

IMPLICATIONS OF THE TASMANIAN ELECTION

(Statement by the Acting Prime Minister, the Rt Hon.
J.D. Anthony, M.P.)

If the Tasmanian election result reflects a general feeling that the policies of spending restraint being followed by the Federal Government should be relaxed, then the implications for the nation as a whole are very serious indeed.

The people of Australia elected the present Government, led by Malcolm Fraser, to provide firm, strong, even tough leadership in the battle against inflation and the evils flowing from inflation.

In fact there is a wide body of opinion which says that the Federal Government, far from being too tough in its approach to expenditure, has not been tough enough.

Although the inflation rate of 1974-75 has been halved, with very important consequences for Australia's international competitiveness, we are clearly facing renewed inflationary pressures.

We would be foolish in the extreme to abandon, or even weaken, our determination to keep inflation at the lowest possible level.

If it is true that the Tasmanian result reflects dissatisfaction with the Commonwealth-State financial arrangements, then perhaps there is a need to remind the community that a major factor in the present very difficult budgetary situation for the Commonwealth has been its generosity in recent years to the States which, with their authorities, will this year have available to them a thousand million dollars more than last year.

Premiers who complain about the financial arrangements need to be reminded that the total funds available to the States have increased more than threefold since 1972-3.

On other fronts the Commonwealth has been forced, as part of the fight against inflation, to clamp down on spending.

The fight against inflation is not one for the Commonwealth alone.

Everyone must be involved - including State Premiers and their Governments.

If the Premiers cannot be convinced of the fundamental importance of expenditure restraint, then the chances of the community as a whole being persuaded would seem to be slim indeed.

Failure to achieve this understanding can only have the most serious implications for Australia's future-- especially for her unemployed.

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