tactic eight months from the election, but eight days from the election it is a national disgrace, and an insult to the voters of Australia.

In his fumbling efforts to cover his error today, Mr Howard revealed the planned tax break on savings will be means-tested. Yet his letter to hundreds of thousands of voters made no mention of this. Indeed, to compound the confidence trick, the letter described the policy as being part of a "plan for all of us."

Most of the people who received Mr Howard's shifty letter would receive no tax break whatever on their savings. Mr Howard has tried to play them off, and he has been caught out.

Television news reports tonight have suggested the tax break will be a five per cent reduction in the tax rate on interest income for those on incomes below about $35,000. Why were these details omitted from Mr Howard's letter?

At his cringingly embarrassing media conference today, the following incomplete question was put to Mr Howard by a journalist: "If you're telling voters you're going to give them savings up to 25 per cent but you're not telling them it's means tested isn't that...?"

Let me complete the sentence: Isn't that dishonest?

What makes all of this worse is that Mr Howard knows he cannot pay for such a scheme at any price.

MELBOURNE
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