



PRIME MINISTER

PRESS STATEMENT NO. 232

19 April 1974

MR SNEDDEN'S ECONOMIC POLICIES

Mr Snedden has now patched together another bewildering instalment of the Opposition's economic policy.

From all the backtracking, confusion and deception evident in his statement one thing stands out: The Opposition's economic policies would give an intolerable boost to inflation.

Let it never be forgotten that my Government inherited from the Liberals a sick economy with massive unemployment and severe inflation.

The seeds of that inflation were sown in Mr Snedden's own disastrous Budgets of 1971 and 1972.

On top of that, in common with every major and trading industrial nation, Australia last year faced an unprecedented upsurge in world inflation.

The Government took a whole series of decisions last year to restrain inflation, including tariff cuts, revaluations, monetary measures and trade practices legislation.

Every one of those measures was opposed by Mr Snedden. The Liberals in the Senate refused even to allow debate on the trade practices bill.

Now he puts forward a policy that would increase inflation still further. He proposes to remove restrictions on the inflow of capital and release a flood of foreign money into the country.

His proposed \$600 million tax cut - so strenuously resisted by Mr Anthony - is equally irresponsible at this time. It is contrary to all economic practice and good sense. It is the opposite of everything the Liberals themselves did to reduce inflation when they were in office.

Naturally we are in favour of reducing taxation for those who carry the most severe tax burden. We have pledged to restructure the tax system to help those on low and middle incomes. We will do it when the time is right, not as an ad hoc election gimmick but only after thorough study.

Mr Snedden will create further confusion by his talk about interest rates. For months he has been promising to cut interest rates. He has now backtracked on his promise.

In effect, he now says that interest rates would be cut when inflation is reduced. He has acknowledged that the Government's interest rate policy is justified as an anti-inflationary measure.

Mr Snedden has also backtracked on his vague talk about a pay and price freeze. He knows such a freeze would not work.

He has backtracked on the question of reducing Government expenditure. He no longer says he would cut expenditure. He merely says the rate of growth would be reduced.

He gives no clear indication of where reductions would be made. The great welfare and education policies initiated by my Government would be at risk.

Mr Snedden's only firm commitment is to hand the national pipeline system over to private developers. This is a doctrinaire concession to the Liberal Party's backers. It would make no difference to inflation whether the pipeline was built with private or public capital.

The public will be left to speculate on which parts of Mr Snedden's economic policies are approved by the Country Party and the D.L.P. The chorus of confusion and contradiction on this subject will further diminish public confidence in the Opposition's policies and motives.

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