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POLICY SPEECH

1966

GIVEN BY THE PRIME MINISTER,
THE RT. HON. HAROLD HOLT

8th November, 1966

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MR. VEENI

POLICY SPEECH

This Policy Speech - my first as your Prime Minister - outlines the course my Government will follow if you re-elect us on November 26. Between now and polling day, our Australian democracy will be involved in a great debate about many aspects of policy. You will be taking part in a national stocktaking. The policies you support with your vote will bear directly on your well-being and the welfare of the nation. These will be critical years for Australia, but they hold great promise for our advancement. They should be years of steady national progress - progress, fortifying our security, and strengthening the base of our economy.

As you view this forward prospect, you find Australia well poised for progress. You must feel it in your bones, as I do, that the next decade may rank as the greatest in our history.

The Government I lead, is, as you know, a coalition between members of the Liberal Party and of the Country Party. We have worked well and happily together as a team. That unity and teamwork will continue. It stands in contrast to the disunity and disarray of the Australian Labor Party which presents itself as the alternative government. It is indeed the only alternative government within your choice.

You will be making this choice at a time when our country is moving swiftly into a new and historic era. You have only to look at the map to realise this. The new Parliament will face a challenging period, calling for what is best in the Australian character. But it can be, we believe, an era of great opportunity, and we are growing not only in strength but in maturity. How we are to carry forward the development of this continent and how best we can make the nation secure, forms the very core of this election campaign.

In asking you to return my Government, we are also asking you to confirm principles and policies we believe are right for Australia at this point of our history. They bear on our national integrity and self-respect, our obligations to friends and allies, our standing in the free world and the tempo and character of our own growth and development. All that we plan and hope for Australia must not be put at risk - so far as we Australians can order events by what occurs outside Australia; and we have much to hold fast to and build upon inside our country. We are building for tomorrow on strong and stable foundations. We have squeezed into seventeen years what some countries have taken one hundred and fifty years to do; what some countries have never achieved.

We Australians regard our personal freedom, liberty, and opportunities for enterprise as essential to our way of life. Yet these things are under constant challenge, chiefly by those, whether at home or abroad, who believe in an all-powerful State. Our political creed places the highest value upon human personality' to encourage it, not to suppress; to strengthen it, not to weaken.

The Socialist basis of the Labor Party is reactionary, its doctrines are musty and its vision blurred by lingering bitterness from battles of the past. In recent years, the ALP has become divided into embittered factions. The Labor Party is not only out of time, but out of tune with the nation's thinking. In its present disorder it plainly can't give effective leadership or competent government.

You have only to look at the Labor Party's response to one of the most critical challenges of our time. It refuses to acknowledge, or it runs away from, the great central fact of modern history - the tremendous power conflict between the Communist world and the free world. The foreign policy of every country is affected incessantly by this conflict. It has been the cause of personal tragedy, much bloodshed, much waste and much destruction. It has brought tyranny to some countries and the fear of oppression to others. Yet the Labor Party dismisses all this as a bogey. What a delusion!

On the one hand there is the desire of free people to win for themselves a better way of life: On the other, the design of the Communists to force their way of life on others.

During this campaign our political opponents will try to confuse, or turn your minds from the central questions which the very history of our time has raised. We are no longer a small, insular, protected country sheltered from the storms and stresses of the world. We are not a large power, but we do take pride in being a nation, and pride in what we have done to build it and hold it. But that recognition of achievement carries with it responsibilities. It is our belief that the Australian people are equal to those responsibilities.

Later I shall have more to say about what is happening in South-East Asia and South Viet Nam, but the support we and others are giving in South Viet Nam is not only helping the people of South Viet Nam to resist Communist subversion and aggression. It is providing a shield behind which a new Asia can emerge and grow stronger. The presence of ourselves and other friendly forces there is not a commitment to war, it is a commitment to peace and freedom. But it must be such that the Communists will learn that free Asia, and the friends and allies of free Asia, will not lose heart, will not be worn down, but have strength and staying power - to defend the right of every people to choose their own social and economic order. Together we shall be helping to give the people in these countries the food, the skills, the education and the strength to lead their nations to a better way of life.

That is the kind of involvement we look to with Asia. We all want peace and a peaceful solution of problems and conflicts. We can even be on friendly terms with countries that have fundamentally different ideologies to our own, so long as they don't try to impose their ideas on us by force, by subversion or any other means.

These are matters of great significance which I shall develop later. But I move now from this broad introduction of the issues of the campaign to some of the domestic proposals we have in mind for the next three years.

DOMESTIC PROPOSALS

The economy, despite one of the most severe droughts in our history, is in good shape. It has continued to expand. So has our trade.

Our own efforts and savings, aided by a continuing flow of capital investment from overseas, are enabling us to maintain full employment with a growing population.

We have one of the highest standards of living in the world. We have continuing policies, many of which require increasing annual expenditures. But, in addition to these, we have a number of new proposals, which I will outline. First I mention education.

This is important to every Australian and vital to the nation. Our record in this field is proof of our sincerity.

Education is the responsibility of a number of authorities. Each has its rôle to play.

For our part, we have assisted in meeting the needs of the universities; the establishment of advanced colleges of education; we have helped technical education. We instituted grants for school science blocks. To assist parents and students we have greatly enlarged the Commonwealth scholarship scheme for university education. With the establishment of colleges of advanced education we have provided a similar scholarship system for them. Commonwealth scholarships are also available for the final two years of secondary education and for technical education. We have given special taxation allowances to parents for education expenses.

We now propose further assistance to education.

We will provide eight million dollars a year over the next three financial years for the construction and equipment of new colleges for teacher training throughout Australia.

This money will require no matching grants from the States. It will be used by us to build colleges on sites selected by the States, on condition that the State does not reduce its expenditure on teacher training, and on condition that at least ten per cent. of the places at the new colleges are reserved for teachers not bonded to State Education Departments.

Winners of advanced education scholarships will be able to apply those scholarships to a teacher training course in any training college to which they are admitted.

These scholarships carry the same benefits as university scholarships and will be available to unbonded students.

Our scheme to provide science laboratories and equipment to all schools has been highly successful. We intend to do more.

In the next financial year and subsequently, we will double the amount available to independent schools for these laboratories.

We believe this will ensure that in four years every science teaching secondary school in Australia, whether Government or independent, will have the science teaching laboratories and the equipment it needs - provided with the financial help of the Commonwealth Government.

We believe the time has come to establish a Commonwealth Ministry of Education and Science and we will do this.

This Ministry will be responsible not only for education, but also for certain areas of scientific activity. CSIRO will function within the new Ministry.

SOCIAL SERVICES

I turn to social services.

All through the life of the Government we have carried out our policy of giving to the needy the assistance we can afford as a government and nation with many other obligations. It has been our practice to review all aspects of our health and social service policies each year when we consider the Budget.

We have liberalised the means test progressively. We now propose further liberalisation. I shall elaborate on this in a supplementary statement. We will enlarge our social service programme on four fronts :-

- . We will raise by one hundred and fifty-six dollars the limits both of property and income within which pensions will be payable to the aged, the invalid, and the widows.
- . We will expand the scope of the Aged Persons Homes Act, particularly in regard to housing the needy, by making local governing bodies eligible for our subsidy.
- . We will further assist the disabled in the community by capital assistance on a two dollars for one dollar basis to sheltered workshops, and by a special allowance to disabled persons employed in those workshops.
- . We will make annual grants to certain national voluntary agencies working in the field of social welfare.

HOUSING

Australians want to own their own homes. This is an ambition we have fostered. No country can point to a higher percentage of home ownership. More than half the homes in Australia today have been constructed since we came to office in 1949.

In the last Parliament we introduced the Home Savings Grant Scheme which has already benefited sixty-four thousand young couples. We also introduced the Housing Loans Insurance Corporation.

We will now give the Minister for Housing new discretionary powers designed to meet cases of hardship under the Home Savings Grant Scheme. The discretionary powers will date back to the start of the scheme. Details of these are set out in a supplementary statement.

Further, we will extend the scheme to benefit widowed persons aged less than thirty-six years who have one or more dependent children.

The limitation on the value of the home, including land, will be raised from fourteen thousand dollars to fifteen thousand dollars.

NATIONAL DEVELOPMENT - WATER CONSERVATION

Since 1949, we have consistently carried out our policy of national development. For us this is a wide and embracing term. It means people as well as physical resources.

One aspect of national development is vivid in our minds from the recent drought. This is the conservation of that precious commodity - water.

We believe a programme of water conservation related to national needs should now be drawn up by us with State Governments.

We have in mind a national water resources development programme. Its purpose would be to increase water conservation activity, to reduce hazards of drought and expand primary production.

We envisage that the States will maintain at least their existing levels of expenditure in this field, from their own financial resources. We shall invite the States to put forward programmes of additional works they would propose for Commonwealth financing. We, in turn, will make a contribution to enable additional works, selected on their merits, to be carried out.

One cannot, at this stage, be precise about the capital requirements of our programme. We contemplate, however, that the contribution to be made by the Commonwealth for selected additional works could amount to fifty million dollars over the next five years.

WOOL

A soundly-based research effort is essential to this important industry's prosperity. So is an energetic, imaginative and well-directed promotion campaign.

The Government is prepared to increase the scale of its contributions for wool research and promotion when the present arrangements expire next June. For the ensuing three years the Government would provide funds on a dollar for dollar basis subject to a maximum annual contribution of fourteen million dollars for a programme agreed upon by it and the wool industry.

DAIRY INDUSTRY

The present five-year plan finishes on 30th June, 1967, and my Government would consult with industry bodies on the details of a further five-year plan. We would discuss with the industry the level of the annual subsidy allocation; the Commonwealth's underwriting of the equalisation arrangement for butter and cheese; and plans for diversifying markets abroad.

SUGAR

We have shown our determination to maintain a strong and prosperous sugar industry. Recently we have made loans available to cane-growers and millers distressed by drought.

The nitrogenous fertiliser subsidy introduced in August will be of particular help to this industry.

The 1966 season's production was affected by drought and abnormally low export prices. We have bolstered the return by loaning the industry nineteen million dollars on concessional terms.

The Commonwealth/Queensland Sugar Agreement is due to expire on 1st August, 1967. We have assured the Queensland Government we will consult fully with them and ascertain industry views on all matters associated with the industry's position before renewing it. This agreement has provided valuable protection for the industry.

We are persisting vigorously with our efforts to negotiate an international sugar agreement. Our aim is to ensure our producers remunerative prices for satisfactory export quantities.

EXTENSION SERVICES

My Government has a programme which assists rural industries considerably in research and extension. Some eighty million dollars has been made available through joint industry/Commonwealth schemes for research by State and Commonwealth Departments, universities and the CSIRO.

The results must be passed on to the farmer. For this improved agricultural extension services are necessary.

We have now embarked on a five-year programme. Under this the Commonwealth's contribution to extension services will be increased by four million dollars above the present level of one point four million dollars.

STABILISATION SCHEMES FOR WHEAT, COTTON AND DRIED VINE FRUITS

At the appropriate time, my Government will go into discussions with the wheat, cotton and dried vine fruits industries for the re-negotiation of stabilisation schemes having the objective of sustaining in respect of each a stable industry.

NORTHERN DEVELOPMENT

The development of the North. Commonwealth, State and local governments, private individuals and companies are all involved in the whole pattern of northern development.

Apart from our own explorations, we have encouraged private enterprise to undertake wide-ranging exploration of the resources of our north. Mineral and oil discoveries have resulted.

Development has followed actively. New railways and ports, and vast new processing plants, are being built.

Currently, capital projects totalling more than two thousand million dollars are in train. These works are giving new employment and creating new communities.

Our great new resources - some still being discovered - must be effectively utilised. It is desirable that there should be an Australian participation in the ownership and control of those resources along with the industries growing out of them. There are instances in which more capital is needed to exploit these opportunities than existing Australian companies can marshal. New arrangements and facilities for the provision of capital have to be devised. This is not an easy matter, but the Government has been working actively and earnestly upon it, as have people and institutions in the world of finance. We are confident we shall find practical means of meeting this objective.

BEEF ROADS

Since 1961, we have provided almost thirty million dollars to the Queensland and Western Australian Governments for construction of beef roads. This has been money well spent. It has contributed to the development of the beef industry in Northern Australia and to our export earnings from beef.

We know the industry is capable of further substantial expansion and that prospects for beef exports are bright. But a still further improved road system is essential for any major expansion. This would promote the development of our northern areas generally.

Current arrangements for the financing of beef roads end in June, 1967. We will discuss with the Governments of Queensland and Western Australia a fifty million dollars programme of beef roads extending over a period of seven years.

This would represent an even greater contribution to this work than in the past.

We are doing more also in the Northern Territory.

The new programme there, extending over five or six years, will begin early in 1967-68.

TOURISM

We see an expanding future for the tourist industry. Our annual grants to the Australian National Travel Association have been increasing substantially, and, in 1966-67, were eight hundred and sixty-two thousand dollars. Increasing activity and expenditure providing growing exchange earnings for us require the establishment of an Australian Tourist Commission set up as a statutory body.

We believe this would have the support of ANTA, the tourist industry generally, and the State Governments all of whom have a direct interest in this matter.

A GENERAL COMMENT ON OUR DOMESTIC PROGRAMME

What I have outlined by no means represents the limit of our activities in the domestic field over the next three years. But it gives you the trend of our thinking.

FOREIGN POLICY

This brings me back to what I described earlier as the very core of this election.

Our domestic programme depends for its fulfilment on the security of the nation. But the principles and objectives of our foreign policy are at issue in this election. Our Labor opponents attack our assessment of Australia's external security. Domestic affairs cannot be separated from foreign affairs.

Our foreign policy is based on the beliefs we have - and the plans we have - about the kind of Australia all of us want to see and about the kind of society we want to build and preserve here. The security of those things we think are good in Australia depends on the security of a kind of world that also values what is precious both to the individual and the good society. So we have joined with others in paying a price for the freedoms we hope to retain.

Unless there is security for all small nations there cannot be security for any small nation. Unless principles of international conduct are preserved in all international situations they are not likely to be preserved in any. That is the essence of our foreign policy.

We have always seen Australia's security in terms of world security.

To that end we have for long allied ourselves with Britain and the United States. The basic principles and objectives of their policies are, for the most part, shared by us. We have sought, above all things, to keep our country at peace; but to have some assurance that Australia will have strong and reliable friends.

That is why we played our part in the making of the SEATO and ANZUS Treaties which carry with them responsibilities as well as benefits.

Because of those responsibilities, Australian soldiers are fighting in South Viet Nam.

We know and share the genuine concern of responsible Australians about what has been happening there.

But we believe our decisions have been right.

We seek a peaceful settlement of the conflict through negotiation. But think of the consequences of abandoning our objectives - and the people of South Viet Nam.

South Viet Nam would become a Communist state, and the lives and security of millions who have resisted Communism would be in jeopardy.

The impact of our complete withdrawal, as proposed by the Labor Party, would be felt throughout South-East Asia.

We, too, would come under threat.

We have a vital interest in the effective presence and participation of the United States as a major power in Asia and the Pacific. We have obligations arising from our treaty relationships, from our role as an ally, and from the fact that our own international interests are directly involved in preserving South-East Asia from aggression and from Communist domination.

It has been said that our policies in Viet Nam have damaged Australia's standing in Asia.

This is absurd. Most Asian countries share our belief that Communist aggression - indeed, aggression of any kind - must be resisted. Our close associations with the free countries of Asia have undoubtedly been strengthened.

DEFENCE

I turn now to defence generally.

The centre of this problem, in global perspective, is in Asia and hence in our own part of the world.

We must meet large expenditures for forces adequate to our obligations, thoroughly trained and equipped with the best and most modern conventional armaments.

To finance defence on the scale required and with the necessary personnel increases in all services, our defence expenditure has already more than doubled over the past four years.

We live in an unstable region. We see it as a basic responsibility of the Government of a free people to be prepared for any eventuality.

NATIONAL SERVICE

One of the basic issues of this election is national military training carrying the duty to serve abroad as well as at home.

If we are to meet our obligations, we must have trained men immediately available to do the job. Our Army is to be built from twenty-two thousand seven hundred and fifty to forty thousand as quickly as practicable.

Voluntary enlistment did not provide suitable men to the extent needed. We and our advisers concluded there was no realistic alternative to national service.

The call-up has been devised so as to cause the smallest possible disturbance to studies, employment and family commitments, and so as to ensure thorough and effective training before a national serviceman is required to serve overseas. The policy permits young men to make a choice between service with the Regular Forces and service with the Citizen Forces.

Withdrawal of national servicemen from Viet Nam as intended by the Labor Party, would render our task force ineffective and seriously disrupt the Army. It would inevitably mean loss of confidence in Australia by its allies.

Machines and money alone do not make a defence establishment. Our concept of highly-trained, mobile striking forces has been made effective by the individualism, the intelligence, and cool gallantry of the men who wear Australia's uniform.

National servicemen serving Australia abroad today are as one with their Regular Army comrades in efficiency, purpose and courage.

CONCLUSION

I have given a broad picture of our thinking on large questions of policy. My supplementary statements issued tonight will give more information on these and other aspects of policy. From experience you can have confidence that we shall be doing all this and a good deal more. You have seen us give prompt effect in the past to our election undertakings. We have also taken further progressive and useful action to meet changing conditions and new developments. I now draw all this together against the political background.

The Liberal Party, in association with the Country Party, has had the longest period of unbroken Federal rule in Australian history.

Our Government has remained vigorous and forward looking, assisted by fresh talent from the ranks of our private members. The Deputy Prime Minister and myself are the only two members remaining from the Ministry formed when we were returned to office in 1949.

Today we are clearly more in tune with the aspirations and outlook of Australians than our opponents. For the greater period of our long term of office, the Australian Labor Party has been ravaged by bitter faction fights. Nowhere has this internal conflict been fiercer nor more destructive than in the critical field of external security.

Even our American allies have been a target for the spleen of the extremists in the Labor Party. Surely we Australians recognise who are our true friends. The Labor Party, plagued for so long by the virus of doctrinaire socialism, left-wing influence and class bitterness, seems to have its will too paralysed to think clearly on great issues that affect our safety.

The business of government and the conduct of our internal and international affairs are not for men who cannot be of one mind, sometimes for a week on end. Our national affairs are not merchandise for back-room bargaining between leaders of factions.

Many times in recent years, the people of Australia have had a sharp reminder that a Federal Labor Government would not be responsible to the people, or even to its own judgment, but that it would be bound hand and foot by the decisions of thirtysix people from the A. L. P., not, for the most part, elected by the people of Australia and in no sense responsible to them.

This country deserves better than that. A party that cannot lead itself has no claim to lead a nation.

Your choice should be clear.

On the great questions of national security, my Government is completely single-minded and united. Our opponents are confused and divided.

We believe our national policies look to Australia's future and the national thinking of our opponents is still bogged down in the past.

We offer the country strength, unity, and purpose as opposed to disunity and confusion. We offer you a programme in domestic affairs which advances national development, national security and social justice.

The choice for you is, we believe, clear-cut. My colleagues and I have enough faith in the common sense and maturity of the Australian people to be confident about your answer.

SUPPLEMENTARY STATEMENTS

THE FOLLOWING STATEMENTS COULD NOT,
FOR REASONS OF TIME, BE INCLUDED IN A BROADCAST
AND TELEVISED POLICY SPEECH LIMITED TO 45
MINUTES. BUT THEY ARE ISSUED FOR PUBLICATION
CONJOINTLY WITH THE MAIN SPEECH.


Library (pm's left)

MEANS TEST

Since it came to office in December, 1949, the Government's policy in Social Services has been to assist those with the greatest need. In circumstances where resources are limited, the Government's policy has been to continually improve the position of existing pensioners and to progressively liberalise the means test in order to permit increasing numbers in the lower income groups to obtain pensions. This policy will be continued during the life of the present Government.

Very significant improvements have been brought about. In 1949, a single person with an income (including income from property) of \$377 per annum, or a married couple with a total income of \$754 per annum, were not entitled to an age or invalid pension. Since then these limits have been more than doubled, so that today, pension eligibility is retained by a single person until income, ignoring any income from property, reaches \$1,040 per annum in the case of a single person, and \$1,950 per annum for a married couple (assuming that the value of property does not affect the rate of pension payable).

We now propose to increase these limits still further by \$156 per annum for both single persons and married couples. The new limits of income before eligibility for pension ceases will be respectively \$1,196 per annum for single persons, and \$2,106 per annum for married couples. Full age or invalid pensions will be payable where a single person's income does not exceed \$520 per annum, and a married couple's combined income \$884. These income limits are increased if there are children.

Expressed in terms of property, what we propose is equally liberal. In 1949, no age or invalid pension was payable if a single person had property valued at \$1,500 or \$3,000 in the case of a married couple. Because of the progressive easings of the means test, the corresponding figures today for property, apart from the value of a home, motor vehicle and certain personal effects, are \$10,800 for a single person and \$20,320 for a married couple. Under the further improvement now proposed, a single person may have \$12,360 in value of property, and a married couple \$21,880, provided there is no income other than from property, before losing eligibility for pension.

The means test on widows' pensions will be similarly eased. For example, at present, a widow with one child may receive a full pension if her income does not exceed \$520 per annum, and she retains eligibility for some pension until her income reaches \$1,404. These limits will be raised to \$676 and \$1,560 per annum respectively.

As in the case of age and invalid pensioners, a widow with children may receive an extra \$156 per annum for each child after the first without affecting her pension, which is increased by a further \$78 per annum for each such child. Thus, the amount of income which renders her ineligible for pension rises by \$234 per annum for each child after the first.

If a widow with a child or children has no income other than from property, she will receive some pension until the value of her property reaches \$16,040.

HOMES FOR AGED PERSONS

During the twelve years the legislation has been in operation, the response by the churches, charitable and other voluntary agencies and the public to the Aged Persons Homes Act has been magnificent. We have recently widened the policy under which grants are made on a \$2 for \$1 basis, to permit eligible organisations to give greater attention to the aged who are frail and infirm.

We will widen the scope of assistance by including local governing bodies in the organisations eligible under the Act and accepting contributions by them towards Aged Persons Homes as qualifying for Commonwealth matching subsidy.

It is our hope that local governing bodies will sponsor aged persons homes in the areas of their administration and that particular attention will be given by them to the housing needs of pensioners.

HELP FOR DISABLED

Another area in which we believe the greatest effectiveness can be obtained only if there is a marriage of government and voluntary effort is in relation to sheltered workshops.

We will forthwith begin consultation with both voluntary and other agencies with a view to granting capital assistance on a \$2 for \$1 basis towards the expansion and establishment of sheltered workshops conducted by voluntary agencies throughout the Commonwealth. We have in mind that this aid should run not only to workshops that aim to restore the disabled to outside employment but also to those that will provide employment under sheltered conditions to those who have a permanent residual disability.

We will introduce a special allowance for employees in sheltered workshops. The allowance will be reduced when earnings exceed a certain limit but will be so arranged that employees will receive a net increase in income for each increment of earnings.

The effect of these two measures should provide a strong incentive to the development of sheltered workshops.

SOCIAL WELFARE

Government has a predominant role in the field of social security, but there will always be large areas in which the welfare services of our community must depend upon voluntary effort. Accordingly, we have decided to make annual grants to the Australian Council of Social Services and to the Australian Council for Rehabilitation of Disabled.

The annual grant, over the next three years, to each of the Councils will be \$15,000 of which \$10,000 will be on the basis of \$1 for each \$1 raised by the organisation.

These two grants will be additional to a grant of \$60,000 for each of the next two years that the Government has undertaken to make to the National Old People's Welfare Council to assist it in co-ordinating the work of voluntary agencies in the field of the welfare of the elderly.

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HOME SAVINGS GRANT SCHEME

In the 1963 Policy Speech, we undertook to provide a Commonwealth grant of £1 for every £3 saved by a person under 36 years of age to assist young married people to buy or build their own homes.

The maximum grant payable to any young couple is \$500.

To be eligible for the grant, the savings must have been deposited over a period of at least three years in a Home Savings Account with a bank, or with a building or housing society, or used for purposes of acquiring a home.

Our Home Savings Grant Scheme has been in operation for nearly 2½ years. Some 64,000 couples have received the grant and grants totalling almost \$29 million have been paid.

Because the Scheme is a novel one and is still in its early years of operation, cases have arisen where, due to genuine misunderstanding or lack of awareness of all the requirements, some applicants have failed to qualify for the grant.

While we wish all applications to be lodged within twelve months of buying or building a home, we propose to give the Secretary of the Department of Housing certain discretionary powers so that cases may be treated sympathetically on their individual merits. These discretionary powers will apply to eligible persons who bought or commenced to build their homes on or after December 2, 1963.

The matters in respect of which a discretion might be given are :-

- (a) To extend the time limit for the lodgment of applications from three months to twelve months and to empower the Department to accept applications lodged within a further period if circumstances suggest that this is justified.
- (b) To empower the Department to disregard ownership of "another dwelling house" where it is satisfied that it would be unreasonable to regard the dwelling house as the matrimonial home or suitable for this purpose.
- (c) To empower the Department to determine that any interest in land that it considers appropriate for the purposes of the Act be accepted as an "approved interest".
- (d) To give the Department a discretionary power to accept savings made in a period of three years ending on a date not more than fourteen days before or after the prescribed date in circumstances it considers reasonable. The definition of the prescribed date will not be altered.
- (e) To permit the Department to pay a grant to a person who has been widowed on or after the prescribed date of the amount of the grant that would have been paid to one or both of the couple if the spouse had not died.
- (f) To give the Department a discretionary power to permit an applicant's savings period to be broken for a short period should there appear to be good or sufficient reasons.

All these proposed new discretionary powers are designed to meet cases of hardship that have already arisen. The discretionary powers will, therefore, apply from the date of commencement of the Scheme.

PRIMARY INDUSTRY

Our rural industries have set records in expansion in the past 17 years. Production in 1965-66 was 47 per cent. above that of 1948-1949 and some 60 per cent. above the level of the immediate pre-war years. This has been achieved in spite of severe drought in extensive areas of New South Wales and Queensland in 1965-1966.

A farm work force of less than half a million, smaller than in the pre-war period, has produced this phenomenal result.

Our policy is to promote efficient and expanding primary industries to meet the demands of a growing population and secondary industries, and to provide a rising amount of export income.

Our constant objective is to ensure that returns for rural commodities are maintained, and, if possible, improved, and that primary producers are able to earn remunerative incomes.

Since our election in 1949, we have paid out approximately \$497 million in subsidy on the production of butter and cheese and the export of processed milk products under the various five-year dairy industry stabilisation plans.

The current plan ends next June. We will consult with the industry bodies on the details of a further five-year plan to apply from July 1, 1967.

HEALTH

Our National Health Scheme, which in many parts of the world is regarded as a model of its kind, has been progressively improved during the past three years.

It is estimated, for example, that a further 120,000 age, invalid, widow and service pensioners and 17,000 of their dependants became eligible for enrolment in the Pensioner Medical Service following relaxation of the Pensioner Medical Service means test.

Also, in 1964, we introduced a new schedule of Commonwealth medical benefits. The general effect was to increase Commonwealth benefits by 33 and 1/3rd per cent.

We have reviewed the list of pharmaceutical benefits from time to time since 1963 to ensure that full advantage is taken of modern developments in the availability of new and improved drugs.

We will continue to improve our National Health Scheme

PAPUA AND NEW GUINEA

We propose to continue our vigorous programmes of balanced development - economic, social and political - towards which we have allotted a grant of \$70 million this year, compared with \$50 million three years ago.

To this end, we are prepared, on the basis of the co-operation of the people of Papua and New Guinea and their elected representatives, to continue to spend more over the next few years. The object will be to shorten the time that must elapse before the Territory of Papua and New Guinea can finance its own basic needs from its own resources.

Without this, there can be no real freedom of choice when the time comes for Papuans and New Guineans to decide what eventual political status they want.

The further expansion of primary and secondary industry and increased export income will be vigorously pursued in harmony with the broad policy of economic development based on the World Bank Missions 1964 Report. The newly-established Papua and New Guinea Development Bank will play an important development role.

In political affairs the Government will not be slow to make constitutional changes if the Papuans and New Guineans want them, nor will the Government press changes upon the people if they do not want change. In accordance with this approach, the membership of the House of Assembly, which was set up in 1964 with a great majority of elected members, will be increased in size for the next elections in 1968. Again if the people of Papua and New Guinea indicate a desire for a limited system of ministerial representation, appropriate arrangements will be worked out.

The new Institute of Higher Technical Education and the new University of Papua and New Guinea have been established to help in the training and education of Papuans and New Guineans. In political, social and economic matters the advancement of the indigenous people of the Territory will continue to be a basic objective.

I confirm once again that we will defend the Territory of Papua and New Guinea as if it was part of the Australian mainland.

ABORIGINES

In the field of aboriginal advancement, we will continue to co-operate with the Governments of the States.

In the Northern Territory, where the Commonwealth is specially responsible, no Territory laws discriminate against aborigines.

In employment we will continue to support equality of wages and conditions for aborigines. The Government supported this principle in the pastoral industry where substantial interim increases are being made and where complete equality under the award will apply not later than 1968.

Royalties on minerals in aboriginal reserves will be paid into a Trust Fund for the benefit of the aboriginal people.

We will continue to improve the educational opportunities for aboriginal children.

Proposals are being put before the Northern Territory Legislative Council to make land on aboriginal reserves available for leasing to aborigines on the advice of a special Board of which the majority of the members will be aborigines.

NORTHERN TERRITORY

We will continue policies that provide a climate of opportunity and open up further prospects of growth for the mining, pastoral and tourist industries in this Territory, which occupies one-sixth of the continent and is an area of special Commonwealth responsibility.

We will go on encouraging the development of the great mineral potentialities of the Territory in such places as Gove, Groote Eylandt and McArthur River. At these and other places investment could total more than \$400 million.

The pastoral industry has been developing substantially with the establishment of export abattoirs at Katherine and Darwin and with new techniques for improved pastures and with the provision of more credit for water and subsidies for imported stud stock. This development will be stimulated still further by the continuation of the beef road programme for the Territory. More than \$3 million will be spent on this programme during the current year and 900 miles of beef roads will then have been completed in the Territory.

Moreover, special loans and freight subsidies are helping pastoralists in the Centre to recover from the most disastrous drought in the region's history.

Further expansion can be expected in the Northern Territory tourist industry which, with improved roads and facilities, has been growing rapidly.

We will continue to give financial backing to the development of the Territory which has a higher growth rate than almost any other part of the Commonwealth.
