Another announcement made in the Governor General's speech was of particular importance to the dairying industry. The Government is now negotiating with the States concerning final details of legislation that will provide up to $25 million over the next four years towards the reconstruction of the dairying industry. The detail will depend upon the successful outcome of these negotiations but the general purpose of the legislation will be to enable dairy farmers on small farms who are experiencing economic hardship and who wish to leave the industry to do so. The money will be provided to the States to enable them to purchase numbers of small dairy farms which will then be consolidated into economic units. It is expected the consolidated farm will in many cases be used for a different form of production. The Government believes that this scheme should help to bring into closer balance production and market demand for dairy produce, particularly butter.

It should be emphasised that this scheme will be a voluntary one and it will depend upon a number of individual farmers believing that the Government's objective is a correct one and so voluntarily taking advantage of whatever provisions may be finally decided.

In April of 1966 the Farm Development Loan Funds were established in the private trading banks. These funds were originally established with a capital of $50 million. While this fund is not yet fully committed the Government wants to make sure that funds will be continually available to permit a steady rate of lending, and therefore action is being taken to increase the size of these funds by $37 million. The purpose of these funds is to make loans available for up to a maximum of about 15 years for farm development purposes.

As a result of devaluation of the British pound, the Government recognised before Christmas that some Australian industries could be adversely affected and the Government undertook to give assistance in those areas which suffered direct loss. Special committees were set up at that time to examine the problems in those areas. A Devaluation Reporting Committee of senior officials has submitted its first report on the losses suffered by rural industries as a result of devaluation and this report is receiving the attention of the Government.

There are other matters in the Governor General's speech which I would like to mention but I will leave them till a later occasion.

15 March, 1968