

Thalidomide Group Australia

Supporting Documentation

Senate Inquiry:

Support for Australia's Thalidomide Survivors

154

Sheet 1 of 6

53 MARTIN PLACE,
 SYDNEY, N.S.W.

THE DISTILLERS COMPANY LIMITED

STOCKS OF THALIDOMIDE & RELATED PRODUCTS

HELD AT ARTARMON, N.S.W.

SUMMARY

<u>Section</u>	<u>Drug</u>	<u>No. of Tablets</u>	<u>Thalidomide Content</u>	<u>Landed Cost AE</u>
I	Thalidomide	6,234,728	381.64 kgs.	AE51,033
II	'Valgraine'	423,548	5.29 "	8,002
III	'Asmaval'	500,000	6.25 "	1,888
IV	'Valgis'	375,108	18.76 "	4,238
V	'Tensival'	545,800	6.82 "	4,525
		8,079,184	418.76 kgs.	AE69,686
	Thalidomide suspension	30,778 bottles of 2 fl.ozs. (400 mg./fl.oz.)	24.62 "	5,130
			443.38 kgs.	AE74,816

E. G. GROSS
 Resident Director in Australia
 The Distillers Company Limited

24th January 1963.

153

Sheet 2 of 6

53 MARTIN PLACE,
SYDNEY, N.S.W.

THE DISTILLERS COMPANY LIMITED


STOCKS OF THALIDOMIDE & RELATED PRODUCTS

HELD AT ARTARMON, N.S.W.

SECTION I

THALIDOMIDE

<u>Form</u>	<u>Size</u>	<u>No.</u>	<u>Thalidomide Content - kgs.</u>	<u>Landed Cost</u>
Tablets	25-mg.	3,224,444	80.61	A£14,753
"	100-mg.	3,010,284	301.03	36,280
Suspension	400-mg./ fl.oz.	30,778 bottles ea. of 2 fl.ozs.	24.62	5,130
			===== 406.26	===== A£56,163


E. G. GROSS
Resident Director in Australia
The Distillers Company Limited

24th January, 1963.

2.



I have just been informed by the Herald that Senator Wade has categorically denied that these drugs were ever sold in Australia. It is disturbing to find that the Federal Health Department, which is responsible for safeguarding the health of the people of Australia, has not yet caught up with the names of lethal drugs which were sold here in 1961.

It is difficult to decide whether the Minister is careless, indifferent or just ill-informed, but the malformation and death of, as yet, unborn children of Australia, is not a matter about which any Federal Minister for Health should be either indifferent - or careless.

THESE DRUGS WILL STILL BE ON THE SHELVES OF MEDICINE CABINETS IN MANY HOMES, and I look to you to press Senator Wade to issue to the public a truthful and detailed warning, such as the enclosed, on "Tensival," "Valgis" and "Valgraine."

Should he refuse to do so I ask that you, as Leader of the Opposition, give this statement to the Press.

IT IS A MATTER OF EXTREME URGENCY THAT THE WOMEN OF AUSTRALIA SHOULD BE WARNED, IMMEDIATELY, OF THE DANGEROUS CHARACTER OF THESE DRUGS.

Once again I must thank you for the concern you have shown for those who are threatened by this horror.

Yours faithfully,

Reverie Simmons

P.S. Should this warning be issued in your name it is for you to decide whether or not you acknowledge the source of your information, but I feel that you should know that the British Union for the Abolition of Vivisection, (Melb. Branch) who, aided by the Combined Animal Welfare Organisations of Victoria, have borne the cost of publishing "Warning to Women" have asked for no recognition. They were activated solely by the desire to warn the women of this country of disaster which hangs over them, so that further calamitous births might be prevented.
Had the Fed. Health Department been functioning efficiently much labour and expense would have been unnecessary.

136

GAH/MI
14/1/62
62/2942

sent Cairns

Commonwealth Offices,
Treasury Place,
MELBOURNE C.2 VIC.

17 JAN 1963

Dear Mr. Cairns,

I refer again to your letter of the 13th December, 1962, concerning preparations containing the drug thalidomide.

It is true that the preparations "Tensival", "Valgis", and "Valgraine" contain thalidomide, but along with "Distaval", they were withdrawn from sale by the manufacturers in November, 1961. Whilst on the market in Victoria, all the above preparations were available only on a doctor's prescription.

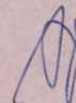
In view of the time that has elapsed since thalidomide preparations were withdrawn from sale, and bearing in mind the wide publicity that followed disclosure of the effects of thalidomide when taken by women during early pregnancy, I feel that further warnings are not necessary.

Yours sincerely,

HARRIE W. WADE

Harrie W. Wade
Minister for Health

J.F. Cairns, Esq., M.P.,
P.O. Box 76,
RICHMOND E.1. VIC.



Feb 213

AS 135 / 1511
Reference No. 62/2942

COMMONWEALTH OF AUSTRALIA.

DEPARTMENT OF HEALTH.

141/61.

SUBJECT Thalidomide - Representations from Mr. Calwell

The Minister :

Mr. Calwell wrote to you on the 4th and 18th December on behalf of Miss Rennie Simmons, who recently published a booklet ("Warning to Women") in which she criticised the activities of the Department of Health following disclosure of the effects of thalidomide when taken by women during early pregnancy.

2. Despite some inaccuracies in her publication, a point she emphasizes and which may have some merit, is the inherent danger of supplies of left-over preparations containing thalidomide in household medicine chests. In her letters to Mr. Calwell, Miss Simmons again emphasizes this danger, and has suggested that you issue a press statement warning the public of the risks, and specifically mentioning the names of thalidomide preparations that were on sale in Australia until withdrawn by the manufacturers.

3. As you know, thalidomide preparations were withdrawn from sale over a year ago, and the subject appears to be no longer topical. This fact, coupled with the publicity that has been given to the side effects of thalidomide, should be sufficient reason for not resurrecting this subject. However, there possibly could be some households that still have these preparations in their medicine chests and are not aware of the inherent danger.

4. On the 10th December, the Melbourne "Herald" published your warning to householders to destroy supplies of thalidomide preparations in their possession, but so far as can be ascertained, your statement did not appear in interstate newspapers. If you consider that you should issue a further warning, a suggested press statement has been prepared and is attached for your consideration.

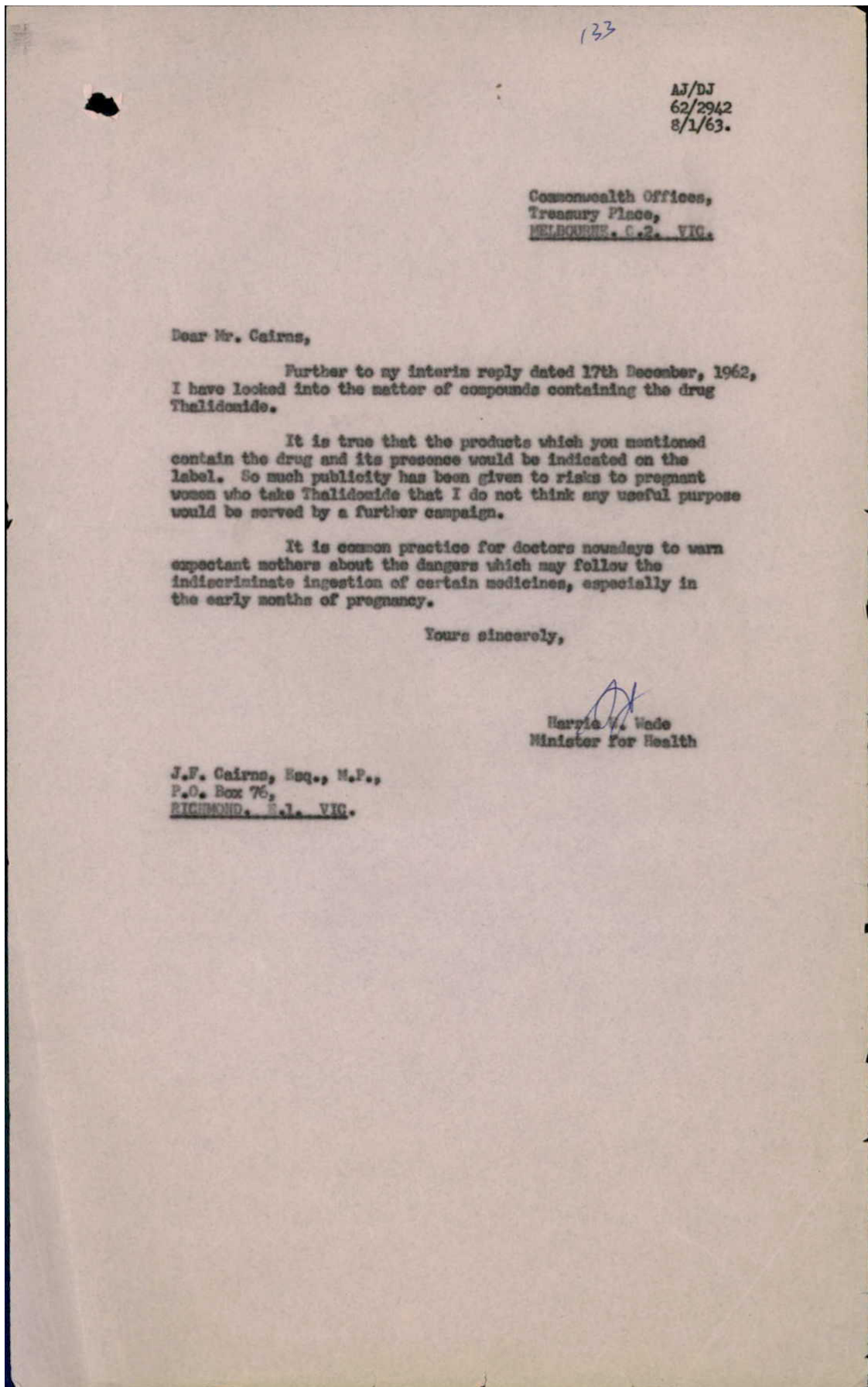
5. However, as you may feel that the subject is no longer topical and could re-awaken press publicity which could be possibly adverse, you might consider the issue of a press statement unwarranted at this stage. In this event, I have attached for your consideration a draft reply to Mr. Calwell embodying generally Commonwealth responsibilities in relation to the control of drugs, and action taken by the Commonwealth in regard to thalidomide.

Allen

I am of the opinion that reference to further press statement re "Thalidomide" would serve no useful purpose at present time.

B. W. Albany
9.1.63

Director-General
3 - JAN 1963



132

62/2942

Thalidomide - Representations from Mr. Calwell

The Minister :

Mr. Calwell wrote to you on the 4th and 18th December on behalf of Miss Rennie Simmons, who recently published a booklet ("Warning to Women") in which she criticised the activities of the Department of Health following disclosure of the effects of thalidomide when taken by women during early pregnancy.

2. Despite some inaccuracies in her publication, a point she emphasizes and which may have some merit, is the inherent danger of supplies of left-over preparations containing thalidomide in household medicine chests. In her letters to Mr. Calwell, Miss Simmons again emphasizes this danger, and has suggested that you issue a press statement warning the public of the risks, and specifically mentioning the names of thalidomide preparations that were on sale in Australia until withdrawn by the manufacturers.

3. As you know, thalidomide preparations were withdrawn from sale over a year ago, and the subject appears to be no longer topical. This fact, coupled with the publicity that has been given to the side effects of thalidomide, should be sufficient reason for not resurrecting this subject. However, there possibly could be some households that still have these preparations in their medicine chests and are not aware of the inherent danger.

4. On the 10th December, the Melbourne "Herald" published your warning to householders to destroy supplies of thalidomide preparations in their possession, but so far as can be ascertained, your statement did not appear in interstate newspapers. If you consider that you should issue a further warning, a suggested press statement has been prepared and is attached for your consideration.

5. However, as you may feel that the subject is no longer topical and could re-awaken press publicity which could be possibly adverse, you might consider the issue of a press statement unwarranted at this stage. In this event, I have attached for your consideration a draft reply to Mr. Calwell embodying generally Commonwealth responsibilities in relation to the control of drugs, and action taken by the Commonwealth in regard to thalidomide.

lu

1890J W. D. REFSHAUGE

Director-General

3 - JAN 1963

~~12/17~~ GAH/JP
130

62/2942
3/1/1963.

Commonwealth Offices,
Treasury Place,
MELBOURNE C.2. VIC.

9 JAN 1963

Dear Mr. Calwell,

I refer again to your representations of the 4th December and your further representations of the 13th December, on behalf of Miss Rennie Simmons of Bradley Lodge, 7 Elphin Grove, Hawthorn, concerning the side effects of the drug thalidomide.

I have read Miss Simmons' letter and publication with a great deal of interest. However, I hasten to add that whilst I, too, am dismayed at the tragic effects of the taking of thalidomide by women in early pregnancy, I believe that the Commonwealth has not been at all negligent in this matter.

In our system of parliamentary government, the States have certain sovereign rights, including control over the manufacture and sale of drugs within the individual States. In saying this, I am merely stating the constitutional position. I would not want you to construe this as an attempt to shed any rightful responsibility devolving on the Commonwealth. Yet so far as the Commonwealth is concerned, I feel I must refute Miss Simmons' charges that imply that the Commonwealth has been remiss in its actions associated with the thalidomide tragedy.

Control over the sale of drugs is essentially a matter for the States. It is true that the Commonwealth does have some responsibilities - such as the sale of drugs in the A.C.T. and the N.T. In these territories action was taken to prohibit the sale of thalidomide.

In regard to the sale of drugs containing thalidomide in the States, I wrote to all the State Ministers for Health urging that sales of preparations containing thalidomide be prohibited. In pursuing this action, I could almost be accused of interfering with the sovereign rights of the States, but for the common good I deemed this the right course.

.../2

2. 179

For your information, thalidomide preparations were available in Victoria only when prescribed by a medical practitioner.

The Commonwealth is responsible for the supply of pharmaceutical benefits under the Pharmaceutical Benefits Scheme. As you are aware, however, no drugs containing thalidomide have ever been available as pharmaceutical benefits.

The other main responsibility of the Commonwealth - in regard to imported drugs - was acknowledged when the Minister for Customs and Excise took action to prohibit the importation of thalidomide.

I trust this letter clarifies for Miss Simmons the position of the Commonwealth in regard to the sale of drugs, and the fact that the Commonwealth took all reasonable action when the side effects of thalidomide became known.

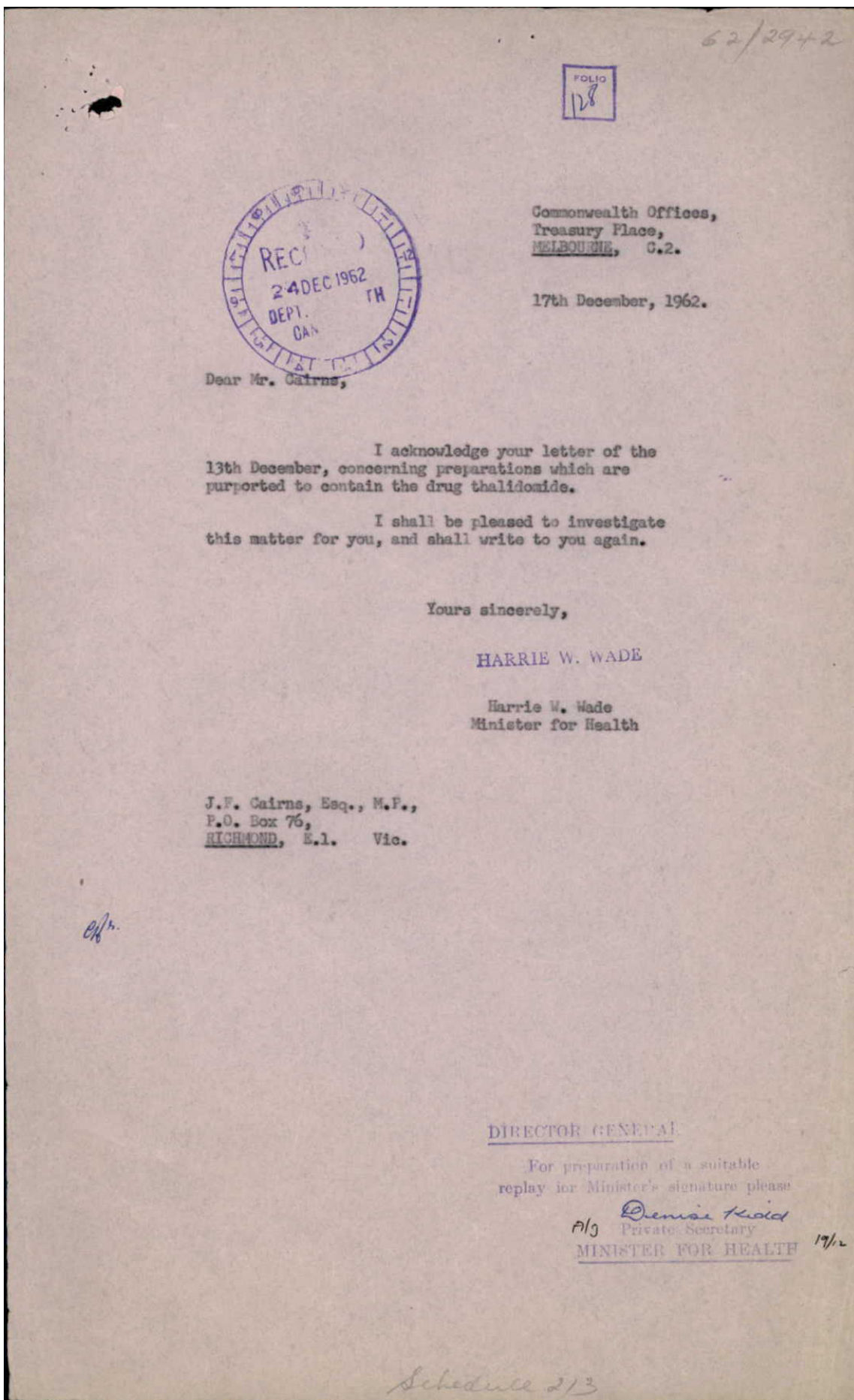
Yours sincerely,

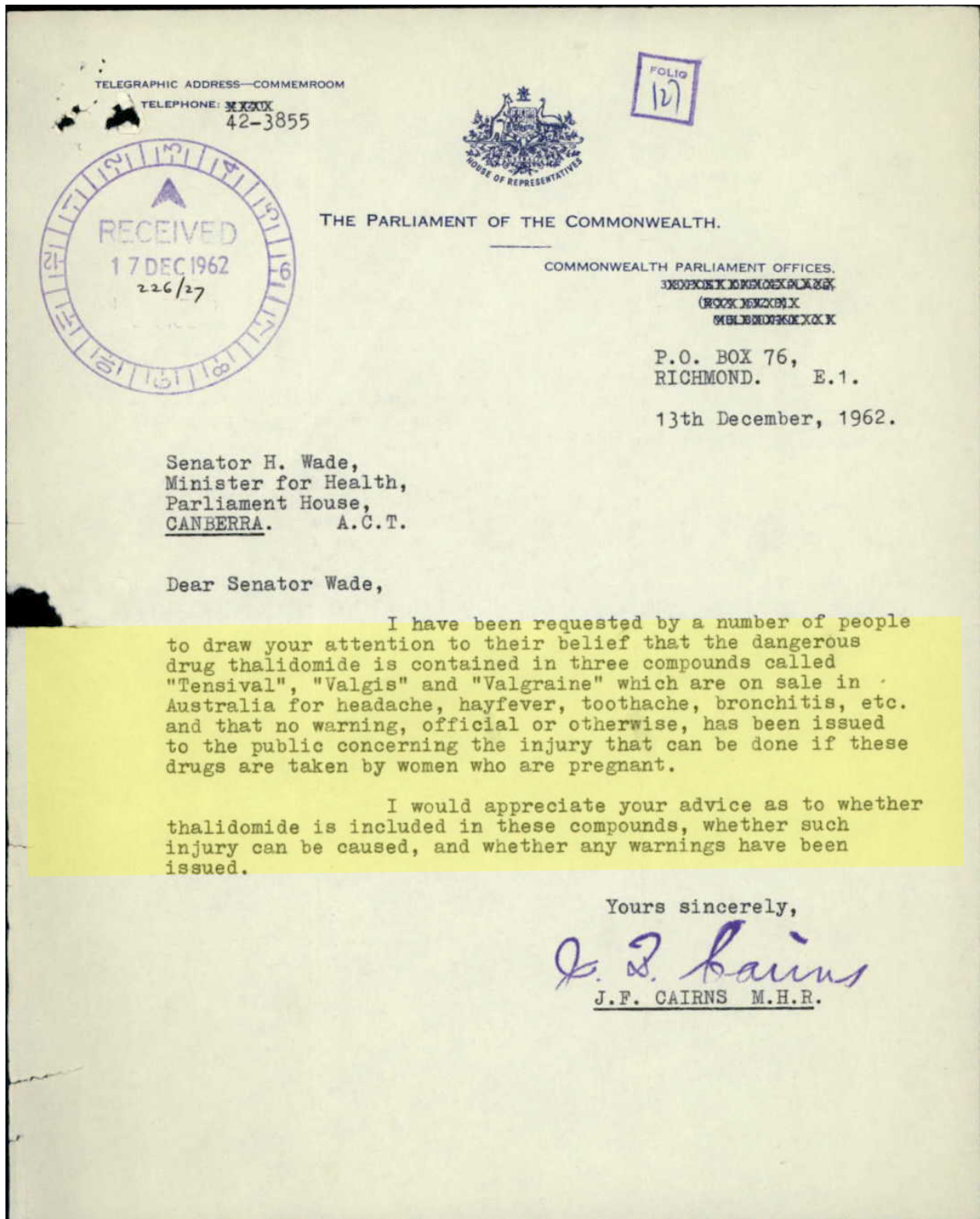
HARRIE W. WADE

Harrie W. Wade
Minister for Health

Subs 207 & 213

The Hon. A.A. Calwell, M.P.,
Leader of the Opposition,
Commonwealth Parliament Offices,
MELBOURNE, VIC.





FOLIO
125

Bradley Lodge,
7 Elphin Grove,
Hawthorn.

Dec. 11th. 62.

The Hon. A. A. Calwell, M.P.,
Leader of the Opposition,
Parliament House,
Canberra,
A. C. T.

Dear Sir,

First of all I wish to thank you very much for the prompt action you have taken in bringing "Warning to Women" to the notice of the Federal Minister for Health.

I must, however, draw your attention to the wholly unsatisfactory and thoroughly misleading nature of Senator Wade's "warning" as published in the Herald (Dec. 10).

'Thalidomide' is merely the chemical name of the drug which has left a trail of horror and suffering throughout the world, and it is utterly useless for the Minister to tell the public that "any supplies of the dangerous drug thalidomide found in household medicine cupboards should be destroyed immediately." THIS DRUG HAS NEVER, AT ANY TIME, IN ANY COUNTRY IN THE WORLD, BEEN SOLD UNDER THE NAME OF 'THALIDOMIDE.'

The documentary, "Warning to Women," discloses full particulars of four patent medicines, all of which contain thalidomide in such quantities that, if taken in accordance with the manufacturers' instructions, they will cause malformed and still-born babies as readily as "Distaval." (the name under which thalidomide is known in Australia).

THREE OF THESE COMPOUNDS, "TENSIVAL," "VALGIS" and "VALGRAINE" HAVE BEEN SOLD IN AUSTRALIA FOR COMPLAINTS SUCH AS HEADACHE, TOOTHACHE, HAYFEVER, NEURALGIA, BRONCHITIS, MIGRAINE, FIBROSITIS, ASTHMA etc.,

In confirmation of the above statement I am enclosing a cutting taken from Truth, (Nov. 24.) which reports an interview with the Distillers Co. (Biochemicals) Aust. Pty Ltd., the manufacturers of the drugs.

As you will see, on receiving a copy of "Warning to Women" Truth questioned the manufacturers who admitted that "Tensival," "Valgis" and "Valgraine" had been sold over the counter without a prescription in Australia.

2.



I have just been informed by the Herald that Senator Wade has categorically denied that these drugs were ever sold in Australia. It is disturbing to find that the Federal Health Department, which is responsible for safeguarding the health of the people of Australia, has not yet caught up with the names of lethal drugs which were sold here in 1961.

It is difficult to decide whether the Minister is careless, indifferent or just ill-informed, but the malformation and death of, as yet, unborn children of Australia, is not a matter about which any Federal Minister for Health should be either indifferent - or careless.

THESE DRUGS WILL STILL BE ON THE SHELVES OF MEDICINE CABINETS IN MANY HOMES, and I look to you to press Senator Wade to issue to the public a truthful and detailed warning, such as the enclosed, on "Tensival," "Valgis" and "Valgraine."

Should he refuse to do so I ask that you, as Leader of the Opposition, give this statement to the Press.

IT IS A MATTER OF EXTREME URGENCY THAT THE WOMEN OF AUSTRALIA SHOULD BE WARNED, IMMEDIATELY, OF THE DANGEROUS CHARACTER OF THESE DRUGS.

Once again I must thank you for the concern you have shown for those who are threatened by this horror.

Yours faithfully,

Kevin Simons

P.S. Should this warning be issued in your name it is for you to decide whether or not you acknowledge the source of your information, but I feel that you should know that the British Union for the Abolition of Vivisection, (Melb. Branch) who, aided by the Combined Animal Welfare Organisations of Victoria, have borne the cost of publishing "Warning to Women" have asked for no recognition. They were activated solely by the desire to warn the women of this country of disaster which hangs over them, so that further calamitous births might be prevented.
Had the Fed. Health Department been functioning efficiently much labour and expense would have been unnecessary.

"OFF THE MARKET ?"



This bottle of Distaval was purchased on July 9th, 1962, nearly 7½ months after this drug was "taken off the market."

SCENE: Chemist shop in Melbourne.

"Yes?" "A bottle of Distaval, please." "Distaval?" "Yes, D.I.S.T.A.V.A.L." "Oh! Yes." . . . "How much is that?" "28/6." "Thank you, good afternoon."

As simply as that — and without a prescription.

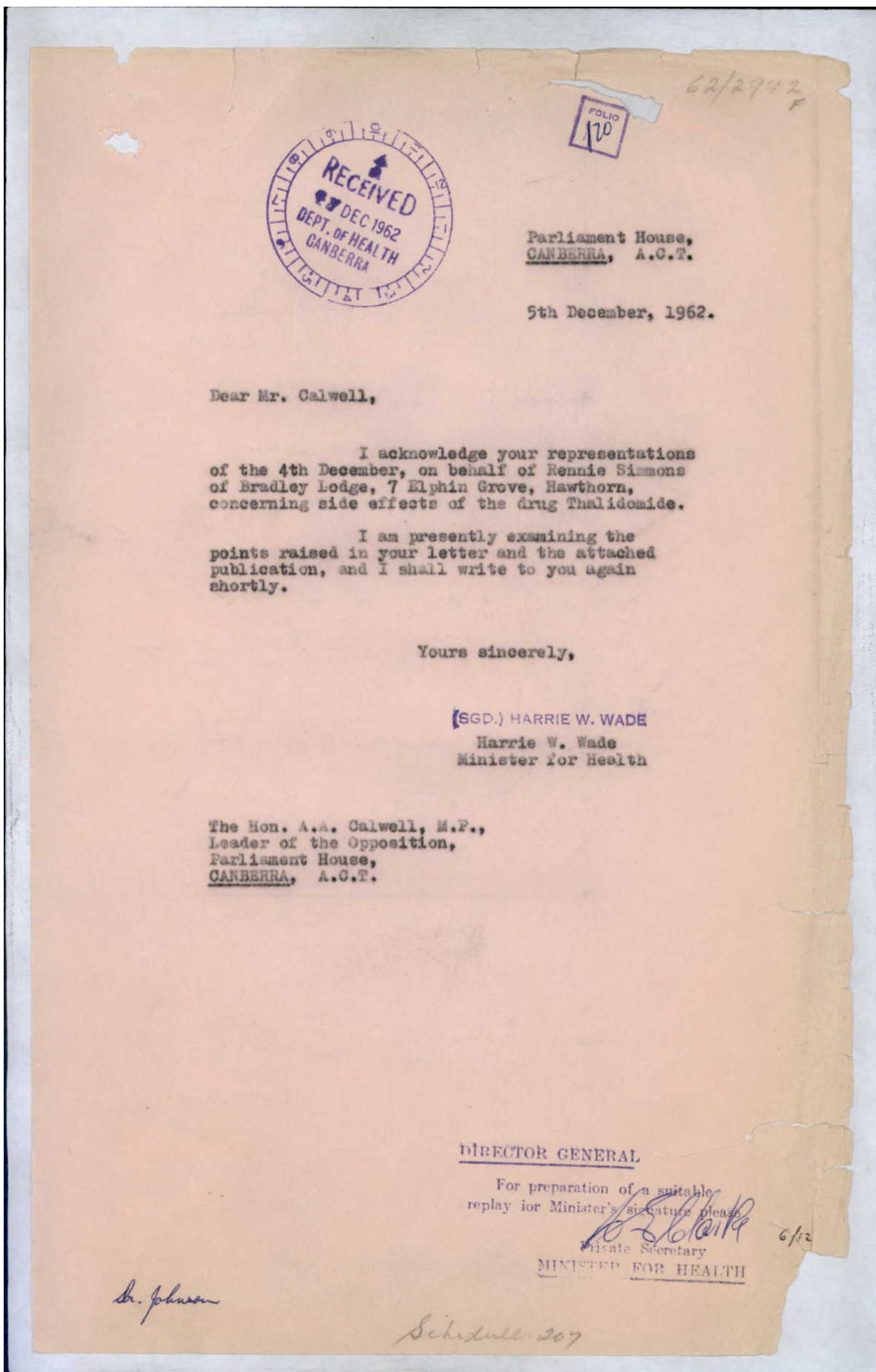
AND IN THIS BOTTLE OF 100 25 mg. TABLETS THERE IS ENOUGH THALIDOMIDE TO TERRIBLY AND REVOLTINGLY DEFORM AND/OR DEFORM AND KILL 7 BABIES !

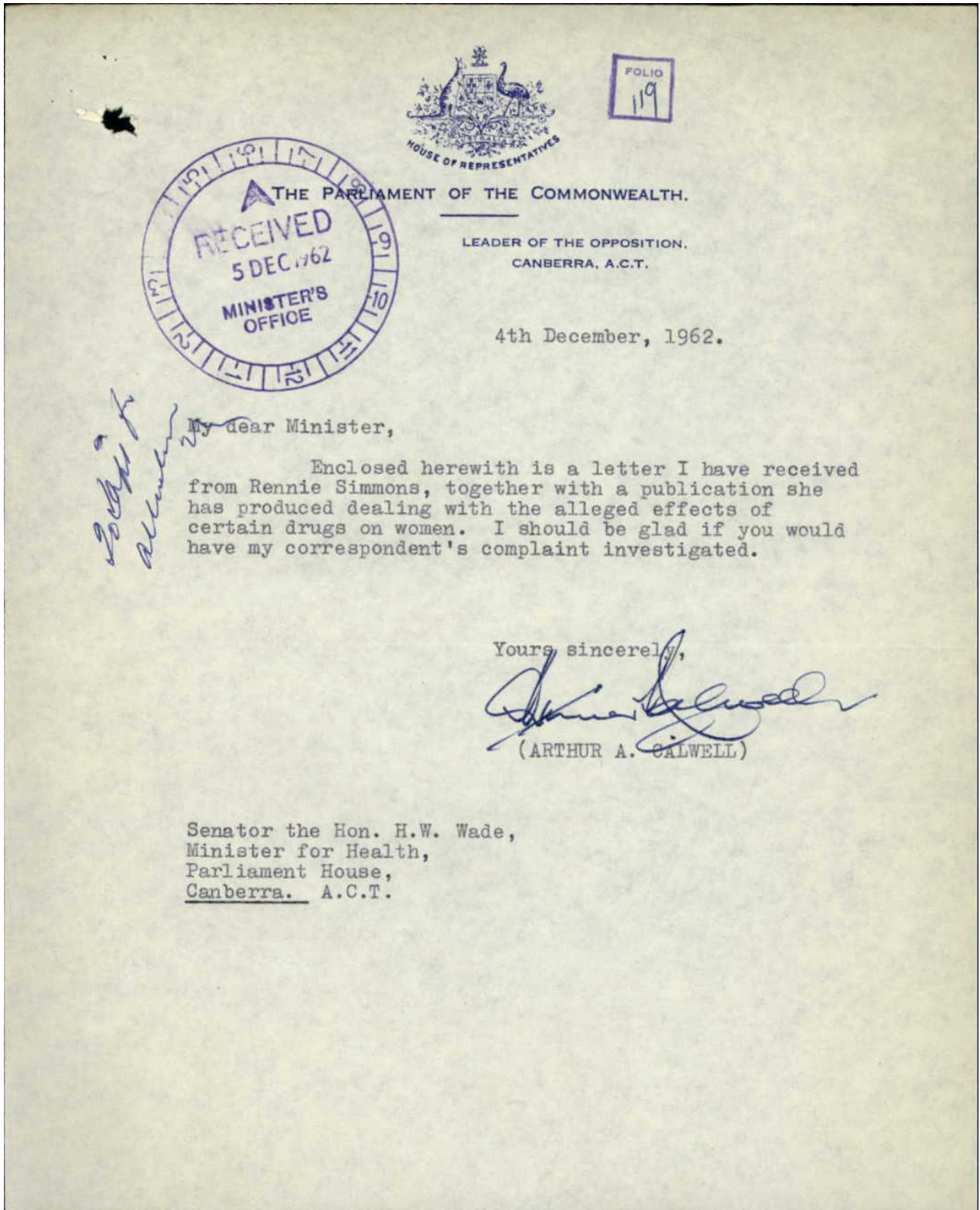
As confirmation of this statement, here is a letter which appeared in the "Lancet" (March 17, 1962). It was written by Mr. Frank Stabler, F.R.C.S., of Newcastle upon Tyne :

"A recent patient of mine showed how small a dose of thalidomide is sufficient to cause the typical deformities . . . she was given 50 mg. a day for a fortnight. The patient states that she took the tablets for a week only . . . The baby, weighing 2¼ lb. showed phocomelia and died at 33 hours."

(Mr. Stabler's patient took, in all, 350 mg. thalidomide. Dr. A. W. Ferguson's patient took 400 mg. of this drug.)

THERE ARE OTHER WAYS OF PRODUCING MALFORMED AND STILL-BORN BABIES!





FOLIO
118

Bradley Ledge,
7 Elphin Grove,
Hawthorn,
Victoria.

Nov. 28th. 62.

The Hon. Arthur Augustus Calwell, M.H.R.,
Leader of the Opposition,
Parliament House,
Canberra.
A. C. T.

Sir,

Under separate cover I am sending you a copy of a
documentary dealing with the catastrophic effects of the drug
thalidomide ("Distaval").

"Warning to Women" discloses full particulars of four patent
medicines, all of which contain thalidomide in such quantities that,
if taken in accordance with the manufacturers' instructions, they
will cause malformed and still-born babies as readily as "Distaval."

Although three of these compounds, "Tensival," "Valgis" and
"Valgraine" have been on sale in Australia, and will still be present
in medicine cupboards in numerous homes, NO OFFICIAL WARNING WHATSOEVER
HAS BEEN ISSUED TO THE PUBLIC CONCERNING THEIR TRAGIC POTENTIALITIES..

If these facts continue to be suppressed, more and more babies
will be malformed - or killed - as time goes on.

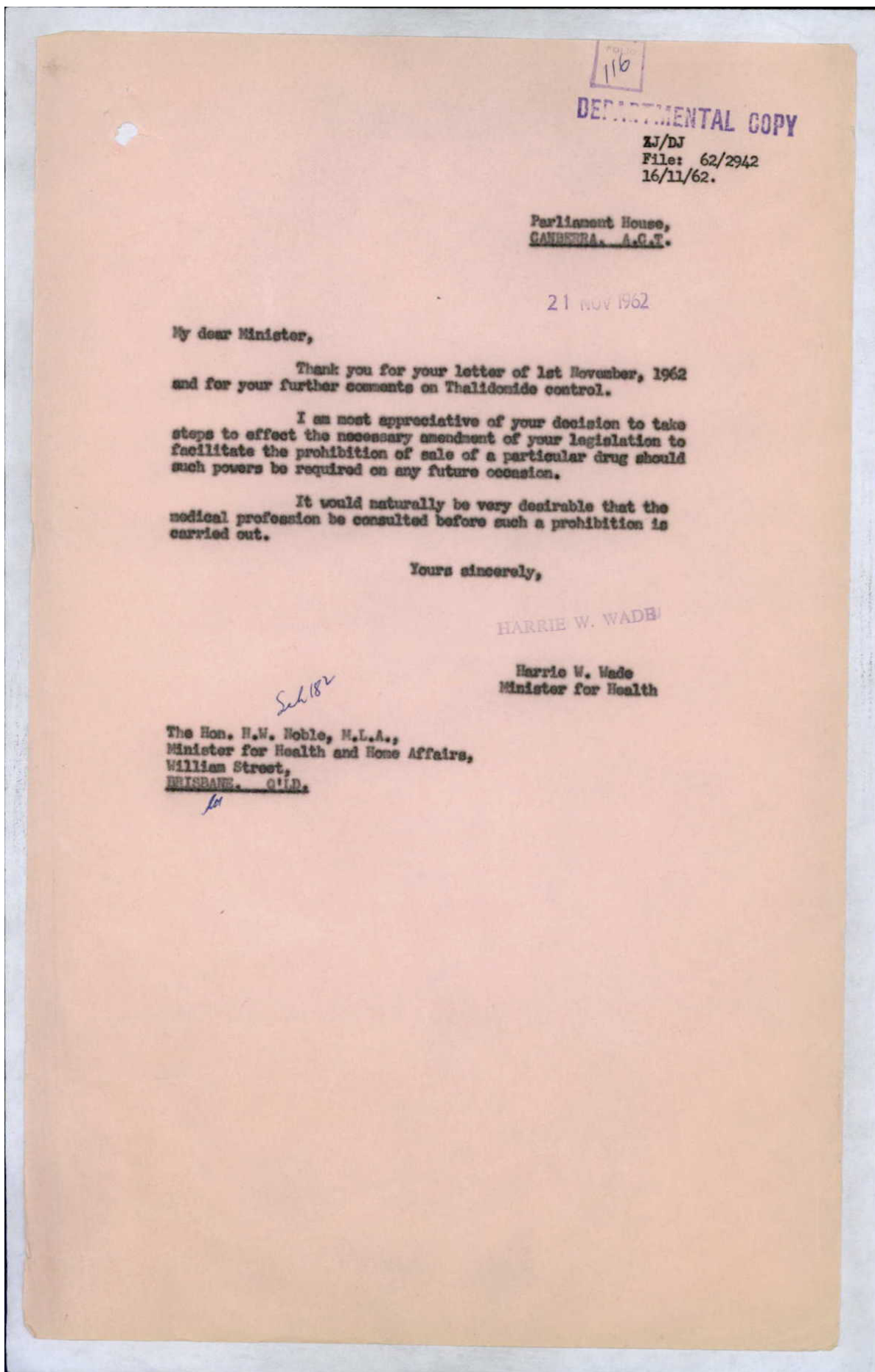
IT IS A MATTER OF EXTREME URGENCY THAT THE WOMEN OF AUSTRALIA
SHOULD KNOW, IMMEDIATELY, THAT THIS DANGER STILL THREATENS THEM.

I am writing to ask that, as Leader of the Opposition, you
take appropriate action in this matter without delay.

Yours faithfully,

Kennie Simmons

*By Johnson
Tensival Valgis Valgraine
were available in this form but
were withdrawn from sale by the
company concerned. To all young
girls & young ladies who spent
& thalidomide stuff. Some of
was in Melbourne 1958
with JHP*



116
DEPARTMENTAL COPY
ZJ/DJ
File: 62/2942
16/11/62.

Parliament House,
CANBERRA, A.C.T.

21 NOV 1962

My dear Minister,

Thank you for your letter of 1st November, 1962 and for your further comments on Thalidomide control.

I am most appreciative of your decision to take steps to effect the necessary amendment of your legislation to facilitate the prohibition of sale of a particular drug should such powers be required on any future occasion.

It would naturally be very desirable that the medical profession be consulted before such a prohibition is carried out.

Yours sincerely,

HARRIE W. WADE

Harrie W. Wade
Minister for Health

Sub 182
The Hon. H.W. Noble, M.L.A.,
Minister for Health and Home Affairs,
William Street,
BRISBANE, Q'LD.
for



23

62/2942
FILE NUMBER

DEPARTMENT OF EXTERNAL AFFAIRS

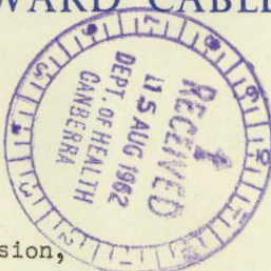
EW OUTWARD CABLEGRAM

PJ.

C.14269.

TO:

Sent: 14th August, 1962.
1730.



Australian High Commission,
OTTAWA.

242. UNCLASSIFIED.

For Dr. G.D.W. Cameron, Deputy Minister of National Health,
Ottawa, Canada.

In response to your request for information concerning
experience in Australia following the use of the drug Thalidomide,
the following is advised:-

- (1) First made available for sale to the public on
1st August, 1960.
- (2) Restricted to doctor's prescription in State of
Queensland only. Available without restriction
in other States.
- (3) Withdrawn from the market on 29th November, 1961.
Note to this effect published in "Medical Journal
of Australia" of 9th December, 1961.
- (4) Product voluntarily withdrawn by the Australian
distributors.
- (5) Thalidomide declared a Prohibited Import under Item
18 of the Second Schedule to the Customs (Prohibited
Imports) Regulations on 9th August, 1962.
- (6) Action taken by Australian distributor consisted of
letter dated 1st December, 1961, to doctors confirming
withdrawal of Thalidomide as from 29th November, 1961,
and giving the reason for withdrawal as possible
harmful effects on the foetus in early pregnancy.

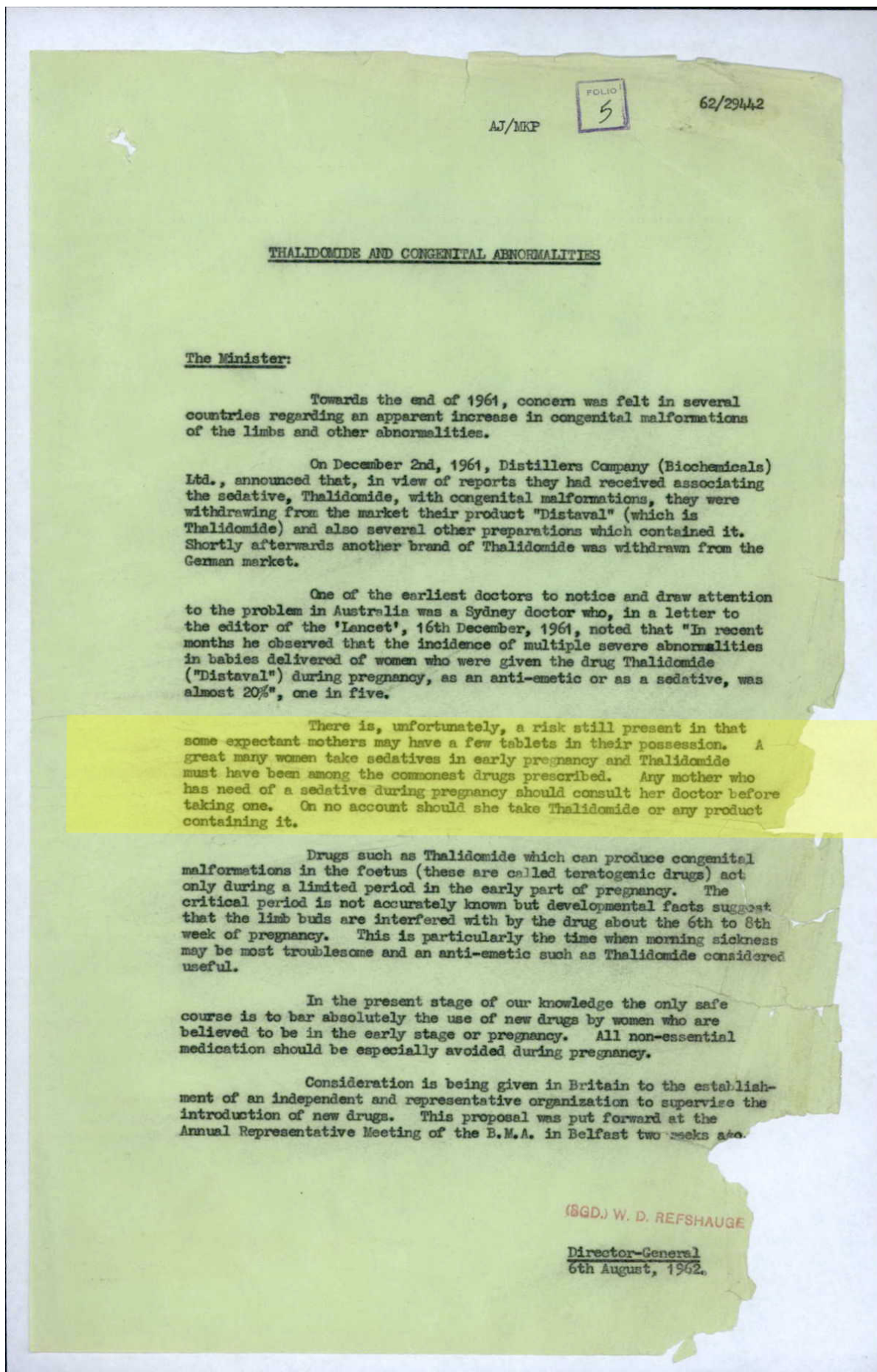
A letter dated 1st December, 1961 was also sent to hospitals
and retail and wholesale chemists confirming the withdrawal of the
drug. All existing stocks were to be returned and full credit
would be given.

Further information as requested, concerning abnormal births
in Australia associated with Thalidomide and any relevant comments
will be forwarded by letter,

D. Fefshauge

HEALTH (62/2942)
P.M.'s

14th August, 1962.



73/648
80
10

Record of Discussion

This morning the Minister for Health, Dr. D.N. Everingham, received at Parliament House Mr. J.W. Draper, the Resident Representative in Australia of the Distillers Company Limited. Mr. Draper was accompanied by Mr. Culey of Allan Allen & Hemsley, Solicitors; the Minister was attended by Sir William Refshauge, Dr. A.S. Spears and Mr. R.J. Findlay of the Department of Health, and by Mr. C. Morrison of the Crown Solicitor's Office.

Mr. Draper stated that he asked for the meeting in order that the Commonwealth Government might be informed in general terms of his company's intention to establish, if it was found practicable, a fund to provide assistance throughout their lives for the thalidomide victims. He stated - and he asked that the information be kept confidential - that Distillers had in mind setting aside \$4M. or approximately \$100,000 per child on average.

Mr. Draper said that the establishment of the fund would depend upon all or nearly all of the known victims renouncing any existing or future claims for compensation. There were approximately 9 cases at present before the courts in the various States and others could be expected. He mentioned two other matters giving him concern, firstly, the lengthy period during which claims could be instituted (in some States at least the statutory period of six years for the institution of legal action commences to run, where a minor is concerned, from the time the minor reaches 21 years of age) and, secondly, the company could not be certain that all the potential claimants were known to it. In the U.K. for a number of years the total number of victims was thought to be 65 but after considerable publicity had been given to the affair another 345 sufferers were progressively identified over some years.

Mr. Draper hoped that the company could look to the Commonwealth for endorsement of its proposal and for a measure of direct assistance, e.g., choice of trustees, special taxation consideration, publicity, and help with jurisdictional problems. He did not know, however, to which Minister his representations should be directed.

The Minister said that he could not enter into a commitment of any kind but that, in the first place at least, he would be pleased to receive on behalf of the Government any representations to it by Distillers.

Mr. Draper stated that he would write to the Minister for Health advising him in formal terms of Distiller's intention to establish a trust and identifying the areas in which the company wished to have the guidance or co-operation of the Commonwealth. He would also inform the State Governments of what Distillers had in mind.

R.J.F.
(R.J. Findlay)
17/1/1973



MINISTER FOR HEALTH
Parliament House,
CANBERRA. A.C.T. 2600

115 FEB 1973

My dear Minister,

Would you please advise on understandings arrived at or likely policy changes re provision of artificial aids for Thalidomide victims? There is a fund shortly to be set up by the Distillers Co., by agreement with the Thalidomide Aid Society.

The amount of the fund could be influenced by your decision so early advice would be appreciated by the Thalidomide Aid Society and no doubt by the Distillers Company.

There has been implied in Senator McClelland's approaches to the former Government on behalf of the Society, that the Government has a moral obligation beyond that due to other handicapped children because our officials allocated sale of the drug whereas it was never approved for the U.S. on sound grounds of insufficient assurance of safety. This does not imply a legal obligation according to a Court decision in the U.K., I understand.

Yours sincerely,

DOUG EVERINGHAM
(DOUG EVERINGHAM)

Senator the Hon R. Bishop,
Minister for Repatriation,
Parliament House,
CANBERRA. A.C.T. 2600

The Hon Frank Crean, M.P.,
Treasurer,
Parliament House,
CANBERRA. A.C.T. 2600

Copy for your information.

937

119
DEPARTMENT OF FOREIGN AFFAIRS
INWARD CABLEGRAM

O.ST2651 1410 1.9.76 CLA

TO.
PP CANBERRA/2333

RP.
RR BONN/49 ROME/26 TOKYO/28
RR PARIS EMB/59 MADRID/09 OTTAWA/58

FM. STOCKHOLM / FILE 201/4/4 REF O.CH401901

R E S T R I C T E D

THALIDOMIDE CHILDREN

FOLLOWING INFORMATION ON THALIDOMIDE AFFLICTED CHILDREN IN SWEDEN SUPPLIED BY HEALTH MINISTRY, DRUG COMPANY INVOLVED (ASTRA), AND LEGAL ADVISER TO ASSOCIATION FOR THALIDOMIDE CHILDREN:

- (1) FOLLOWING OUT-OF-COURT SETTLEMENT, ASTRA PAID COMPENSATION TO 105 CHILDREN (SWEDISH AND DANISH) IN 1968 TO SUM OF SWEDISH KRONOR 6,000 AVERAGE PER CHILD PER YEAR. LIFETIME PAYMENT IS SUBJECT TO ANNUAL INFLATIONARY ADJUSTMENT AND TOTAL COMPENSATION WAS SKR 1.1 MILLION IN 1975.
- (2) LUMP SUM IS PAID BIANNUALLY INTO BANK ACCOUNT HELD BY ASSOCIATION FOR THALIDOMIDE CHILDREN AND THEN DISTRIBUTED BY ASSOCIATION TO CHILDREN'S INDIVIDUAL ACCOUNTS. ASSOCIATION DOES NOT ADMINISTER TRUST, BUT MERELY ACTS IN ADVISORY CAPACITY CONCERNING INDIVIDUAL ALLOTMENTS. COMPENSATION CAN THEREFORE BE CONSIDERED AS PAYMENT DIRECTLY TO CHILDREN.
- (3) A SPECIAL LAW WAS PASSED BY PARLIAMENT GRANTING CHILDREN EXEMPTION FROM NORMAL TAX REQUIREMENTS. THERE IS NO TIME LIMIT ON EXEMPTION.
- (4) DETAILS OF TAX EXEMPTION WILL BE FORWARDED FOLLOWING EMBASSY TRANSLATION OF ABOVE LAW.
- (5) NO GOVERNMENT GRANT WAS MADE TO CHILDREN.

.../2

ACTION COPY
O. ST 2651 TR 8/BMD
T OR 1344 2 8 76
13 SEP 1976

TO: FAS G.F.P.

INFORMATION COPIES OF THIS CABLE HAVE BEEN DIRECTED TO—

SECRETARY	F.A.S., T. & I. DIV.
DEP. SEC.	F.A.S., F.I. DIV.
DEP. SEC. (ECONOMIC)	F.A.S., TO. I. DIV.
DEP. SEC. (S. & G.)	F.A.S., S.S. DIV.
F.A.S., O.E.R. DIV.	F.A.S., R.L. & I. DIV.
O.E.R. DIV.	F.A.S., D. & W. DIV.
F.A.S., G.F.E.P. DIV.	F.A.S., A. & S. DIV.
G.F.E.P. DIV.	ASST. SEC. MAN. SERV.

RESTRICTED

RESTRICTED

DEPARTMENT OF FOREIGN AFFAIRS

INWARD CABLEGRAM

2 - O.TK9295

5. THE MAIN REASON FOR THE GOVERNMENT'S INVOLVEMENT WAS THAT IT ACKNOWLEDGED THAT IT HAD BEEN AT FAULT IN NOT WITHDRAWING THE DRUG SOONER.

6. NO CONCURRENT GRANTS WERE MADE TO OR IN FAVOUR OF ANY OTHER CATEGORIES OR GROUPS OF HANDICAPPED CHILDREN.

7. THE MINISTRY SAID THAT A TRUST HAD BEEN CONSIDERED BY THE VICTIMS BUT THE FOUNDATION FORMAT HAD BEEN DECIDED UPON BECAUSE OF THE FLEXIBILITY THIS PROVIDED. THALIDOMIDE VICTIMS RECEIVE ADDITIONAL ASSISTANCE FROM THE GOVERNMENT UNDER THE DISABLED PERSONS WELFARE LAW.

PRIME MINISTER
FOREIGN MINISTER
TREASURER AND TREASURY T/T
FOREIGN AFFAIRS
PM AND C
HEALTH T/T

RESTRICTED

RESTRICTED

DEPARTMENT OF FOREIGN AFFAIRS

INWARD CABLEGRAM

2 - O.TK9295

5. THE MAIN REASON FOR THE GOVERNMENT'S INVOLVEMENT WAS THAT IT ACKNOWLEDGED THAT IT HAD BEEN AT FAULT IN NOT WITHDRAWING THE DRUG SOONER.

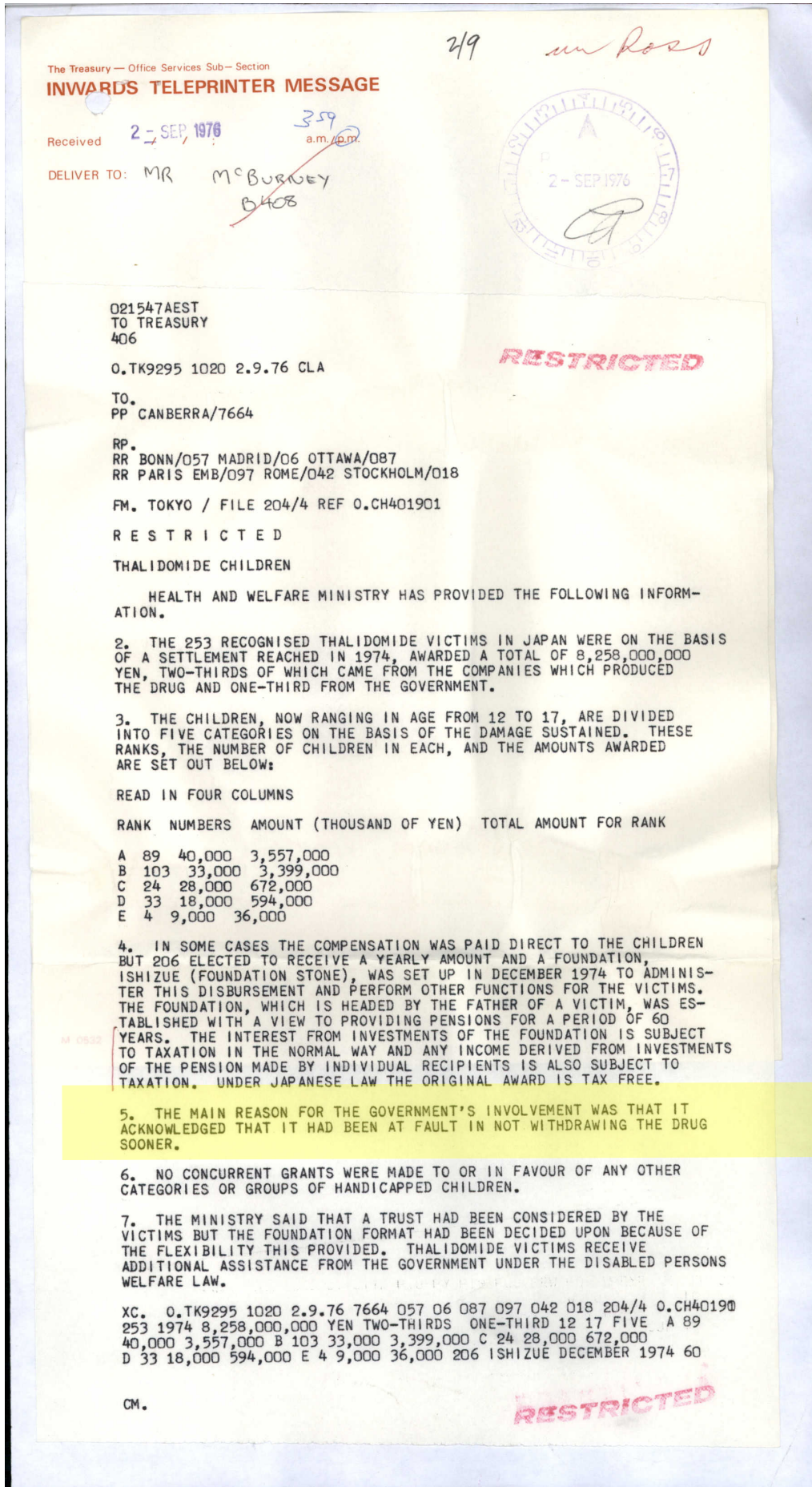
6. NO CONCURRENT GRANTS WERE MADE TO OR IN FAVOUR OF ANY OTHER CATEGORIES OR GROUPS OF HANDICAPPED CHILDREN.

7. THE MINISTRY SAID THAT A TRUST HAD BEEN CONSIDERED BY THE VICTIMS BUT THE FOUNDATION FORMAT HAD BEEN DECIDED UPON BECAUSE OF THE FLEXIBILITY THIS PROVIDED. THALIDOMIDE VICTIMS RECEIVE ADDITIONAL ASSISTANCE FROM THE GOVERNMENT UNDER THE DISABLED PERSONS WELFARE LAW.

PRIME MINISTER
FOREIGN MINISTER
TREASURER AND TREASURY T/T
FOREIGN AFFAIRS
PM AND C
HEALTH T/T

RESTRICTED

RESTRICTED



DEPARTMENT OF FOREIGN AFFAIRS

INWARD CABLEGRAM

2-0.P04517

HANDICAPPED CHILDREN'S ACT OF 1972. COPY OF ACT WILL BE SENT
IN AIRFREIGHT BAG LEAVING HERE 3.9.76.

(VI) NO.

(VII) YES. SEE PARAGRAPH 3. DM50 MILLION WAS SPECIFICALLY
FOR THALIDOMIDE CHILDREN. AN ADDITIONAL 50 MILLION FOR
THALIDOMIDE CHILDREN WAS MADE AVAILABLE IN JULY 1976 AS
COMPENSATION FOR INFLATION. THERE ARE 2589 THALIDOMIDE
CASES IN THE FEDERAL REPUBLIC.

(VIII) THE FOUNDATION WAS FORMED WITH THE AID OF GOVERNMENT
GRANTS TO ENSURE THAT THE SYSTEM OF MONTHLY ALLOWANCES TO THE
CHILDREN WAS ADOPTED TO GUARANTEE LIFE-LONG BENEFITS. (THE
DM100 MILLION PAID BY GRUENTHAL CHEMIE TO THE ORIGINAL
3-LAWYER TRUST WAS INTENDED TO BE USED AS A ONE-TIME LUMP SUM
CAPITAL COMPENSATION ONLY.)
THE GOVERNMENT WAS OF THE OPINION THAT GRUNENTHAL CHEMIE WAS
TOO SMALL A COMPANY TO BE EXPECTED TO CONTINUE PAYING ADEQUATE
COMPENSATION TO THE THALIDOMIDE VICTIMS.

(IX) YES. OF THE ORIGINAL DM100 MILLION MADE AVAILABLE BY THE
GOVERNMENT, THROUGH WHICH THE FOUNDATION WAS FORMED, DM50
MILLION WAS INTENDED TO BE USED FOR CREATING FACILITIES (I.E.
HOMES AND HOSPITALS) AND RESEARCH FACILITIES FOR THE BENEFIT
OF OTHER HANDICAPPED CHILDREN. THESE FUNDS ARE NOT USED FOR
INDIVIDUAL GRANTS FOR HANDICAPPED CHILDREN.

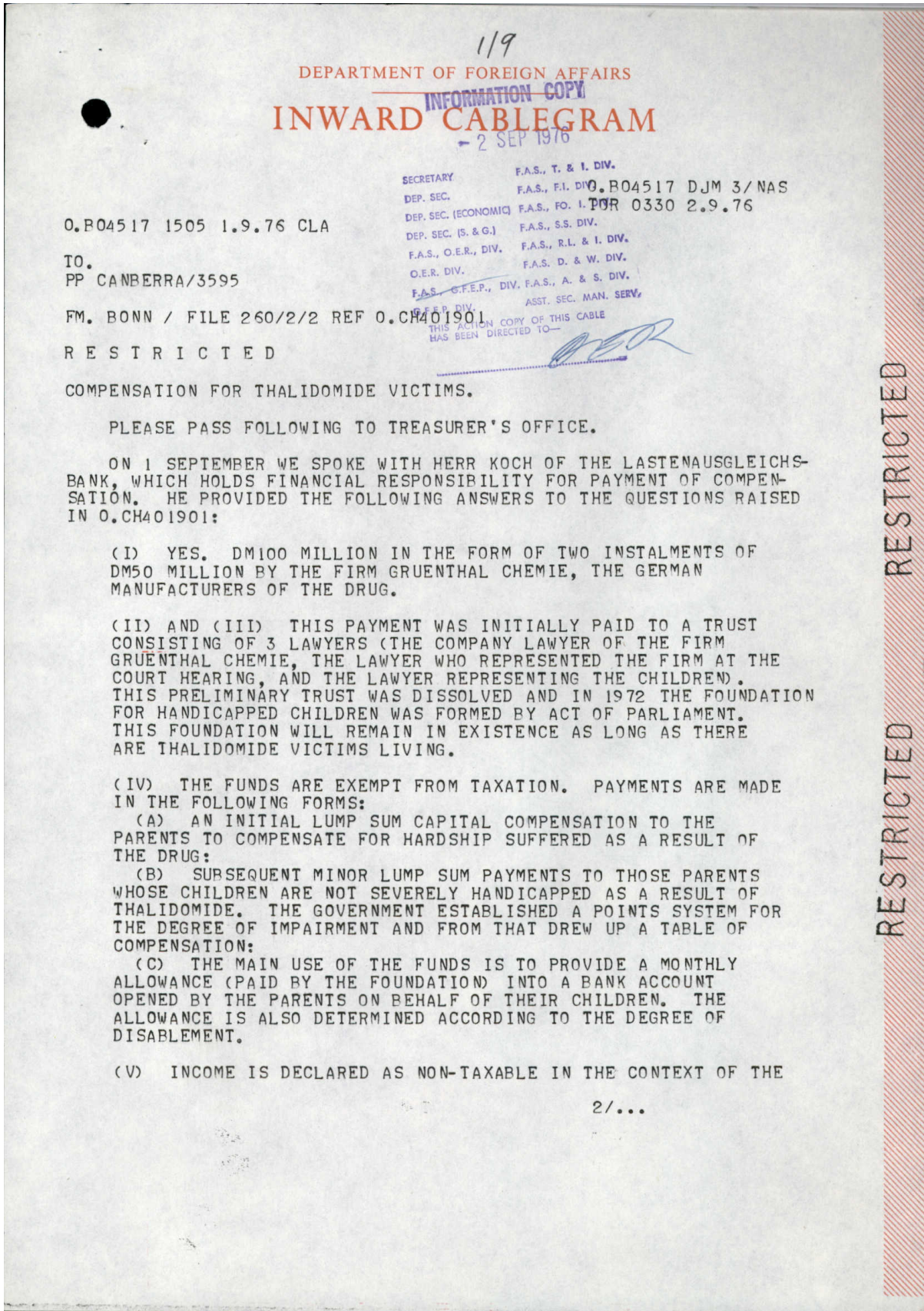
(X) EMPHASIS WAS LAID BY THE FOUNDATION ON THE PREFERENCE FOR
THE SYSTEM OF LIFETIME MONTHLY ALLOWANCES, WHICH CAN BE
ADJUSTED REGULARLY TO THE COST OF LIVING, AS OPPOSED TO A LUMP
SUM CAPITAL COMPENSATION. THE AUTHORITIES ARE AWARE OF THE
PROBLEMS OF THE APPARENT DISCRIMINATION OF OTHER HANDICAPPED
CHILDREN IN CONTRAST WITH THE TREATMENT OF THALIDOMIDE
CHILDREN.

2. HERR KOCH STATED THAT THE JAPANESE GOVERNMENT HAD ALSO SOUGHT
INFORMATION ON THE FRG'S COMPENSATION SCHEME.

3. COPIES OF RELEVANT PARLIAMENTARY ACTS AND PROCEDURAL FORMS WILL
BE FORWARDED IN AIRFREIGHT BAG LEAVING HERE 3.9.76.

PRIME MINISTER
FOREIGN MINISTER
TREASURER AND TREASURY (C) T/T
FOREIGN AFFAIRS
MIN AND DEPT HEALTH
PM AND C

RESTRICTED
RESTRICTED



1/9

DEPARTMENT OF FOREIGN AFFAIRS
INWARD CABLEGRAM

INFORMATION COPY

3 SEP 1976
O. ST2651 TR8/BMD
SEC. TOR 1844/2.9.76 DIV.
DEP. SEC. E.A.S., F.I. DIV.
DEP. SEC. (ECONOMIC) E.A.S., FD. I. DIV.
DEP. SEC. (S. & G.) E.A.S., S.S. DIV.
F.A.S., O.E.R., DIV. E.A.S., R.E. & I. DIV.
O.E.R. DIV. F.A.S., D. & W. DIV.
F.A.S., G.F.E.P., DIV. F.A.S., A. & S. DIV.
G.F.E.P. DIV. ASST. SEC. MAN. SERV.

THIS ACTION COPY OF THIS CABLE
HAS BEEN DIRECTED TO—
FAS CRRP

O. ST2651 1410 1.9.76 CLA

TO.
PP CANBERRA/2333

RP.
RR BONN/49 ROME/26 TOKYO/28
RR PARIS EMB/59 MADRID/09 OTTAWA/58

FM. STOCKHOLM / FILE 201/4/4 REF O.CH401901

R E S T R I C T E D

THALIDOMIDE CHILDREN

FOLLOWING INFORMATION ON THALIDOMIDE AFFLICTED CHILDREN IN SWEDEN SUPPLIED BY HEALTH MINISTRY, DRUG COMPANY INVOLVED (ASTRA), AND LEGAL ADVISER TO ASSOCIATION FOR THALIDOMIDE CHILDREN:

- (1) FOLLOWING OUT-OF-COURT SETTLEMENT, ASTRA PAID COMPENSATION TO 105 CHILDREN (SWEDISH AND DANISH) IN 1968 TO SUM OF SWEDISH KRONOR 6,000 AVERAGE PER CHILD PER YEAR. LIFETIME PAYMENT IS SUBJECT TO ANNUAL INFLATIONARY ADJUSTMENT AND TOTAL COMPENSATION WAS SKR 1.1 MILLION IN 1975.
- (2) LUMP SUM IS PAID BIANNUALLY INTO BANK ACCOUNT HELD BY ASSOCIATION FOR THALIDOMIDE CHILDREN AND THEN DISTRIBUTED BY ASSOCIATION TO CHILDREN'S INDIVIDUAL ACCOUNTS. ASSOCIATION DOES NOT ADMINISTER TRUST, BUT MERELY ACTS IN ADVISORY CAPACITY CONCERNING INDIVIDUAL ALLOWMENTS. COMPENSATION CAN THEREFORE BE CONSIDERED AS PAYMENT DIRECTLY TO CHILDREN.
- (3) A SPECIAL LAW WAS PASSED BY PARLIAMENT GRANTING CHILDREN EXEMPTION FROM NORMAL TAX REQUIREMENTS. THERE IS NO TIME LIMIT ON EXEMPTION.
- (4) DETAILS OF TAX EXEMPTION WILL BE FORWARDED FOLLOWING EMBASSY TRANSLATION OF ABOVE LAW.
- (5) NO GOVERNMENT GRANT WAS MADE TO CHILDREN.

.../2

RESTRICTED

RESTRICTED

119
DEPARTMENT OF FOREIGN AFFAIRS

Mr Jepsen

INWARD CABLEGRAM

ACTION COPY

- 2 SEP 1976

O.R04517 DJM 3/NAS
TOR 0330 2.9.76

O.R04517 1505 1.9.76 CLA

TO.
PP CANBERRA/3595

FM. BONN / FILE 260/2/2 REF O.CH401901

R E S T R I C T E D

COMPENSATION FOR THALIDOMIDE VICTIMS.

TO: *[Signature]*

INFORMATION COPIES OF THIS
CABLE HAVE BEEN DIRECTED TO—

SECRETARY	F.A.S. T. & T. DIV.
DEP. SEC.	F.A.S. FI. DIV.
DEP. SEC. (ECONOMIC)	F.A.S. FO. T. DIV.
DEP. SEC. (S. & G.)	F.A.S. S.S. DIV.
F.A.S., O.E.R., DIV.	F.A.S., R.L. & I. DIV.
O.E.R. DIV.	F.A.S., D. & W. DIV.
F.A.S., G.F.E.P. DIV.	F.A.S., A. & S. DIV.
F.F.E.P. DIV.	ASST. SEC. MAN. SEPV.

PLEASE PASS FOLLOWING TO TREASURER'S OFFICE.

ON 1 SEPTEMBER WE SPOKE WITH HERR KOCH OF THE LASTENAUSSGLEICHSBANK, WHICH HOLDS FINANCIAL RESPONSIBILITY FOR PAYMENT OF COMPENSATION. HE PROVIDED THE FOLLOWING ANSWERS TO THE QUESTIONS RAISED IN O.CH401901:

(I) YES. DM100 MILLION IN THE FORM OF TWO INSTALMENTS OF DM50 MILLION BY THE FIRM GRUENTHAL CHEMIE, THE GERMAN MANUFACTURERS OF THE DRUG.

(II) AND (III) THIS PAYMENT WAS INITIALLY PAID TO A TRUST CONSISTING OF 3 LAWYERS (THE COMPANY LAWYER OF THE FIRM GRUENTHAL CHEMIE, THE LAWYER WHO REPRESENTED THE FIRM AT THE COURT HEARING, AND THE LAWYER REPRESENTING THE CHILDREN). THIS PRELIMINARY TRUST WAS DISSOLVED AND IN 1972 THE FOUNDATION FOR HANDICAPPED CHILDREN WAS FORMED BY ACT OF PARLIAMENT. THIS FOUNDATION WILL REMAIN IN EXISTENCE AS LONG AS THERE ARE THALIDOMIDE VICTIMS LIVING.

(IV) THE FUNDS ARE EXEMPT FROM TAXATION. PAYMENTS ARE MADE IN THE FOLLOWING FORMS:

(A) AN INITIAL LUMP SUM CAPITAL COMPENSATION TO THE PARENTS TO COMPENSATE FOR HARDSHIP SUFFERED AS A RESULT OF THE DRUG:

(B) SUBSEQUENT MINOR LUMP SUM PAYMENTS TO THOSE PARENTS WHOSE CHILDREN ARE NOT SEVERELY HANDICAPPED AS A RESULT OF THALIDOMIDE. THE GOVERNMENT ESTABLISHED A POINTS SYSTEM FOR THE DEGREE OF IMPAIRMENT AND FROM THAT DREW UP A TABLE OF COMPENSATION:

(C) THE MAIN USE OF THE FUNDS IS TO PROVIDE A MONTHLY ALLOWANCE (PAID BY THE FOUNDATION) INTO A BANK ACCOUNT OPENED BY THE PARENTS ON BEHALF OF THEIR CHILDREN. THE ALLOWANCE IS ALSO DETERMINED ACCORDING TO THE DEGREE OF DISABLEMENT.

(V) INCOME IS DECLARED AS NON-TAXABLE IN THE CONTEXT OF THE

2/...

RESTRICTED
RESTRICTED

DEPARTMENT OF FOREIGN AFFAIRS

INWARD CABLEGRAM

2-0.B04517

HANDICAPPED CHILDREN'S ACT OF 1972. COPY OF ACT WILL BE SENT IN AIRFREIGHT BAG LEAVING HERE 3.9.76.

(VI) NO.

(VII) YES. SEE PARAGRAPH 3. DM50 MILLION WAS SPECIFICALLY FOR THALIDOMIDE CHILDREN. AN ADDITIONAL 50 MILLION FOR THALIDOMIDE CHILDREN WAS MADE AVAILABLE IN JULY 1976 AS COMPENSATION FOR INFLATION. THERE ARE 2589 THALIDOMIDE CASES IN THE FEDERAL REPUBLIC.

(VIII) THE FOUNDATION WAS FORMED WITH THE AID OF GOVERNMENT GRANTS TO ENSURE THAT THE SYSTEM OF MONTHLY ALLOWANCES TO THE CHILDREN WAS ADOPTED TO GUARANTEE LIFE-LONG BENEFITS. (THE DM100 MILLION PAID BY GRUENTHAL CHEMIE TO THE ORIGINAL 3-LAWYER TRUST WAS INTENDED TO BE USED AS A ONE-TIME LUMP SUM CAPITAL COMPENSATION ONLY.)

THE GOVERNMENT WAS OF THE OPINION THAT GRUNENTHAL CHEMIE WAS TOO SMALL A COMPANY TO BE EXPECTED TO CONTINUE PAYING ADEQUATE COMPENSATION TO THE THALIDOMIDE VICTIMS.

(IX) YES. OF THE ORIGINAL DM100 MILLION MADE AVAILABLE BY THE GOVERNMENT, THROUGH WHICH THE FOUNDATION WAS FORMED, DM50 MILLION WAS INTENDED TO BE USED FOR CREATING FACILITIES (I.E. HOMES AND HOSPITALS) AND RESEARCH FACILITIES FOR THE BENEFIT OF OTHER HANDICAPPED CHILDREN. THESE FUNDS ARE NOT USED FOR INDIVIDUAL GRANTS FOR HANDICAPPED CHILDREN.

(X) EMPHASIS WAS LAID BY THE FOUNDATION ON THE PREFERENCE FOR THE SYSTEM OF LIFETIME MONTHLY ALLOWANCES, WHICH CAN BE ADJUSTED REGULARLY TO THE COST OF LIVING, AS OPPOSED TO A LUMP SUM CAPITAL COMPENSATION. THE AUTHORITIES ARE AWARE OF THE PROBLEMS OF THE APPARENT DISCRIMINATION OF OTHER HANDICAPPED CHILDREN IN CONTRAST WITH THE TREATMENT OF THALIDOMIDE CHILDREN.

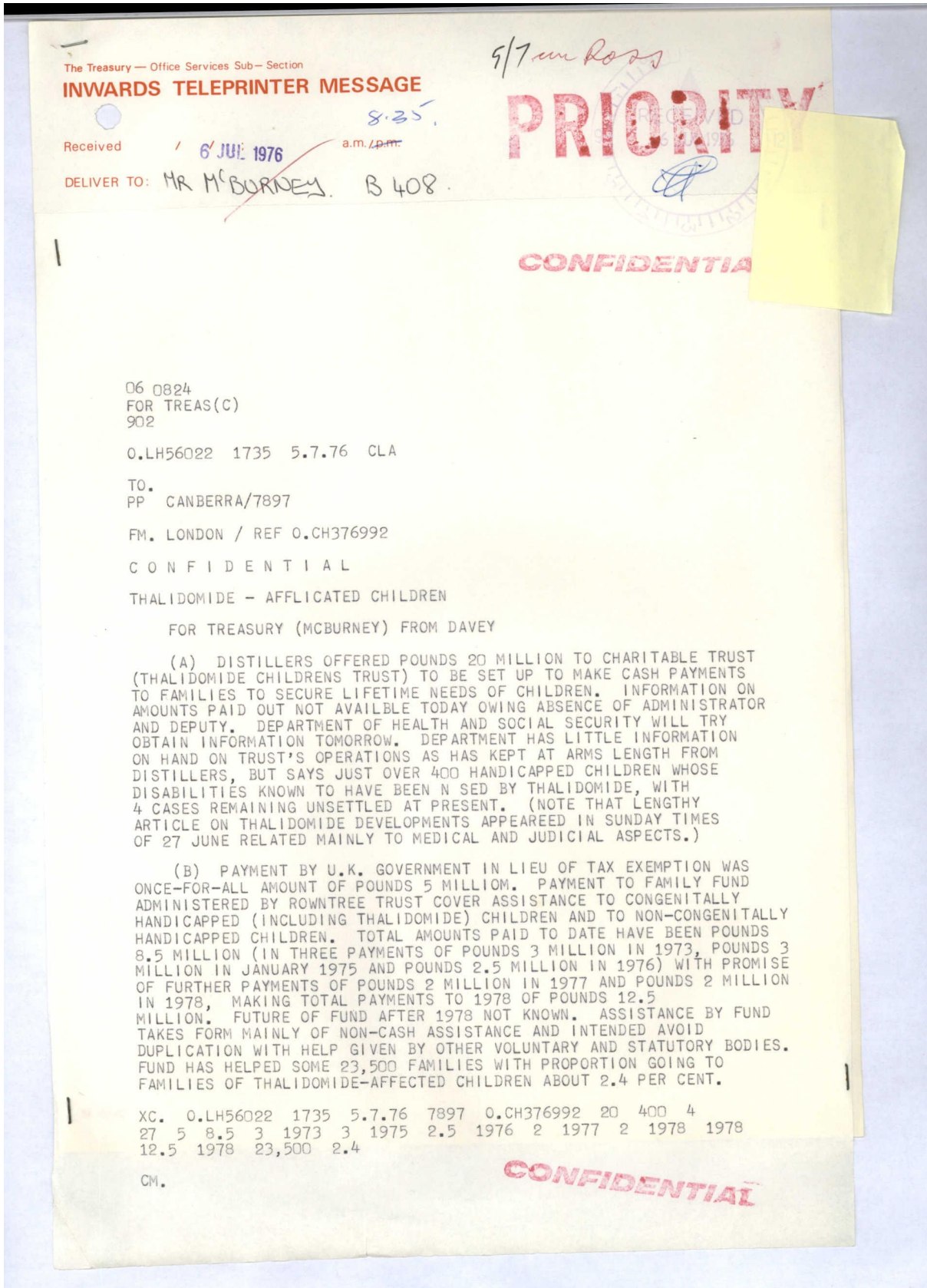
2. HERR KOCH STATED THAT THE JAPANESE GOVERNMENT HAD ALSO SOUGHT INFORMATION ON THE FRG'S COMPENSATION SCHEME.

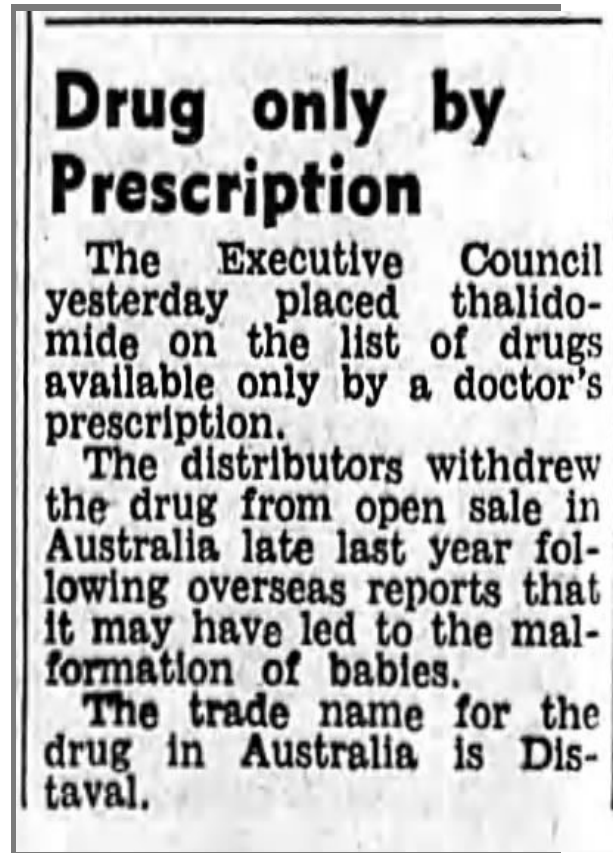
3. COPIES OF RELEVANT PARLIAMENTARY ACTS AND PROCEDURAL FORMS WILL BE FORWARDED IN AIRFREIGHT BAG LEAVING HERE 3.9.76.

PRIME MINISTER
FOREIGN MINISTER
TREASURER AND TREASURY (C) T/T
FOREIGN AFFAIRS
MIN AND DEPT HEALTH
PM AND C

RESTRICTED

RESTRICTED



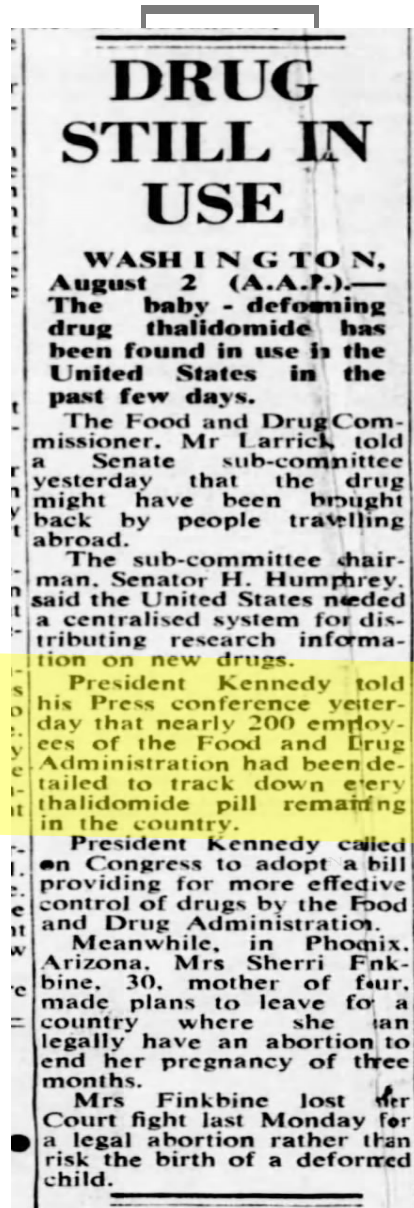


Clipped By:



lisa mc63

Wed, Jun 6, 2018



Clipped By:



lisa mc63

Wed, Jun 6, 2018

President Seeks Strict Drug Check

WASHINGTON, August 2.—President Kennedy told his press conference yesterday that the effects of the thalidomide tranquiliser drug called for even more stringent precautions "to prevent even more serious disaster" from experimental drugs.

He called on Congress to adopt an Administration bill providing for more effective control of drugs by the Food and Drug Administration.

President Kennedy said that it was important that every woman checked the family medicine cabinet to make sure there was no thalidomide there.

He spoke of "the terrible human tragedy" which had been visited on families in Germany by the use of the drug.

May Try Sweden

In Phoenix, Arizona, young Mrs. Sherri Finkbine, seeking a legal operation rather than bear a child possibly deformed because of the drug, looked with favor today on Sweden as a possible solution to her problem.

Mrs. Finkbine, who has been thwarted in her home State in attempts to gain legal clearance to have her pregnancy terminated, said that "Sweden would be best—Sweden would be like home."

Her husband Robert, a high school teacher said that they still were exploring all possibilities and had not yet made any decision.

Meanwhile, in Bonn, there are 60 suits against the West German chemical firm of

Gruenthal, the manufacturers of thalidomide, pending at the office of the Aachen public prosecutor.

They have been brought by parents claiming that their children were deformed by the drug.

The firm said that it had renewed test on animals to discover the fault in the drug, which was produced as a tranquilliser, but all tests so far had been negative.—A.A.P.

Warning Not Necessary in Victoria

There was no need for the Victorian Health department to issue a special warning against the drug thalidomide, the department's Chief Health Officer (Dr. K. Brennan) said yesterday.

Dr. Brennan said the drug was issued on doctor's prescription only and doctors had been fully advised of the drug's danger.

They would have informed patients who had received the drug.

"There is scarcely an individual in this State who is not aware of the disaster that has happened with this drug in other countries," Dr. Brennan said.

Clipped By:



lisa mc63

Wed. Jun 6. 2018

stood very well. (Dr. W. G. McBride) said the drug.

Distaval Now Off Market

CANBERRA, Wednesday.—The Minister for Health (Senator Wade) said today no action was necessary on the drug thalidomide—sold commercially as Distaval—because the manufacturer had withdrawn it from the market.

Distaval has been blamed for deformed bones in children whose mothers took it during pregnancy.

Dr. W. G. McBride, of Sydney, has said that 20 per cent. of births to mothers who had taken the tranquiliser drug during pregnancy had resulted in abnormally short arms and legs.

Laboratories

Senator Wade said the Commonwealth had, during the past four years, set up the National Biological Standards Laboratories, mainly to ensure that drugs and anti-biotics sold under the National Health scheme conformed to the standards of authorities such as the British Pharmacopoeia.

The laboratories had not entered the field of clinical trials or the determination of side effects of new drugs. Very deliberate and mature consideration would have to be given before the Commonwealth entered such a field.

Tribute

Senator Wade paid tribute to Dr. McBride, whose work had largely prevented the sale of Distaval in Australia, he said.

Dr. McBride, 35, is a former medical superintendent of Crown Street Women's Hospital, in Sydney.

Senator Wade said Australia was the first country in the world in which Distaval was withdrawn from sale.

"That action is due to a large extent to the efforts of Dr. McBride," he said.

"I think it is fair to say that it is a tribute to the Australian medical profession."

Import Ban

Senator Wade said he would confer with the Minister for Customs (Senator Henty) to ensure that Distaval was never again imported to Australia.

Only the State Governments, he added, had the constitutional authority to ban the drug or confiscate existing supplies.

Judgment On New Drugs

There is increasing, and justified, public anxiety about the methods used for testing new drugs. This has been accentuated by the tragic results of administering thalidomide to pregnant women, but many people were worried long before the publication of those results. Thalidomide is only one of a number of drugs whose unexpected side-effects have caused considerable perturbation. It is, of course, a world-wide problem, but Australians are as directly affected as the people of any other country, and it is time for serious thought about more stringent precautions in the interest of Australians generally.

In an article which appeared on this page last Friday, a "Herald" staff correspondent made it clear that no machinery exists in Australia which could determine beforehand the tragic side-effects of such a drug as thalidomide. How long is this state of affairs to continue? A spokesman for the Australian Association of Ethical Pharmaceutical Industry implies, in a letter published today, that almost total reliance is placed on "careful clinical testing" of new drugs "in their countries of origin." Only too obviously, this is not good enough; Australia should conduct its own checks.

The British Medical Association has decided to

set up a committee representing all branches of medicine and its auxiliaries to supervise the production of drugs which can be obtained only on a doctor's prescription. The Australian Medical Association could hardly act on the same scale, for it lacks the financial resources; but it might at least demonstrate its concern and improve its public relations by forming a committee to consider what can be done. It should be possible, by co-operation between the A.M.A., the drug companies and the Federal Government, to make some advance.

A systematic check on the side-effects of new drugs would admittedly be most costly, but activity on a limited scale would certainly do no harm and might do considerable good. The United States provides an excellent example. Thalidomide was not distributed in that country, simply because a woman physician and pharmacologist in the Food and Drug Administration put her foot down. A few brief statements on the drug in foreign medical journals had warned her of trouble long before it became public knowledge. What she thought was obvious had been overlooked by pharmacologists and their consultants. It is this kind of official vigilance which seems desirable in Australia.

Clipped By:



lisa_mc63

Wed, Jun 6, 2018

Senator Attacks Treasury Head, Seeks Dismissal

CANBERRA, Wednesday.—The Secretary to the Treasury, Sir Roland Wilson, had brought Australia almost to ruin and should be dismissed, Senator R. J. D. Turnbull (Tas.), said today.

Senator Turnbull, a medical practitioner and a former Tasmanian Minister for Health, is the Senate's only Independent member.

Speaking in the Budget debate, he attacked the 1962-63 Budget as a "nothing" Budget, and supported the Opposition motion of censure on it.

"The Budget is full of Treasury clichés and Treasury financial jargon," Senator Turnbull said.

"If you had a managing director who brought your company just about to financial ruin, you would sack him.

"But the head of the Treasury, having brought Australia practically to ruin, is still there, and we will never get rid of him.

"I can well imagine the Federal Treasurer saying, as Henry II said about Thomas a Becket: 'Who will rid me of this upstart clerk?' But no one will rid Mr Holt of Sir Roland Wilson, because he is a Civil servant.

"This man is the man who lays down the financial policy of this country and it is time he was removed."

Dangers Of Thalidomide

Senator Turnbull said it was a long time since he was at school with Mr Holt at Wesley College, Melbourne.

"We used to kneel together in church and say our prayers of supplication," he said.

"We used to pray for forgiveness for the things we had left undone and the things we ought to have done and, oh boy, should the Treasurer be praying now!"

The Government had recently promised to do something about the drug thalidomide—four months after the Minister for Health, Senator H. Wade, had been told about its dangers.

Senator Wade: Oh, fair go.

Senator Turnbull said that at a medical congress in May, slides were shown illustrating what happened if Distaval (one of the trade names for thalidomide) was taken in pregnancy.

"If the Minister did not know, I take him to task for not sending his officers to postgraduate courses," he said.

"How can they learn when they sit in their little offices in Canberra, their ivory towers, and don't know what is going on in private practice?"

"Would you contradict me when I say the medical fraternity knew in April about Distaval?"

In the Budget debate in the House of Representatives, Mr F. W. C. Stokes (L.B., Vic.) criticised some decisions on defence.

He said the purchase of heavy 105-mil. guns was costing valuable overseas exchange, but the guns were so heavy that a three-ton truck was needed to carry their ammunition.

"There may be many places in action where it may be difficult to get a three-ton truck up to the lines," Mr Stokes said.

He urged the Government to lighten the load of the infantryman, and adjust Australia's military thinking to "American logistics."

Not Enough Planes

Troops needed to be shifted by aircraft, but the number of Hercules transport planes available was not adequate. Many troops would have to go by sea in the event of war.

The Minister for Primary Industry, Mr C. F. Adermann, said the Government could be proud that the import price index had remained stable since early in 1961.

In this respect, Australia had done better than most of its major competitors during the past year.

Efforts by the Government and export organisations, including primary producers, to diversify outlets for Australian exports were showing good results.

In 1957-58, Britain was by far Australia's best customer, taking 27 per cent of its exports.

Britain's share had fallen to 19 per cent in 1961-62.

Mr Adermann said the Budget signified the Government's determination to follow through its expansionary program and produce the type of development needed to sustain full employment.

Development was reflected in the increased allocation of funds to the States—£26m greater than for the last financial year—and the interest-free additional assistance grant of £12.5m for employment-giving activities.

Monotonous Feature

The Minister for the Interior, Mr G. Freeth, said Labour critics of the Budget had ignored the wide change of fluctuating economic fortunes which the Government had faced in its 13 years in power.

But all 13 Budget debates shared one monotonous feature—the Opposition invariably outbid the Government's expenditure and at the same time urged taxation cuts.

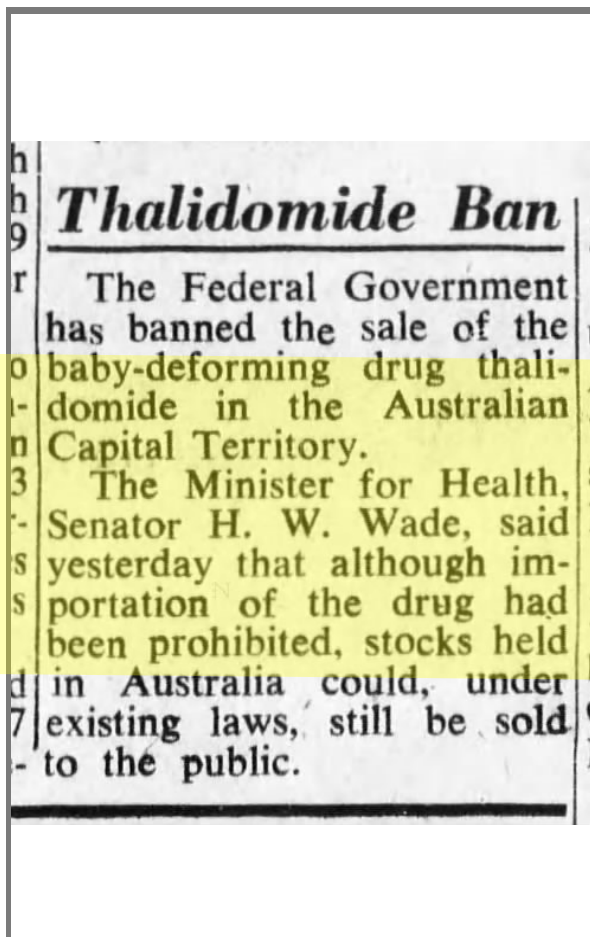
"There is far greater evidence in Labour speeches in Budget debates of bidding for popularity rather than following an independent economic judgment of the nation's needs," Mr Freeth said.

The Acting Leader of the Opposition, Mr E. G. Whitlam, had tried to justify Labour's proposed £160m deficit by saying: "Labour would rather risk overshooting the mark than under-shooting it."

This indicated that the Opposition supported the dangerous economic theory that a mild degree of inflation was harmless.

The one "ray of hope" for primary producers was that the economic stability of the last 18 months would continue.

The House of Representatives and the Senate adjourned till tomorrow morning.



Clipped by:



lisa mc6
Wed Jun 6