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AID FOR TASMANIA

The Prime Minister, Mr. Holt said today that there had been further discussion in the course of the visit to Canberra of Mr. Reece of the arrangements to apply to relief of hardship from the Tasmanian bushfires and matters of rehabilitation. The Treasurer, Mr. McMahon and Mr. Howson, the Commonwealth's Liaison Minister for purposes connected with bushfire assistance had participated in the talks between the Prime Minister and Mr. Reece.

The Commonwealth proposed that special assistance should be given to Tasmania in order to restore as quickly as possible the economy of the State and to relieve the hardship and suffering of those affected.

Mr. Howson had made two visits to Tasmania and had held discussions with the Premier. In addition, Commonwealth and State officers had conferred continuously on all aspects. Mr. Holt said he and Mr. Reece were now able to state that they had reached agreement on the basic principles of a programme of relief and rehabilitation.

The Commonwealth had undertaken to provide substantial support to the State for the measures Mr. Reece proposed to introduce. These measures would be such as the State considered to be necessary to meet the emergency and the hardship which had been experienced in various sectors of the economy. The State would consult with the Commonwealth about its proposed measures of assistance to confirm their acceptability for the purposes of the Commonwealth's financial undertaking to the State.

As in the case of the help given to New South Wales and Queensland for relief of the drought, the Commonwealth's overall financial assistance to the State of Tasmania would be provided partly by way of loan and partly by way of grant.

Mr. Holt praised the generous and ready response to the Governor's Appeal Fund from every corner of Australia and overseas. This would go a long way towards relieving personal hardship and distress. Mr. Reece had said that he hoped it would be possible to provide many of the families made homeless with some basic furniture and other essential household requisites.

Mr. Holt said he and the Premier reaffirmed the basic principles already announced late last week concerning assistance for housing. It was intended to provide housing up to Housing Department standards with need as the first criterion.

The two Governments were now looking closely at the problems of primary producers and people in business. They had suffered not only an immediate loss of income but also a loss of capital. It was not yet possible to lay down the basis of assistance, but efforts would be made to enable those affected to be rehabilitated in their own area.

There were some particular problems facing primary producers, especially those concerned with replacing fencing and stock. These were being considered. There would be special discussions about these between Commonwealth and State officers as soon as possible.

The Commonwealth recognises that the loss of assets to the State, such as schools, bridges and powerlines would also need to be considered. Its approach would be to ensure that these assets would be reinstated without the State incurring an onerous debt burden, or the necessity to make replacement at the expense of the State's ordinary works programme.

The Premier, for his part, paid a warm tribute to the help and attitude of the Commonwealth, and expressed his personal thanks to the Prime Minister, the Federal Treasurer and Mr. Howson.

CANBERRA.
16th February, 1967.