

NEW COMMONWEALTH LOAN FOR BRIGALOW SCHEME

Statement by the Prime Minister, Mr. Harold Holt

It will be recalled that at talks in Canberra last month, I assured the Premier of Queensland that Queensland's request for financial assistance for the development of further Brigalow lands in the Fitzroy River Basin of Central Queensland would be brought promptly to the Cabinet for its consideration. This Cabinet consideration has now taken place, and I have been very pleased to write to the Premier conveying the Commonwealth Government's approval of his request. The terms of my letter are as follows :-

"Dear Mr. Nicklin,

Since our discussion in Canberra on 4th March, my Government has considered your request for financial assistance, in the form of a loan, for the development of further Brigalow lands in the Fitzroy River Basin of Central Queensland.

The area that you now propose be developed consists of some 6 million acres in the Mackenzie-Isaac River Basin north of your State's Central Railway Line, and is separate from and additional to the areas currently being developed south of the railway. As you know, the Commonwealth undertook in 1962 to provide assistance of up to \$14,500,000, to finance the cost of the current Brigalow Scheme, although you have advised me that, on the latest estimates, it is expected that the final cost will be some \$3,000,000 less than this.

You also advised me that the estimated cost of the proposed new Brigalow development is \$11,500,000, towards which the amount not now expected to be required for the current scheme could be applied. You asked whether the Commonwealth would be prepared to provide assistance by way of a loan to finance the project.

In considering the proposal, my Government had before it your reports on the progress being made with the current Brigalow Scheme, and was impressed with the success which has attended this development, despite some difficulties caused by drought. It was also aware, of course, that the area you now propose for development has been the subject of an investigation by the Bureau of Agricultural Economics, which reported very favourably on its economic potential.

I am pleased to inform you that the Government has agreed to your request for financial assistance, in the form of an interest-bearing loan of up to \$11,500,000

"to finance this new project. This amount, of course, includes the amount that the Commonwealth will not now be required to provide for the current Brigalow development, which you have estimated at \$3,000,000.

It will be necessary to enter into an agreement covering various matters of detail concerning the financial assistance proposed, and if you are agreeable, I propose that Commonwealth and State officers should confer on this in the near future.

With your agreement, I propose to release the terms of this letter to the Press.

Yours sincerely,

HAROLD HOLT."

CANBERRA,
5th April, 1966.