

MACQUARIE NETWORK WEEKLY BROADCASTS

BY THE PRIME MINISTER, THE RT. HON. WILLIAM

McMAHON, CH., MP.

12 APRIL, 1972

Good Evening :

Macquarie Network has made available one night each week so that I can speak to the Australian people on matters of great national interest. I welcome the opportunity they have given to me to speak to you.

Naturally enough on an occasion like this, I think it would be desirable if I spoke about the mini-Budget we introduced into the House of Representatives last night.

You will probably remember that when we introduced the last Budget in the middle of last year, we made the statement that if we felt the economy needed an additional stimulus, or that a change in policy was necessary, we would do so immediately.

Since then, we have confirmed the view that it is better to make our policy decisions known as soon as we could, rather than to wait for another Budget or to wait until an election policy speech was made.

So throughout the year in accordance with this decision, we have gradually given increased stimuli to the economy. We started off with monetary policy early in the year. We then had the Premiers' Conference where we made large sums of money available for works and housing and for other purposes.

We made sums of money available for education, particularly at the independent schools, and for buildings in the public schools. And now we have made several very important decisions that intimately affect you.

The first of these decisions relates to income tax. During the Budget last year we increased income tax by 2½ per cent. We have now decided that this part of the tax will be taken off, and it will mean that you will have an extra \$117 million over the year in your own pockets rather than paying it to the Income Tax Commissioner.

We have also decided to increase pensions and repatriation benefits. In the case of pensions, the base rate will be increased by \$1 per week, and in the case of married couples, by 75 cents per week. And we have also decided that in the case of people with incomes of their own, that we will liberalise the tapered means test so that they can still receive a part pension and have a total income, in the case of a single individual of \$6.50, and in the case of a married couple of \$81 per week.

Now there were three reasons why we carried out these changes.

The first one was so that we could increase purchasing power in the community and give people a greater opportunity to purchase in the retail stores.

The second was undoubtedly humanitarian, in order to provide assistance to those whom we felt were in the greatest need, and to whom we could give the greatest benefit.

Third, we wanted to increase confidence in the community, because with increased confidence we feel that demand would increase, and as demand increases, the economy will grow, unemployment will reduce and we will have the kind of society and the kind of economy that we want and I know that you people want too.

There is one other change that we will make. We have decided to carry out a review of the total taxation structure of the Commonwealth. This will cover not only your personal taxation, but will also cover indirect and corporation taxation as well.

Up till the moment we have been carrying out an enquiry within Treasury itself. But we came to the conclusion that the people of this country would not be satisfied if we relied wholly upon Treasury advice. We thought it would be much better, therefore, if we had an open enquiry by a judge, or by a group of individuals who could carry out a public examination and then could make their recommendations to the Government. This course we will follow. We hope it will be for your benefit.

So I want to sum up in this way. We have made these changes because we wanted demand to increase, and particularly consumption expenditure to improve, and we wanted retail sales to improve as well. We had the humanitarian purpose of helping those people in the greatest need, and we also wanted to assist the growing confidence in the community because we wanted to improve and to help in the objectives the Government has set of full employment and a continually growing economy.

I am confident that what we are doing is right, and if you will join me in this confidence, I can assure you that we will have the kind of economy the Government wants and the kind of economy I am sure you want as well.
