

RAIL STANDARDIZATION - PT. PIRIE/BROKEN HILL

Statement by the Prime Minister, Rt. Hon. R. G. Menzies

Following is the text of a letter which I wrote on 3rd August to the Honourable Sir Thomas Playford, Premier of South Australia, on the subject of standardization of the railway between Port Pirie and Broken Hill :-

"Dear Sir Thomas,

In your letter of 2nd April, 1962 you invited the Commonwealth to consider approving under the Railway Standardization Agreement of 1949 a programme of conversion to standard gauge of the permanent way between Port Pirie and Broken Hill. You estimated that this programme, including rolling stock, would cost some £17 million or £20 million, and suggested that the expenditure be spread over several years.

This is quite a sizable project, and though we do of course accept the desirability of a standard gauge line from Port Pirie to Broken Hill, we have had to measure the financial commitment involved against our general budgetary position present and prospective, and against our other commitments in respect of major works projects in the States, particularly in the field of rail transport. Here we have felt we had to pay special attention, in present circumstances, to improvements in rail facilities which will permit a significant increase in export earnings or a major development of national resources.

My Cabinet colleagues and I have considered closely, in the light of these circumstances, your request that the Commonwealth should provide the finance to carry out the conversion to standard gauge of the permanent way in the Peterborough Division. But we do not see our way to commit funds at present for this project. We are faced with a very large deficit in the current year, and must take account of this and of other inescapable demands on our taxation and other revenue in this and the coming two or three years. But you will of course appreciate that our present decision does not imply any definitive rejection of the Port Pirie-Broken Hill conversion work. We do intend to look again at your present proposal as and when work on other railway projects to which we are financially committed is further advanced.

Meanwhile we share with you the hope and belief that your acceptance of our offer of finance up to £1,325,000 for the purchase of diesel engines and ore wagons and their use on this route will not only reduce the cost of transportation in this area, but will also benefit the South Australian Railways and the people of your State.

Yours sincerely,

(Sgd.) ROBERT G. MENZIES.

The Honourable Sir Thomas Playford,
G.C.M.G., M.H.R.,
Premier of South Australia,
ADELAIDE. SOUTH AUSTRALIA

CANBERRA,
10th August, 1962