Today I want to speak about two small but important measures which we introduced into the Federal Parliament in the last two weeks of the Spring Session. Unfortunately I was not present in Parliament at that time because I had caught Hepatitis.

The first of these concerns the Government’s Health Insurance Plan. Several years ago the Government introduced a Health Insurance Plan which has made it possible for by far the greater part of the population to insure themselves against sickness and medical expenses, of one kind or another. Individuals or families who are insured under such scheme get a very considerable return for small weekly payments. For instance, one well known society has a maximum rate of 6/- per week and for this figure a man’s whole family can be insured and if any member of the family gets sick, considerable part of the hospital or medical expenses involved are paid either by the Government or the Society. However, there was one drawback with the scheme when it was first introduced. The aged or people with long standing chronic complaints of one kind or another were not accepted for insurance. The original reason for this was that if too many of these people entered the insurance schemes it might place too great a strain on resources of the Societies operating the scheme. However, the Government has long recognised the needs of these people and a Bill was introduced and passed which enables hospital and medical insurance organisations to establish special accounts for the payments of benefits to the aged, to persons with pre-existing ailments and to the chronically ill. The benefit of insurance to such people should be only too obvious. At the present it is estimated that roughly 70% of the Australian population is covered by the insurance scheme. This new legislation should enable this proportion to be considerably increased.

The second thing I want to mention concerns the announcement by the Prime Minister about new special bonds for small holders. Previously there had been considerable drawbacks for people wishing to invest in Government bonds if they wanted to cash the bonds before maturity. A bond for which a person had paid £100 might have fallen in value to £70, although of course if it were kept for the full period it would be worth £100. The reasons for this are complicated
and I will give just one. Hire purchase business has tended to force up all interest rates and because Government bonds were on a fixed rate of interest, investors have found other avenues more profitable. Therefore on the open market, Government bonds tended to fall in value. This kind of thing cannot happen for these new special bonds. They can be bought at any time until further notice in any multiple of £10. The maximum that any person may invest in these bonds is £5,000. However if you want to sell your bonds and get cash before the maturing date of 1st January, 1966, it is possible to do so in-the under the following conditions:—

Any time after July 1st, 1959, if you give one month's notice you will be returned the full face value of the bonds. This holds good up to the end of 1961, then to the end of 1963 you will be returned £101 for every £100 invested; from the beginning of 1964 to the end of 1965 you will be returned £102 for every £100 invested and if the bonds are held to maturity in 1966, £103 for every £100 invested will be returned.

The two important innovations in these new special bonds are, firstly, the capital appreciation and, secondly, the fact that after the middle of 1959 on one month's notice the bonds will be redeemed by the Government at face value. This means that investors who need their cash before the full maturity of the loan will be sure of getting full value. The bonds have been chosen especially to attract small investors.

In addition to this special return which gives investors a small capital gain for the full period, these bonds are offered at special rates of interest which are more attractive than normal Government rates. They are a good investment for small holders and unlike previous Government issues there is no possibility of there being any loss of capital through the necessity to cash the bonds before maturity. If anyone would like more detailed information on this I would be only too happy to obtain it if they get in touch with me.