

FOR PRESS

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CABINET DISCUSSES DROUGHT

The Acting Prime Minister, Mr. McEwen, announced that in the course of a meeting in Melbourne today the Cabinet had further discussed aspects of the drought in Eastern Australia.

Proposals which have recently been received from the Governments of New South Wales and Queensland for Commonwealth assistance towards drought relief measures instituted by those states were under study and would be further considered by Cabinet.

As had already been announced the Commonwealth was closely watching banking aspects, having regard to the needs of farmers and graziers in drought areas. It was in touch with the Reserve Bank about this.

The Reserve Bank had itself been conducting consultations with the trading banks to ascertain the requirement and availability of banking assistance being sought for drought purposes.

The Government was also examining taxation implications for farmers and graziers of transactions in which they may be involved as a result of the drought, such as the disposal of stock and subsequent restocking.

The Treasurer had already clarified those taxation aspects which arose from donations of fodder and cash towards drought relief.

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