

legislation; therefore it should have a speedy passage.

Honourable members might be interested to know that Australia's sister Commonwealth country, Canada, sent people to Australia a few years ago to look at the working of our legislation. Canada embodied some of our administrative arrangements, as it saw or interpreted them, to form part of the law that it has passed in this area. I suppose both sides of the House can take credit for what has happened, flimsy though the arrangements may have been and even though they were criticised by us when they were introduced and have since been criticised by honourable members opposite for not being further extended by us. Nevertheless the legislation has worked fairly effectively and I think to the advantage of industry that very vague area we call the national interest. I commend the Bill to the House and hope that, as the shadow Treasurer indicated, there will be no opposition to it here and therefore presumably no opposition to it elsewhere.

Debate (on motion by Mr Ellicott) adjourned.

PAPUA NEW GUINEA INDEPENDENCE BILL 1975

Bill presented by Mr Whitlam and read a first time.

Second Reading

Mr WHITLAM (Werriwa—Prime Minister) (3.21)—I move:

That the Bill be now read a second time.

The legislation which I now introduce—this Bill and the next 4 Bills which I shall move be read a second time—is historic for Papua New Guinea, for Australia, and for the European civilisation from which we Australians spring, for this is almost the last episode in the great post-war, post-imperial exercise of European decolonisation. By an extraordinary twist of history, Australia—herself once a colony—became one of the world's last colonial powers. By this legislation, we not only divest ourselves of the last significant colony in the world, but we divest ourselves of our own colonial heritage. It should never be forgotten that in making our own former colony independent, we as Australians enhance our own independence. Australia was never truly free until Papua New Guinea became truly free.

The purpose of this legislation is to enable Papua New Guinea to become independent on 16 September 1975, the date nominated by the Papua New Guinea House of Assembly. The

legislation includes 4 Bills which are associated in various ways with Papua New Guinea's move to independence. I shall if I may, deal with each of the Bills in turn in this speech.

PAPUA NEW GUINEA INDEPENDENCE BILL

The proposed Papua New Guinea Constitution does not depend for its validity on enabling Australian legislation. The Constitution of an independent Papua New Guinea is not to be dependent on an Act by another Parliament in the way that the Australian Constitution depends on an Act of the Imperial Parliament—the Parliament of Westminster. Consequently the Papua New Guinea Independence Bill is a short one. Clause 4 provides that at the expiration of 15 September Australia will cease to have any sovereignty, sovereign rights or rights of administration in Papua New Guinea. This will enable the Papua New Guinea Constitution to come into effect the next day as the supreme law of Papua New Guinea.

Clause 5 of the Bill repeals the Papua New Guinea Act 1949-75 under which Papua and the Trust Territory of New Guinea have been jointly administered for the past 26 years. It also ceases the extension to Papua New Guinea of every Act and imperial Act which hitherto extended. The Papua New Guinea Constitution will adopt those Acts and imperial Acts which Papua New Guinea wishes to continue as laws of Papua New Guinea.

The Bill represents the culmination of three-quarters of a century of association of the Australian Parliament with the development of Papua New Guinea. It is the end of a long chapter. We believe it is also the beginning of a new, a better chapter in the continuing story of the association between our 2 neighbour nations. That association, as far as this Parliament is concerned, began on 12 November 1901 with a resolution that Australia should assume responsibility for the administration of what was then British New Guinea. Subsequently, of course, Australia assumed responsibility for the administration of what had been German New Guinea, first, under a League of Nations mandate and, since 1946, under the present United Nations Trusteeship Agreement, which Australia will discharge in full when Papua New Guinea becomes an independent nation on 16 September.

Successive Australian Governments have given an undertaking to the Trusteeship Council and to the United Nations General Assembly to bring a united Papua New Guinea—the whole

territory over which we assumed or were given control—not just to independence but to united independence. We must all be worried at this moment that it is possible that we have failed to fulfil completely the mandate to carry out in full the trust we were given. Should that prove to be the case, it will be because, perhaps with the best will in the world, we delayed somewhat too long. At Goroka in April 1965 I had advocated independence by 1970.

What is certain, however, is that Australia's major efforts to carry out the mandate and to fulfil her trusteeship were well and highly motivated. It would be impossible in this speech to pay tribute to all those Australians who have tried to serve Papua New Guinea well, and in so doing have tried to serve Australia well. It is best therefore that I confine myself exclusively to members of this present Parliament. The role of the honourable member for Kooyong (Mr Peacock) when he was Minister for External Territories was crucial. I frequently—here in Canberra and in Port Moresby—paid tribute to it. I do so again. I particularly wish to mention those who are now Ministers who accompanied me in my tours of Papua New Guinea in January 1970 and January 1971. They are the present Treasurer (Mr Hayden) and the Minister for Education (Mr Beazley), who were with me in 1970 and the present Minister for Defence (Mr Morrison) and Minister for Science and Consumer Affairs (Mr Clyde Cameron), who were with me in 1971. The Minister for Defence subsequently fulfilled the ultimate part of us all in this great work.

It is hard, in retrospect, to understand the obloquy, the hatred, the contempt, and even worse, the ridicule, which we brought upon ourselves in those far off days—a whole 5 years ago—when we first stated that the independence of Papua New Guinea was imminent and inevitable. It was not easy in those days to live with the accusation—as in particular, the Minister for Education, the Treasurer and I had to live with it in the early months of 1970—that we had stirred up and should be blamed for possible bloodshed. It was said of me—in the newspapers and in this Parliament—that by my efforts to point out the inescapable fact that Papua New Guinea was already providing more leaders than Australia could ever impose or be willing to provide, I would have 'blood on my hands'. The words are those of the then Prime Minister, the right honourable member for Higgins (Mr Gorton). It was charged then against the present Minister for Education and myself that, by speaking to the people of Rabaul about how to achieve the ends

they then sought by peaceful means, we were in fact provoking violence. Those were the charges made, in the Australian newspapers, in the Australian Parliament.

Our point then was this, as I said in Port Moresby in January 1970:

Papua New Guinea is already rich in leadership. The time when that leadership will assume its full and proper responsibilities cannot be long delayed.

To put these matters in their full historical perspective I ask leave to have incorporated in *Hansard* 2 documents—the joint statement by the honourable members for Werriwa, Fremantle and Oxley at Port Moresby on 12 January 1970 and the joint statement by the honourable members for Werriwa, Hindmarsh and St George on 17 January 1971.

Mr DEPUTY SPEAKER (Dr Jenkins)—Is leave granted? There being no objection, leave is granted.

(The documents read as follows)—

LABOR'S PLAN FOR NEW GUINEA

STATEMENT BY THE LEADER OF THE OPPOSITION, MR E. G. WHITLAM, PORT MORESBY, 12 JANUARY 1970

In the past fortnight Mr Beazley, Mr Hayden and I have talked to some thousands of New Guineans and talked with hundreds of elected persons, administrators, teachers and students who will soon be assuming even more responsibility for their country's affairs. New Guinea is already rich in leadership. The time when that leadership will assume its full and proper responsibilities cannot and must not be long delayed.

1. We quickly found that our most urgent and difficult task was to reassure the people and their leaders, and even expatriates, about Australia's relationship with New Guinea after self-government and after independence. We have been appalled to discover how widespread and deeply rooted is the impression that either independence or even self-government means the end of Australian concern and Australian help for this country. I make no comment about the origins of this falsehood. Any Australian who propagates it does a grave disservice to the people of Australia and the people of New Guinea.

The plain fact is that for the rest of this century Australian governments will be formed by either the Labor Party or the Liberal Party. All members of the Australian Parliament have supported the quadrupling of Australian aid in the past decade. While the consensus which existed on New Guinea during Sir Paul Hasluck's administration has broken down under Mr Barnes, there is no divergence between the parties on this crucial point. It is Labor policy and it is Liberal policy that aid in finance and advice will continue. It is our firm belief that it will increase. It is certain that for the rest of this century at least Australia will be a donor nation to developing nations. New Guinea will long be a principal recipient.

To emphasise the solemnity and sincerity of this undertaking, we have suggested that Australian assistance should be made part of treaty arrangements between the constitutional government of an independent New Guinea and the Government of Australia.

2. Our second task has been to clear away fundamental misunderstanding about the reality of Australia's present relationship to New Guinea. Australia would not have been permitted to remain in New Guinea as trustee had she not promised to prepare New Guinea for independence. The governments of 112 nations have just called on Australia to transfer full executive and legislative powers to elected New Guineans. The fact of independence is just not negotiable. There is not nearly as much negotiability about the postponement of independence as some New Guineans and many Australians seem to assume. Australians who think that the United Nations need not be taken seriously may be more respectful of the United States. Anybody who doubts the seriousness of America's purposes on this matter is fooling himself.

The Australian Parliament has responsibilities beyond New Guinea. Its primary responsibility is to the people of Australia. It has the responsibility of protecting the reputation and the relations of the nation with all countries. These are the responsibilities of the elected persons of the Australian Parliament and the elected government, and of no others, elected or non-elected. The Australian Parliament cannot escape or share this responsibility.

Therefore it is either misleading or meaningless to assert that the decision for independence is one for the people of New Guinea alone. The form of independence is certainly for them to decide for themselves. The fact of independence has already been decided.

STEPS AFTER THE NEXT ELECTIONS

3. These two tasks of reassurance and clarification were responsibilities we accepted for the Australian people as a whole. We accepted a third task on behalf of our own party, the Australian Labor Party.

An Australian election must be held by the end of 1972 at the latest. It may be earlier. It is our belief that a Labor Government will emerge from those elections. We therefore felt it obligatory to indicate how a Labor Government would discharge its responsibilities to the people of Australia and its obligations to the people of New Guinea, including those Australians whose families and fortunes are at stake in New Guinea.

New Guineans will have home rule as soon as a Labor Government can make the necessary arrangements with the House of Assembly which will also be elected in 1972.

This means that laws made by the Assembly will no longer be subject to veto by the Australian Government; that all matters affecting the welfare of New Guinean people except defence and foreign affairs will be subject to laws made by the Assembly alone; and that those laws will be administered by a public service responsible only to the House of Assembly.

Australians who remain in the service of the New Guinea Government will equally be responsible to the House of Assembly, but the Australian Government will accept responsibility for their salaries and the welfare of their families.

The House of Assembly will decide the form of the constitution New Guinea is to have after independence.

It is certain that the assumption of an increasing measure of responsibility will accelerate the desire and ability to accept total responsibility. In this sense it is true that the people of New Guinea will decide their own time-table for independence.

Elements in the Administration, and in the expatriate community, are anxious to postpone every delegation of power to the Papua-New Guinea people into an indefinite future. Most disturbing is the open hostility in the Administration to those who have, if perhaps in gravely mistaken

ways, attempted to assert their rights. The manner in which the Department of External Territories endeavoured to enforce the sale of Bougainville land disqualifies those responsible for the policy from any claim to have the well-being of the people at heart. Batons and tear gas have no place in land sales. This incredible exercise in the techniques of violent expropriation has shaken confidence. It threatens to create deep and enduring hatred against Australia and Australians. It is a factor underlying the Mataungan misunderstandings.

IMMEDIATE STEPS

4. Fourthly, we have seen there is a need for a far more systematic preparation of the country for self-government. Urgent needs in the Territory which should be the subject of immediate attention are:

A reasonable minimum wage;

An arbitration system for plantation workers and all labourers;

An end to the shame whereby Australia's name is associated with plantation wages of \$5 a month or less—the worst wages in the Pacific and probably the worst in the world.

In New Guinea every industrial dispute is automatically a dispute between an Australian or an Australian company on one hand and New Guineans on the other. The Territory has moved to the position where the Workers' Associations should be treated seriously. We heard from workers' leaders, engaged in struggles to lift wages as low as \$6 a week, that claims to private employers for wage increases simply went unacknowledged. Even worse, the Administration itself for months on end ignored wage claims from officially recognised workers' associations. It needs to be quite clear that salary and wage discrimination is the basis of every other form of discrimination.

There has been a clear deterioration in race relations, reflected in the movement of battalions of police to Bougainville and Rabaul. There are more police in Rabaul than in any Australian city except Sydney and Melbourne. Australians in Papua-New Guinea are not in their own country. The whole direction of administration needs re-orientation. The basis of Australian policy should be discrimination in favour of the people whose country this is. Only discrimination in favour of the underprivileged can reduce inequality.

The Department of External Territories, which rules, should become a Department of Pacific Relations, which advises. Australian officers should not be masters but envoys, not rulers but helpers. The best of them are. There is cause for pride in much done in health, education, communications, agriculture, and public works, and in the defence services. There is no cause whatever for pride in labour relations. This is the Achilles heel of the whole Australian position in New Guinea. It is full of danger for the near and distant future.

Nor can we have any pride in the fact that in the five largest towns there is no local government, and no businesses, factories or even taxis owned by locals. In New Guinea commercial enterprise has become synonymous with expatriate enterprise.

We have tried to impart a feeling not only of urgency but of self-confidence in the ability of New Guineans to make their own decisions. There are New Guineans who are well equipped to fill the highest political and administrative positions in their country. Indeed, no Australian could claim the contrary without reflecting on Australia's record of administration at its crucial point.

The House of Assembly and its members should now be taken seriously as the representatives of their people and

treated by all Australians with proper respect and seriousness.

The only thing in which New Guinea is really unique among the countries of the world is that alone among significant populations its people make no final decisions on any matter affecting their welfare.

It is not unique in its economy, in the difference of economic standards between sections of the country, its educational or social standards, its need for economic aid from abroad, its need for advisers, the diversity of its local customs, or even the multiplicity of its languages.

All these matters present complex and difficult problems for any future government of New Guinea.

None of these problems require colonial rule for their solution or easing. In fact, many of them will worsen if foreign techniques, methods, laws and customs continue to exclude local custom, knowledge and experience.

An outside administration cannot teach or impose unity. It can by errors unite a people against it. This is the very situation which Australians at home will not permit, and Australians in New Guinea must most avoid.

STATEMENT BY THE LEADER OF THE
AUSTRALIAN LABOR PARTY, MR E. G.
WHITLAM, Q.C., M.P., PORT MORESBY: 17.1.1971

In the past year the political climate of Papua-New Guinea has been transformed. A year ago proposals for early self-government were met with official hostility and public dismay. Some elementary truths about the early and inevitable end of colonialism in Papua-New Guinea held the terror of the novel and the unknown. Now the most significant leaders of Papua-New Guinea and significant sections of the population accept that they must shortly come to terms with their own future as a self-governing nation. It has been a remarkable proof of the power of an idea. There can be no turning back now.

For the past fortnight my colleagues and I have met and talked with some hundreds of the present and future leaders of Papua-New Guinea. Despite the vast improvement in the level of political debate in every part of the Territory, it is clear that political education has been woefully deficient. Again and again we asked the people if they had ever heard the Administration explain the advantages of self-government. Invariably, the answer was 'no'. With the shining exception of the new Administrator himself, it would seem that practically nothing has been done to dispel confusion and fear about the meaning and consequences of self-government. On the contrary, needless anxiety and false fears have been planted and nourished. Consequently my colleagues and I found that in many parts of the Territory our visit became a mission of reassurance that Australia's contribution to the welfare of Papua-New Guinea would be enhanced and expanded after self-government and later after independence.

There can be no qualification about the depth of the commitment of the Australian Labor Party in this matter. The representative nature of the colleagues who have been with me in the Territory would alone ensure that. Beyond personal commitment, the Labor Party as a whole finds its most deeply-held conscientious convictions affronted in Papua-New Guinea. It would be impossible for a party like ours to condone or connive at vast inequalities, entrenched privilege, blatant exploitation and racial discrimination. These inescapable attributes of colonialism disfigure life in this colony, as in all other colonies. They debase the dedication, enterprise and energy devoted over the years by the many thousands of fine Australians who have worked in this Territory.

Australia's role as a colonial power is a wrong thing in itself. It would be bad for us as a nation, even if we were able

to isolate ourselves from the pressures and opinions of all other countries; but we enjoy no such luxury of isolation. In particular, we live in a region in which every one of our neighbours for thousands of miles around were former colonies. Each detests colonialism. To all these neighbours and all our fellow members of the Commonwealth of Nations every justification the Australian Government makes for dragging its feet in Papua-New Guinea, every argument about the inability of native peoples to govern themselves smacks of racial superiority.

Australia's major diplomatic effort, not only at the United Nations but in most world capitals, is devoted to justifying the official position on Papua-New Guinea. This is a sterile exercise. It cripples our power for any constructive diplomatic initiatives. We are needlessly placed on the defensive; it needlessly complicates our relations with our neighbours and our friends, including our chief ally, the United States, which possesses the world's most powerful black community.

All Australians must now realise how damaging and dangerous a reputation Australia's present policies produce. We are a European nation on the fringe of the most populous and deprived coloured nations in the world. What the world sees about Australia is that we have an Aboriginal population with the highest infant mortality rate on earth; that we have eagerly supported the most unpopular war in modern times on the ground that Asia should be a battle-ground of our freedom; that we fail to oppose the sale of arms to South Africa; that the whole world believes that our immigration policy is based on colour and that we run one of the world's last colonies. We may rightly profess our good intentions and feel that we are merely the victims of special circumstances; but the combination of such policies leans heavily indeed on the world's goodwill and on Australia's credibility. The true patriot therefore will not seek to justify and prolong these policies but will seek to change them.

In Papua-New Guinea, it will be found increasingly that the question for the timing of self-government involves a quibble about the matter of 2 or 3 years. Even if the Gorton Government were to survive, self-government will come in the lifetime of the next House of Representatives. The Australian Government has a clear duty to speed up preparations for the inevitable day. Target dates for self-government and independence should be set now, as we are obliged to do by the unopposed decision of the United Nations General Assembly. The official members of the House of Assembly should be removed now. Elected ministers should be made responsible to the House of Assembly in fact. Political education should receive top priority. The Australian Parliament should immediately ratify the International Labour Organisation conventions on plantation workers and on race relations; a new set of labour laws and ordinances should be drafted and approved to make labour laws and conditions conform with these conventions. Employment preference should be given to unionists. The Australian Government should spell out clearly the entitlements of Australian public servants and should make it plain that it accepts responsibility for their future welfare, both in the Territory and in Australia; only if this is done can localisation of the public service proceed speedily and smoothly. There is no need to wait until 1972 for these things to be done; they constitute in themselves the essence of self-government.

Australian and Australian companies have a particular interest in the establishment of a self-governing New Guinea.

By its very nature, an Australian Administration committed to its own eventual abdication cannot guarantee the validity or permanency of business and investment arrangements it may make.

The best safeguard against expropriation is that an indigenous independent government should accept responsibility for the laws and arrangements under which property is held and capital invested.

There are clear risks in the present situation in which all employers and businessmen are expatriates while New Guineans are only employees and customers.

In the final analysis the attitudes of the Australian Labor Party to Papua-New Guinea involve a convinced judgment about the very nature of man. We cannot accept that nations should be ruled by other nations; we cannot accept that men do not wish to be free; we cannot accept that the people of Papua-New Guinea are some special exception in a world where millions have died for national independence. It may be true that men cannot be forced to be free; it is certainly true that men cannot be forced to rule others. An Australian Labor Government will not be blackmailed into accepting an unnatural role as rulers over those who have had no say and can have no say in electing us. Australia's obligation in the United Nations is to hand over Papua-New Guinea as a single entity as soon as possible. Papua-New Guinea has a chance of remaining united only if self-government comes quickly. Self-government in itself will be the real unifying force in this country. To delay self-government is to promote separatism. Self-government must be given quickly to the people as a whole; otherwise section after section will seize with anger and bitterness towards us what we should grant wholly and wholeheartedly.

Mr WHITLAM—I thank honourable members. In these 2 statements the joint and continuing theme is that Papua New Guinea was already providing leadership at all levels greater than that which Australia was able or willing any longer to provide in Papua New Guinea.

I now come to the other Bills. The Papua New Guinea Bill 1975 gives effect to an announcement the then Minister assisting the Minister for Foreign Affairs in matters relating to Papua New Guinea made on 16 September 1974 that Australia would hand over to Papua New Guinea the administration of the Pocklington Reef Islands. These islands are a small uninhabited group 130 kilometres east of the south-eastern tip of Papua New Guinea. The Bill provides for the islands to be brought within the territorial scope of Papua New Guinea, so that at independence that country will exercise full sovereignty over the islands. The Bill also gives Papua New Guinea authority to enact off-shore legislation in the area around the islands. Papua New Guinea already has authority to enact legislation dealing with its off-shore adjacent areas as defined in the Australian Petroleum (Submerged Lands) Act, but these adjacent areas do not include Pocklington Reef Islands. Clause 4 of the Bill amends the present authorisation and enables Papua New Guinea to enact legislation dealing with off-shore areas other than those to which the Australian Petroleum (Submerged Lands) Act applies.

The Papua New Guinea Loans Guarantee Bill 1975 seeks the approval of Parliament to the

continuation of the Australian Government guarantee, provided for in section 75A of the Papua New Guinea Act 1949-1975, in respect of loans raised by the Papua New Guinea Government from Australian and PNG sources prior to independence until such time as the loans in question have matured and been repaid. I would mention that loans Papua New Guinea has raised from overseas sources are guaranteed until final maturity under separate legislation. The guarantees to be continued by this legislation and those provided in respect of overseas borrowings have assisted Papua New Guinea in undertaking its borrowing programs.

The purpose of Papua New Guinea (Staffing Assistance) Bill 1975 is to amend the Papua New Guinea (Staffing Assistance) Act 1973 to introduce the new staffing aid arrangements which have recently been agreed between the Australian Government and the Papua New Guinea Government.

The Papua New Guinea (Staffing Assistance) Act 1973 established the Australian staffing assistance group as the framework under which former permanent overseas officers and contract officers from Australia could continue to serve in Papua New Guinea after self-government. Following a recent review of the future of these arrangements, it has been agreed with the Papua New Guinea Government that the direct employment by the Australian Government of the 2700 members of the group—some of whom occupy senior and influential positions in the Papua New Guinea Public Service—is not in the immediate or long-term interests of either Government, and should be discontinued. Accordingly, the 2 Governments have agreed that the group be wound up on 30 June next year and that new arrangements be introduced as from 30 June this year to encourage those officers in the group whose services are still required to transfer over to direct contract employment with the Papua New Guinea Government as soon as practicable.

The Papua New Guinea (Staffing Assistance) Bill 1975 seeks to modify the present employment security scheme arrangements for those members of the group who agree to transfer over to direct contract employment with the Papua New Guinea Government. Most of the necessary changes required can and will be made by amendment of the existing regulations made under the Act. These will be explained in detail in due course.

I turn finally to the Social Security Bill (No. 2) 1975. The object of this Bill is to amend the

Social Security Act to enable former residents of external territories, including Papua New Guinea, to qualify for social services pensions if they come to Australia to live. It is proposed that residence in an external territory other than Norfolk Island will count as residence in Australia for the purpose of satisfying the residence qualifications for Australian social service pensions. Residence in Norfolk Island is excluded from the ambit of the Bill in view of the recent appointment of a royal commission into matters, including social security, relating to Norfolk Island.

Most Australian expatriates living in the Territories will have already satisfied Australian pensions residence requirements. There are, however, many people who have lived in external territories for many years, sometimes for most of their lives, and who, if they were to come to live in Australia, would not be residually qualified for Australian pensions under existing legislation. I am sure honourable members will agree it is appropriate that the valuable contribution made by these people to Territory development should be recognised. The estimated cost of the proposals in this Bill is \$750,000 for the balance of the fiscal year 1975-76 and \$1m in a full year.

These Bills together constitute the final legislative act—the last legislative instrument—in the relations between the Australian Parliament and Papua New Guinea. They constitute a new beginning in the relations between 2 free and independent nations. Previously, I had incorporated in *Hansard* statements of intent from the Australian Labor Party, now the Australian Government, towards a free united independent Papua New Guinea. Those pledges have been reinforced by statement after statement since we became the Government of Australia. They were pledges made not just for an Australian party, but for the Australian nation. They hold and hold firm—for the Australian Labor Party, for the Australian Government, for the Australian people.

The people of Papua New Guinea know from their long experience—and let me re-state it—that Australia keeps her promises. But let this also be pointed out: A free Papua New Guinea is not a seventh State of Australia. It is a free and independent nation. The Chief Minister of Papua New Guinea is not a premier of a dependent, a claimant, State. Nationhood is real. Independence is real. Freedom is real. The Parliament—the House of Assembly—of Papua New Guinea is representative of a truly sovereign nation with true, valid, genuine international independent standing in the world. The

House of Assembly of Papua New Guinea is the Parliament of a sovereign nation. Papua New Guinea must aspire to that true sovereignty which no State under the Australian Constitution could ever have, or has ever had. Internationally, the Australian States do not exist. Papua New Guinea as a nation does exist. It will be recognised throughout the world as a new nation on 16 September. All other nations will have to sit up and take notice of Papua New Guinea from now on. On 16 September, Papua New Guinea achieves true and genuine sovereignty which no Australian State—the 6 former colonies—ever had, or can ever have.

By these Bills, we give Papua New Guinea its true international standing. Papua New Guinea from now on is going to need international aid. The absolute guarantee we give in this Australian Parliament is that aid will continue to come from Australia. But if free Papua New Guinea chooses in its own wisdom to augment that international aid from any other source, there can be, there should be, no complaint from Australia. Australia's responsibilities towards Papua New Guinea are inescapable, but Papua New Guinea has no special responsibilities towards Australia. Papua New Guinea has no more responsibilities towards Australia than any other independent nation has towards Australia. We have not divested ourselves of political authority over Papua New Guinea just in order to keep it in financial bondage. Papua New Guinea will always have the first call on Australian aid. For the rest of this century it will be given in the terms in letter and in spirit which I outlined 5 years ago and 4 years ago in the statements which I have incorporated and in my frequent statements since made.

But Australian aid is given to a free and independent nation—not to a claimant State of Australia. It is given to a nation which by its present leadership and all that we know of its proud, diverse people, is well able to work out its own destiny—in its own way. When that nation seeks assistance from abroad, Australia will surely be the first to answer that call—as we are pledged to do. But to confine the limits of assistance to that which Australia alone shall give would be to confine the limits of independence of Papua New Guinea itself.

By these Bills we intend to give Papua New Guinea genuine independence—not a phoney independence. These Bills, I know, will pass unanimously in both our Houses. Let us be sure, however, exactly what we are trying to achieve—the creation of a truly independent nation. Few

legislatures in the history of mankind have been given a more honourable duty.

Debate (on motion by Mr Peacock) adjourned.

PAPUA NEW GUINEA BILL 1975

Bill presented by Mr Whitlam, and read a first time.

Second Reading

Mr WHITLAM (Werriwa—Prime Minister) (3.41)—I move:

That the Bill be now read a second time.

Debate (on motion by Mr Peacock) adjourned.

PAPUA NEW GUINEA LOANS GUARANTEE BILL 1975

Bill presented by Mr Whitlam, and read a first time.

Second Reading

Mr WHITLAM (Werriwa—Prime Minister) (3.42)—I move:

That the Bill be now read a second time.

Debate (on motion by Mr Peacock) adjourned.

PAPUA NEW GUINEA (STAFFING ASSISTANCE) BILL 1975

Bill presented by Mr WHITLAM, and read a first time.

Second Reading

Mr WHITLAM (Werriwa—Prime Minister) (3.43)—I move:

That the Bill be now read a second time.

Debate (on motion by Mr Peacock) adjourned.

SOCIAL SERVICES BILL (No. 2) 1975

Bill presented by Mr Whitlam, and read a first time.

Second Reading

Mr WHITLAM (Werriwa—Prime Minister) (3.44)—I move:

That the Bill be now read a second time.

Debate (on motion by Mr Peacock) adjourned.

LOAN BILL 1975

Bill presented by Mr Hayden, and read a first time.

Second Reading

Mr HAYDEN (Oxley—Treasurer) (3.45)—I move:

That the Bill be now read a second time.

This Bill is a machinery measure which is required to secure authority to borrow amounts for the financing of defence expenditure which will need to be charged to the Loan Fund during the financial year 1975-76. The Australian Government's financial transactions are recorded in 3 separate funds—the Consolidated Revenue Fund, the Loan Fund and the Trust Fund. Honourable members will, however, be aware from the summaries presented in Budget Paper No. 4—*Estimates of Receipts and Summary of Estimated Expenditure*—that estimated expenditures for 1975-76 normally charged to the Consolidated Revenue Fund substantially exceed the estimated receipts of that Fund.

The prospective deficit in the Consolidated Revenue Fund, which is only part of the estimated overall deficit which I announced in my Budget speech, must be met in one way or another within the total of the financing arrangements for funding the overall deficit. In this kind of situation, successive governments have obtained authority to charge to the Loan Fund some expenditures which would normally be met from the Consolidated Revenue Fund. That is the purpose of this Bill which will authorise borrowings for defence purposes so that defence expenditures from appropriations approved by the Parliament can be charged to the Loan Fund rather than to the Consolidated Revenue Fund.

The Bill does not authorise additional defence expenditures. It will simply allow us to re-allocate from the Consolidated Revenue Fund to the Loan Fund part of the expenditures of the Department of Defence already authorised in the Supply Act (No. 1) 1975-76 and which are subsequently authorised in the 1975-76 Appropriation Acts. When this Bill is enacted I shall move an amendment to Appropriation Bill (No. 1) 1975-76, to permit defence expenditure specified in that Bill to be charged to the Loan Fund.

It is not possible at this stage of the financial year to be at all precise as to the amount of defence expenditure which will have to be charged to the Loan Fund. That amount, which can be expected to be sizable, will be a residual affected by all other transactions of the Consolidated Revenue Fund. It is for this reason that the Bill does not specify a fixed amount of borrowing. Instead, like similar Bills introduced in recent years both by this Government and by previous