

LOAN COUNCIL MEETING

On January 31, the Prime Minister said:

"In view of the propaganda statements that are being made in various quarters about the forthcoming Loan Council meeting and about alleged decisions of the Federal Government, I should make one or two things plain.

"This Loan Council meeting has not been called because of results of the last loan. It has been called pursuant to an arrangement made with the States at the Loan Council meeting last year. At that meeting the Commonwealth agreed to advance funds to the States month by month on the basis of a borrowing programme of £190m. These payments were to be made by the Commonwealth until the end of January. As the results of the first two loans would be available by that date, it was agreed to have another Loan Council meeting by the end of January, 1956, in order to review the loan market and in order to discuss the amount of the Commonwealth special assistance, which would be made available to the States over and above market raisings, for the whole of the financial year. These matters will be discussed, I hope, in a sensible way. Certainly the Commonwealth Government will approach them without any pre-determination of any of the issues involved.

"The many public statements to the effect that the Commonwealth has decided upon reductions in the State Works programme are simply untrue. The Loan Council will, so far as we are concerned, be able to discuss its business quite freely and without pre-judgment of any of the issues which will be involved."

With the compliments of -

The Government Public Relations Officer,
Parliament House,
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