PRESS STATEMENT:

MALCOLM FRASER:

October 27th, 1963

Last week, the Parliament was very busy indeed. There is still a lot of business on the Notice Paper, some of it important and most of it relating to the Budget measures announced by the Treasurer some time ago. It is not always realised that when you pass the Budget, this is not the end of the matter. If increased pensions have been announced or new concessions of one kind or another made, these nearly all involve an individual Bill.

ESTATE DUTY:

In this last week Bills have been announced to give effect to the Government's decisions concerning the Superphosphate subsidy and reduction in Estate Duty. I think the measure to give a reduction in Estate Duty for the great majority of Estates is a very worthwhile one. I think I pointed out earlier that the exemption limit has been raised from £5,000 to £10,000 and that the exemption is going to be phased out more gradually. This will mean, in effect, that an Estate of £20,000 will benefit from a 66% reduction in Commonwealth duty and one of about £30,000 would benefit by a 33% reduction Commonwealth duty. There are many Estates that come within these categories, whether it be merely a person's own home, a small business in a country town or a farm and all such Estates will receive this benefit.

In addition to these Bills, the Parliament is still discussing the Estimates in which the detailed expenses for the different Departments are analysed by members who are particularly concerned with the Department under debate.

DEFENCE ESTIMATES - CANBERRA REPLACEMENT:

Last week, the Defence Estimates were debated and these are of particular importance. It is not always realised that the Defence Statement made by the Prime Minister last May is, on an average, raising defence expenditure over the next five years by £141M. a year. This is a pretty considerable increase and it is brought about by a small expansion in the personnel strength of the Air Force and of the Navy and a larger increase in the personnel of the Army up to a total of 28,000 men. Of course, obtaining personnel is only one-half of the story. It is one of the facts of life that Defence equipment has become much more complex and much more expensive than it once used to be; it absorbs tremendous sums of money. Some idea of the comparison can be given from the fact that a World War 2 Spitfire would cost about £12,000 and a Mirage Jet Fighter with which the R.A.A.F. is now re-equipment itself will cost about £1M. One Mirage would equal 100 Spitfires in cost. Incidentally, the Mirage Jet Fighter will be second to none in the world. A large part of it will be made in Australia and only recently the Minister for Air placed a firm order for an additional 40 Fighters, making a total of 100. Deliveries to the R.A.A.F. will be started next year.

The Air Force has also purchased a new Canadian Transport aircraft called a Caribou Mark I. The first of these new planes will be delivered in January or February of next year. This purchase was announced by the Prime Minister last May. Subsequent deliveries will be made at the rate of 2 aircraft a month. The Caribou is a twin-engine light tactical transport aircraft. It will be operated by the R.A.A.F. mainly for Army co-operation work, including troop carrying. The Caribou is quite remarkable for its ability to operate from sub-standard airfields. It can take off and land in a very short distance.
BOMBER:

You will have seen that Mr. Townley, the Minister for Defence, has been in Washington for the last few days concluding arrangements for the purchase of a replacement for the Canberra. The Prime Minister had announced the Government's intention in this matter last May but it was by no means clear which 'plane would be best for Australian conditions. In general terms Australia has two requirements that are not common to many countries. Any 'plane we purchase needs to have a long range and, secondly, it needs to be able to operate from relatively unsophisticated airstrips. European requirements often do not have sufficient range and some other machines require a standard of airstrip that is uncommon in South East Asia.

It would be quite unrealistic to order a plane to be built precisely to our requirements because the relatively small number that would be ordered would make the construction and development costs exorbitant. In recent weeks there has been common newspaper talk about the American Vigilante and Phantom. It has been suggested that these would be ideal for our conditions. However, it was not so. It was doubtful if either of these machines had the range necessary to our requirements. Furthermore, the Vigilante has been developed to operate off steel backed aircraft carriers and therefore has many features that we would not require in addition to needing a very heavy and sophisticated airstrip.

It should be remembered that much of the information on which the Government made its decision announced last week by the Prime Minister is strictly classified and is not available to the general public. However, I feel Australia should be well satisfied with the arrangement. We are going to purchase two squadrons of TFX's, delivery commencing in 1967, the same time as deliveries will be begun to United States Forces. This machine will be the most up-to-date reconnaissance bomber in the world. It is better than the United Kingdom T.S.R.2, which could be delivered about the same time.

Meanwhile, the Canberra will continue in operation. It should not be forgotten that the Canberra is still in operation in many of the air forces of the world, including Nato powers in Europe. It has a useful life left. However, if the international situation should worsen, that of course means South-East Asia, the United States has promised to make available at almost no cost two squadrons of B-47E's. These aircraft are still in use in the United States and will be for some time. If we decided we needed these interim machines we could get them as soon as air crew and ground staff could be found for them. The B-47E carries 20,000 lbs. to the Canberra's 5,000, its range is four times as great; it can operate higher in addition to having a good low level ability. Although it is subsonic it is still considerably faster than the Canberra. The performance of the TFX is apparently fantastic, but most of its details are secret. It can, however, travel at 2½ times the speed of sound.

These decisions solve what has been a vexing problem for the Government and the Air Force. The Minister for Defence should be congratulated on the success of his mission.
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