



PRIME MINISTER

The Prime Minister added some comments during his address to the Tasmanian State Council at Ulverstone yesterday. They come in the text as issued yesterday, at the end of the third paragraph.

"The recent proposals to spend \$800 million are another example of Labor's strange approach to public affairs. When they were in Government they ended the RED Scheme because it was costing up to \$250 million for about 30,000 jobs. Two or three days ago, they announced proposals which they said would provide 50,000 jobs for \$800 million. Does anyone really believe that that makes sense?

They say that they want interest rates to come down, yet they propose to increase the deficit to \$3½ billion. They think that spending more and more money alone can solve Australia's problems.

If the deficit were to increase in that way, there would be no hope of getting interest rates down; there would be no hope of providing a release of funds to small businesses through a reduction in interest rates as soon as our economic circumstances will allow. The help that would come to businesses would be completely denied if the Labor prescription were put into practice.

We know precisely what it would mean to increase the deficit and to print more money. We know precisely what it means - more inflation, less productivity and reduced employment. It was the most unrealistic thing I have seen out of the Labor Party since they had their leadership elections.

Nothing has changed as far as the Labor Party is concerned. They think that you can just go on spending dollars and that in itself will solve Australia's economic problems."