

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 20 OCTOBER 1959

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Mr. SPEAKER (Hon. A. R. Fletcher, Cunningham) took the chair at 11 a.m.

AUDITOR-GENERAL'S REPORT

PUBLIC ACCOUNTS

Mr. SPEAKER announced the receipt from the Auditor-General of his report on the public accounts of the State for the year 1958-59.

Ordered to be printed.

SCREENING OF FILMS

Mr. SPEAKER: Hon. members, I have to inform the House that the Minister for Labour and Industry has arranged for the film "Room for Discussion" to be presented in the Legislative Council Chamber at 6.30 o'clock this evening. Hon. members are invited to attend.

QUESTIONS

PROTEST TO FEDERAL GOVERNMENT ON
INCREASED POSTAL AND TELEPHONE CHARGES

Mr. DUGGAN (North Toowoomba—Leader of the Opposition) asked the Premier—

"In view of (a) his indication in answer to my question of September 10 that his Government would consider a protest to the Federal Government on increased postal and telephone charges when the true effect of the increases had been assessed; (b) the Treasurer having disclosed in his Financial Statement that a provisional estimate of the increased cost to the Government was £97,158, apart from the loss to the railways on carriage of mail, as yet undetermined and (c) the fact that the Local Government Association of Queensland on September 24 protested to the Prime Minister against the increased charges, asking that the enabling legislation be repealed, will he say whether the Government has made or proposes to make a strong official protest to the Federal Government, particularly in view of the Treasurer's remark in the Financial Statement that the Government regards these increases as transgressing if not the letter certainly the spirit of the June agreement?"

Hon. G. F. R. NICKLIN (Landsborough) replied—

"I have written to the Right Honourable the Prime Minister on this matter."

MINERS' HOMESTEAD PERPETUAL LEASES;
CONVERSION TO FREEHOLD

Mr. AIKENS (Mundingburra) asked the Minister for Public Lands and Irrigation—

"Is it proposed to give owners of Miners' Homestead Perpetual Leases the option of converting them to freehold tenure and, if so, when and under what conditions? If not, why not?"

Hon. A. G. MULLER (Fassifern) replied—

"These leases are not subject to the Land Acts but to the Mining Acts, and the question should, therefore, be addressed to the Honourable the Minister for Development, Mines and Main Roads."

NURSES' QUARTERS, BOWEN HOSPITAL

Mr. COBURN (Burdekin) asked the Minister for Health and Home Affairs—

"As the Bowen Hospitals Board has been successful in obtaining a debenture loan of £4,120 from the Commonwealth Savings Bank, Bowen, for the conversion of existing staff quarters to nurses' quarters, Bowen Hospital, will he kindly authorise the calling of tenders for this work as soon as possible?"

Hon. H. W. NOBLE (Yeronga) replied—

"As the necessary Loan money is now available to finance conversion of the Domestic Staff Quarters at the Bowen Hospital for Nursing Staff accommodation and the proposed additions to the existing Nurses' Quarters, the Hospital Board and the Architects have been advised that approval has been given to call tenders for this project."

PLAYING AREAS FOR MARYBOROUGH SCHOOLS

Mr. DAVIES (Maryborough) asked the Minister for Education—

"(1) Will he indicate what further progress has been made in regard to the resumption of one additional playing area for the Maryborough West State School and of two additional areas for the Maryborough Albert State School?"

"(2) Will he endeavour to hasten finality in all instances as both schools are ready to proceed with improvement to these areas?"

Hon. J. C. A. PIZZEY (Isis) replied—

"(1) (i.) An Order in Council was recently issued reverting to the Crown the Benevolent Asylum Reserve adjacent to the grounds of the Maryborough West State School. Action is now proceeding in the Land Administration Board for the registration of this Order in Council in the Titles Office and for the necessary survey of the land in question. Upon completion of these formalities, Executive Authority will be sought for the setting apart of the subject area, together with the area of the closed road, as a Reserve for School Purposes. (ii.) Approval has been given for the acquisition by the process of resumption, of two parcels of land for the enlargement of the grounds of the Albert State School. The necessary survey has been completed for both areas and comments furnished by the Staff Surveyor respecting the desirability of enlarging the proposed additional area are at present receiving consideration."

"(2) Endeavours will be made to expedite action in these transactions as much as practicable."

FIXATION OF OVERSEAS FREIGHTS

Mr. DAVIES (Maryborough) asked the Minister for Agriculture and Stock—

"(1) Is it correct that freight rates from Australia to the United Kingdom will continue at their current levels until December 31, 1959, for wool and general cargo and November 30, 1959, for refrigerated cargoes?"

"(2) Is it correct that a delegation of shipowners' representatives will arrive in Australia shortly to negotiate with representatives of producers and shippers on the

question of an increase in overseas freight? If so, will he state who will be the producers' representatives?"

"(3) As the question of overseas freight vitally concerns the public and Government, will there be a representative of the public and representatives of Federal and State Governments at this conference, if not, will his Government demand representation?"

Hon. J. A. HEADING (Marodian—Minister for Public Works and Local Government), for **Hon. O. O. MADSEN** (Warwick), replied—

"(1, 2 and 3) These are all matters coming within the administrative functions of the Commonwealth Government. Attention is drawn, however, to an answer given by the Minister for Trade concerning this matter which appears on page 699 of the Senate Debates in Commonwealth Hansard of September 23, 1959."

PAPERS

The following papers were laid on the table, and ordered to be printed:—

Report of the Committee on Youth Problems.

Report of the Commissioner for Railways for the year 1958-1959.

The following papers were laid on the table:—

Order in Council under the Landlord and Tenant Acts, 1948 to 1957.

Order in Council under the Supreme Court Act of 1921.

Order in Council under the Real Property Acts, 1861 to 1956.

Order in Council under the Offenders Probation and Parole Act of 1959.

Order in Council under the Fisheries Act of 1957.

Order in Council under the Harbours Acts, 1955 to 1959.

Regulations under the Queensland Marine Act of 1958.

Regulations under the Explosives Act of 1952.

Ordinances under the City of Brisbane Acts, 1924 to 1959.

Rules under the Local Government Acts, 1936 to 1958.

Order in Council under the Commonwealth Aluminium Corporation Pty. Limited Agreement Act of 1957.

STAMP ACTS AMENDMENT BILL

INITIATION IN COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Hon. T. A. HILEY (Coorparoo—Treasurer and Minister for Housing) (11.11 a.m.): I move—

"That it is desirable that a Bill be introduced to amend the Stamp Acts, 1894 to 1958, in certain particulars."

This is the first of three Bills designed to give effect to the Government's Budget proposals. After the Committee has considered the Stamp Acts Amendment Bill it is proposed to present a Bill to amend the Land Tax Acts. The Financial Statement referred to a Bill to amend the law dealing with succession and probate duties. However, that is not a matter of urgency and the Bill may be introduced in a week or two.

The main purpose of this Bill is to impose additional rates of duty on certain classes of transactions but opportunity has been taken to remove what we considered to be existing anomalies.

Outlining the matters in the order in which they are set out in the Bill I refer first of all to hire-purchase agreements. The rates of duty on hire-purchase agreements charged in Queensland have been much below those in force in New South Wales and Victoria. The Victorian rate is 2s. for every £5 or part thereof up to £100 and after that 10s. for every £25 of the purchase price. In New South Wales the rate is half the Victorian rate. In Victoria a £100 agreement calls for £2 stamp duty; in New South Wales £1. In Victoria each £25 above £100 calls for 10s. stamp duty; in New South Wales 5s. The present rate of duty in Queensland follows a varying scale according to the classification of the goods. The maximum rate is 2s. 6d. per £50 or part, or, in other words, an effective rate of 5s. per £100. Accordingly it can be said that the present maximum Queensland rate is one-quarter the New South Wales rate and one-eighth the Victorian rate. The Bill adopts the New South Wales schedule of rates which, as I pointed out, is below that operating in the other eastern State. It will, however, contain two other interesting provisions. The first is that it will provide that the duty is payable by the vendor and will forbid any passing on of the duty to the purchaser.

A further principle relates to the machinery by which these duties are collected. At the present time every agreement has to be presented at the Stamp Duties Office for examination. It is obvious that each document calls for a separate assessment which involves a separate study of each agreement and a number of visits by the hire-purchase firms. This was inescapable whilst the law applied varying rates of duty to agreements covering various types of articles. By adopting a flat rate it becomes possible to overcome the necessity for the submission of every agreement to the Stamp Duties Office. Provision is made which will enable the Commissioner to make arrangements, where he is satisfied that the interests of the revenue will be protected, for the stamp duty to be paid in a single sum in respect of agreements set out on a monthly return to be lodged by that particular hire-purchase house. This procedure is already in use in respect of many classes of insurance policy, and has been found to

be mutually beneficial to the Stamp Duties Office and the insurance companies concerned.

The portion of the agreement which forms the basis of calculation for duty is the total amount payable under the agreement less the amount of the deposit and less also the total amount payable under the agreement for interest, insurance and other charges. In other words, it is that portion of the cash purchase price in respect of which hire-purchase credit is extended.

Mr. Lloyd: You said the vendor would have to pay stamp duty. Is it the vendor or the hire-purchase company?

Mr. HILEY: He is the vendor.

The next principle to which I wish to refer is that which varies the rate of duty payable on certain conveyances or transfers. At present the law attempts to impose a duty at the rate of 1 per cent. on the transfer of the whole of, or the part representing a controlling interest in the stock or marketable security of a company. Now, although this provision has been in the law for many years it has proved of small and imperfect benefit to the revenue. By the transference of shares from a Queensland register to a southern register, the position has been only too frequently created where there is, in fact, no transaction within the State, no document within the jurisdiction, on which stamp duty could be levied. Indeed, where the device of removing the shares of an inter-state register was followed, we lost not merely the conveyance duty on the controlling interest but also the stamp duty on the share transfers as well.

The position was further complicated by advices tendered by counsel who from time to time furnished opinions for the guidance of the Stamp Duties Office. It was common to encounter an expression of grave doubt as to the ability of the office successfully to charge conveyance duty to the full extent on those transactions which, whilst wholly conducted within the State, involved a considerable number of successive transactions. A company that was going to be taken over by a new interest which had acquired a controlling interest might have 80 shareholders. If the acquisition of those shares was carried out, not as a single step but as a progressive step the point at which the controlling interest passed may have touched not the entire capital of the company but perhaps 1 per cent. of the capital of the company.

I gave very lengthy consideration to this matter. I concluded that the law as it stood at present was only of very occasional effect and was wide open to evasion. In the course of that evasion, not only did the Crown lose conveyance duty but also lost stamp duty on the share transfers. The Bill now under consideration repeals the provisions concerning a controlling interest, and as a result of this it is hoped that the stimulus for evasive devices will be ended, and that the Crown

will collect some revenue under another heading which, at the present time, is being lost. If the shares were transferred to New South Wales we got nothing. New South Wales collected the stamp duty on those shares. The matter can be best illustrated by telling the Committee that in a recent take-over of a large enterprise, not one penny of stamp duty was received by the Crown on a transaction which involved some millions of pounds. By removing the deterrent of the controlling interest, it is natural to expect the transfers of shares in the case involved might have been recorded in Queensland and duty received in Queensland.

Mr. Duggan: That might mean double taxation.

Mr. HILEY: If it is a Queensland property which is sold we will get the Queensland transaction identifying those shares.

Mr. Lloyd: Will you have reciprocity with New South Wales?

Mr. HILEY: It does not need it. A document is stampable only in the State where it is executed. If there is no document in Queensland there is no stampable transaction. In a take-over the device adopted is to open a register in the South and transfer the shares down there, giving effect to the transfer in the South, thus permitting the New South Wales Government to collect duty. It is hoped that such transactions will now take place in Queensland, and that the Queensland Government will get some duty on them.

In the case of transfers of stock or marketable security, the duty is to be increased from the present rate of 6d. to that of 9d. which is the rate at present ruling in New South Wales. This will apply to all transfers of shares on the Stock Exchange. This rate of duty applies to every £10 or part thereof of the value of the transaction.

The general rate of conveyance duty will be increased from 10s. for every £50 or fractional part to 12s. 6d. for every £50 or fractional part. This is the same rate as applies in New South Wales. In Victoria, that rate applies up to £3,500 when the rate increases to 15s. for every £50 or part thereof. Where the amount exceeds £100, the present Queensland rate is £1, the New South Wales rate 25s., and the Victorian rate 25s. to £3,500 and thereafter 30s. The new Queensland rate will be the same as that of New South Wales.

I pass now to deal with an additional conveyance duty which will be charged on the transfer value of Crown leases.

Basically, such additional duty shall be at the rate of 2 per cent. for every £100 or fractional part thereof. It will be based on the total consideration of value including any livestock, growing crops or other movable chattels included in the transaction.

However, the real purpose of this additional duty is to obtain for the Crown a small share of the goodwill value or premium attached

to the lease. A study shows that there is an infinite variety of transaction included in such leases. With some the improvements are relatively high. With others, the improvements, etc., represent only a small portion of the sale consideration and the bulk of that sale consideration is attributed to the premium on the lease.

This additional duty will not be payable in respect of any of such transfers which arise by virtue of a disposition under a will. It is further provided that where the transfer is based in whole or in part by an instrument in respect of which a gift duty has been paid, then the value of the gift shall be excluded from any payment of additional duty. The Government's view is that in the case of a death the Crown is protected with succession duty at the appropriate rate on the total value including the premium on the lease. Again, on gift duty, the Crown is protected with gift duty at the appropriate rate on the total value including the value of the lease. However, even with these exclusions, it is clear to the Government that the imposition of a flat rate of duty could not possibly meet the variable equities which necessarily arise from a varying component of goodwill. Accordingly, the Bill provides for the burden of this additional duty to fall on the vendor who is forbidden from passing it on to the purchaser. The vendor will be given an option of electing to pay duty either at the flat rate of 2 per cent. of the total value of the transfer contract or 5 per cent. of the goodwill component. If the vendor acquired the lease by purchase, then, in exercising the election to pay 5 per cent. on the amount of goodwill, in his case the goodwill will be measured as the surplus of the amount of goodwill at the time of sale over the amount of goodwill at the time of his acquisition.

In measuring goodwill, there will be a deduction from the total purchase price of all improvements on the land, of growing crops, of livestock and of movable chattels included in the transaction.

There will be one exception to the allowable deduction for improvements. That will be in relation to covenanted improvements other than boundary fences. The Government's view is that covenanted improvements are virtually an additional form of Crown rental. In our view they should be distinguished from those improvements which are the unqualified creation of the tenant himself and in which he retains full tenant rights.

Now, it is desirable to make it clear to the Committee that these proposals have attracted considerable objection from graziers and it is also desirable that I should state the Government's thoughts on this matter and answer some of the objections that I know are being circulated. In the first place, I should indicate to the Committee that transfers of leases in the Lands Department alone, excluding livestock and chattels, totalled £13,128,167 for the year

ended 30 June last. Of this, the vendors elected to apportion £5,236,343 to goodwill and £7,891,834 to fixed improvements. It will be observed that the goodwill is roughly 40 per cent. of the total value and that will explain the adoption of either 2 per cent. of the total consideration or 5 per cent. of the goodwill content. These options are a protection against hardship. Each owner can work out which method is better suited for his case and elect accordingly.

But there is another very compelling practical reason for the adoption of the 2 per cent. In those cases where the option is exercised to assess the goodwill, it is desirable that settlement should not be held up while the vexed arithmetic of the amount of duty is worked out. By adopting the flat rate of 2 per cent. as a basis, the purchaser's solicitor, will, no doubt, make a practice of retaining 2 per cent. of his Trust Account until such time as the amount of duty is ascertained. That is the limit, if he exercises the option wisely, that he will be called upon to meet. This will enable substantial settlements to be effected promptly and there can be a small final adjustment when the amount of duty is assessed should the goodwill basis be adopted.

Now, the Government found it necessary to raise additional revenue in order to provide additional services in the Departments of Lands and Agriculture and Stock. Indeed, the great and growing burden of providing extra sectional services to the man on the land is providing a constant burden on the Treasury and the Government found a situation where it either had to command some additional revenue or curtail some services to the man on the land. To mention but a few directions of special assistance, last year we granted drought rebate totalling £106,954; we expanded school transport in country areas to £367,310; we subsidised hostels in country towns by £23,909; we paid subsidies to Councils and Regional Electricity Boards on rural electrification amounting to £1,433,767; our subsidy for watering facilities on stock routes was £92,405, and is increased in this year's Budget to £203,500; for the attempted eradication of three dangerous vegetable pests we spent £81,998.

At the same time as we endeavoured to face up to these stupendous charges, we encountered another problem the financial effect of which is quite severe. In my Budget speech, I made reference to the critical problem concerning State road transport. Quite plainly, every bale of wool and every load of cattle that travels by road reduces the capacity of the State to maintain its services.

Mr. Aikens: You want to tell all the semi-governmental bodies that. Burn it into their brains!

Mr. HILEY: We have told them. The great growth in allegedly interstate transport under this heading is eating savagely into our revenues.

The view of the Government was that they were not prepared to reduce these important contributions to the welfare of the man on the land, and we gave earnest consideration to various methods by which we could overcome this problem. We were equally firm that we should not add to the costs of our great primary industries. And that brings me to the first point that I want to make concerning this particular form of taxation. No man who remains in operation of his Crown lease will pay one penny; neither will any man pay one penny who works his lease during his lifetime and leaves his lease by will to those who follow after him and continue to work it. The only person who will be called upon to contribute anything will be the person who elects to retire from primary production and who does so at a profit—not a profit on his own improvements but an additional profit on the lease itself.

Now, the second criticism that has reached us is that this tax is sectional. I want to make it clear that it applies to Crown leases other than grazing leases. It applies equally to a Crown lease of town land, or of sea-side land, or of country land. But it cannot be denied that its greatest effect will be felt by those who dispose of their leasehold interests in the great pastoral and agricultural lands of this State.

Let us look at this cry against sectional effect. I might say that ever since occupying the Treasurer's chair, I have been constantly approached with proposal after proposal to confer some sectional benefit on some industry or some group of people. It seems to me that this sectional argument is something that is raised only where revenue is under consideration. Let it be a correction of expenditure and the same people openly seek and expect sectional benefit. A classic example of that is the argument that is so often raised against land tax, a tax that applies only to freehold land. I might say that the Government considered whether it would not be wiser to have chosen as an alternative an application of land tax to all lands, whether freehold or leasehold, as is of course the case in South Australia. This would have doubly destroyed the argument of a sectional tax—it would have destroyed it as regards both land tax and this additional conveyance duty on the transfer of Crown leases—but the Government decided against such a step for the simple reason that that method would have added to the operating costs of the man who remains in the business of primary production, something that the Government are determined to avoid as long as possible.

The next argument raised is that this tax is, in its essence, a capital-gains tax and that this is a very undesirable principle to introduce. I think it could be safely conceded that there is an element of capital-gains tax in this additional stamp duty. But I ask the Committee to observe this: to the extent that there is a capital gain in respect of the

lessee's own assets—that is, his improvements, his chattels, and his stock—the Government consider that he should be allowed the enjoyment of that capital gain as his risk—as his right—and no additional duty is proposed on that portion of the capital gain. But when it comes to the capital gain on the goodwill of the lease, I ask you—whose capital is it? These are Crown lands, and the property in them vests in the Crown. Notwithstanding that, we propose to allow the leaseholder to retain 95 per cent. of his capital gain and all we seek for the Crown is 5 per cent. of the capital gain that he has realised.

I think it will help if hon. gentlemen are given some indication of some of the transactions that came under our notice. The first case I will cite is that of a grazing farm with a 28-year lease at a rental of just under £600 per annum. The purchase price was £71,690 and the vendor's own apportionment of the price was £56,651 goodwill, with the balance to improvements. This goodwill figure is equal to 94.8 times the annual rental. In other words, the man who sells out secures in immediate cash what, at the present rate of rentals, the Crown will receive slowly and laboriously and at some annual expense over the next century, or almost.

The next case is that of another grazing selection of 28 years' term where the sale price was £14,000 and the vendor apportioned £10,250 to goodwill. The goodwill there is equal to 78.8 times the annual rent.

Another case is that of a grazing selection with a 28 years' tenure, the rent £1,044 a year. The sale price was £91,952, of which £77,944 was apportioned to goodwill.

Mr. Aikens: Is that the property sold by the hon. member for Roma?

Mr. HILEY: I am giving the Committee examples of properties that were sold in the last 12 months. I remind the hon. member that premiums on properties sold in that manner have risen astronomically over the last few years. Had the hon. member for Roma retained his property and sold it last year he would have got possibly double what he did get.

The vendor, in the case I last instanced, received a premium equal to 74.7 times the annual rent.

The next case of a grazing selection is even worse. The rent was £916 per annum and the sale price £95,000. Eighty-six thousand and ten pounds went to goodwill and only £8,990 to improvements. The goodwill is equal to 93.9 times the annual rent. I ask the Committee to observe that for the Crown to receive that rental it has to provide certain annual services. It has to maintain land rangers and land commissioners and it has to render annual assessments and collect an annual rent, and it collects that rent in annual instalments over a period.

Mr. Aikens: It has to give starving stock and fodder rebates on the railways and everything else.

Mr. HILEY: I made those points.

The final case is even worse. With an annual rental of £669 per annum a grazing selection was sold for £66,981. Improvements and plant were put down for £3,162 and goodwill was fixed at £63,819 or a sum equal to what the Crown will receive at the present rates of rental slowly, laboriously, and expensively, over the next 95.4 years.

Mr. Aikens: Do you know that you are making out an excellent case for taking a bigger bite than you propose to take?

Mr. HILEY: It merely shows the modesty of the Government and their reasonableness, and I will explain why. I could go on and on with similar examples. I emphasise that in each case the goodwill figure quoted is the vendor's own figure.

From this, there are certain inescapable inferences. I recognise that what is styled "goodwill" is not wholly attributable to the lease. In the case of the pastoral industry, there is an established pastoral business, a going concern that has been built up often by the unaided efforts of the vendor, but make as liberal an allowance as you like for that factor and it is clear that Crown rents are fixed at a figure well below the economic rental of the property. There can be no other explanation for the willingness of buyers to pay such a stupendous premium. Now, it is not the desire of the Government to seek to correct the general inadequacy in rentals. We have the proper machinery which operates at regular intervals. The Land Court acts as a balancing factor between the desires of the Crown and the protection of the tenant. The Government regard the pastoral business as not only critically important to the welfare of the State but as a business that often involves a high degree of risk and an abnormal degree of discomfort. They are concerned at the ever-increasing burden that confronts the pastoral industry through the ever-growing burden of capitalisation of these leasehold properties. Take, for example, the last case I cited where a goodwill of £63,819 was paid. Capitalising that figure at even a five per cent. annual service charge—by no means an excessive rate of interest today—it means an annual requirement of over £3,000 necessary to service the goodwill component of that sale. Yet the rent paid to the Crown is only £669 and you can rest assured that if that rental came up for review tomorrow, and the Crown attempted to secure an increase of even £300 in that rental, there would be wild cries of hardship. Yet the very man who would so strenuously object to paying the Crown £300 additional rental a year has cheerfully paid £63,000-odd for goodwill. I leave members of the Committee to ponder those figures and to ask

themselves in all seriousness where the real burden on the future conduct of the pastoral industry arises.

Mr. Foley: Did you give any thought to putting that increase on a graduated scale?

Mr. HILEY: No.

Mr. Foley: The small man pays the greater proportion.

Mr. HILEY: No, he does not. I ask the hon. member to listen.

I sum up in these terms: this additional tax will impose no additional annual burden on the conduct of the pastoral industry. Its effect will be to seek a small share from those who retire from the conduct of the pastoral industry often at a very great gain on disposing of their interest in the estate which the Crown owns. If there is no sale, there will be no tax. If, on a sale, there is no profit, there will be no tax. If, on a sale, there is a profit, the tax will be equal to a tiny share of that profit and the great bulk of the capital gain will be allowed to remain, and I might remind you, on a non-taxable basis, in the hands of the vendor. The tax will be payable by the vendor, the man who has realised that profit.

Mr. Walsh: Would liabilities under a bill of mortgage be considered in determining profit?

Mr. HILEY: No, of course not. That is a capital liability.

Mr. Walsh: I was trying to get at how you were going to define profit.

Mr. HILEY: I think I should mention that this proposal is part of the Budget which sets out to offer many distinct benefits to the man on the land. Later today I hope to present to the Committee the Government's proposals concerning land tax. At this stage I do not propose to develop those at any length but merely mention one fact. One of the consequences of the change the Government propose in the imposition of land tax will be to relieve the man on the land to the extent of at least £100,000, transferring that burden on to the holders of city and town land. Those who criticised this element of the Budget at least should stand a little further away from the subject and view the Budget broadly. I have no hesitation in saying in its total effect, the overall significance of the Budget, is to further benefit the man on the land and the great pastoral industry of the State.

Passing to other features of the Bill, with the increase in the rates of duty on hire-purchase agreements, duplicates or counterparts thereof will be exempted. At present they pay 2s. 6d.

There is a provision tightening up the charge for mortgage duty. Cases have arisen where the principal or primary security is not in the State. The amendment will make it

clear that unless the principal or primary duty is stamped with *ad valorem* duty a collateral security will bear that duty.

Difficulty had been encountered with the previous rates of duty charged on policies of life insurance in respect of temporary decreasing policies where the sum insured is extinguished at the end of the term. Under the present rates, the duty can exceed the premium payable and, as a result, the volume of this class of business which is written in the State is relatively small. It is a class of cover which is increasing in favour as a feature of the operation of superannuation funds, the idea being that a member of that fund can start with a high insurance cover which will reduce as his interest in the superannuation fund grows. It also applies to certain insurance covers arranged to support house purchasers. By correcting the rate of duty to a more reasonable level, it is confidently expected that the volume of this class of insurance will increase, and that what we lost in the present high rates will be more than offset in increased volume. Stamp duty payable on many classes of insurance policy have been generally lower in this State than elsewhere. At the present time, the basic rate in Queensland is 4d. for each £100 or part thereof. In New South Wales the rate is 9d., and in Victoria the basis is entirely different, being a percentage of the annual premium. Insured persons in Queensland, thanks to the influence of the State Government Insurance Office, already receive the benefits of rates of premiums which are substantially lower than those ruling in other parts of the Commonwealth. It is proposed to increase the present rate from 4d. to 6d., which compares with 9d. in the State of New South Wales.

Mr. Aikens: Does that apply to all policies?

Mr. HILEY: Fire policies and accident policies—that type of policy. Life is excluded. It is under a separate title.

The present schedule of Queensland rates contains an unusual provision in respect of policies which are expressed for a term longer than 12 months. Here the rate increases to 4d. for each six months or part thereof beyond the first 12 months. In other words, in the second year the effective rate is 8d.—twice 4d. This provision is being dropped and the rate for policies of insurance other than policies of life insurance will be a flat 6d. in respect of each year per £100 insured.

In the case of plateglass, the present basis was administratively difficult and involved the furnishing of declarations as to the value for the plateglass component of an insurance cover. After consultation with my advisers in the field of this class of insurance, the new rates will prescribe a flat rate of 6d. on a plateglass cover for a dwelling and a flat rate of 1s. for all other plateglass covers. These rates will apply irrespective of the value.

There is a new rate struck for tourist and travellers' special policy. For any one tour where the period of the tour does not exceed seven days, a flat rate of 3d. is struck. Previously, the rate was related to the amount of the cover, and the stamp duty could often amount to many times the premium. Take the case of a policy to cover a person for two or three days. Obviously the rate of premium would be trifling because of the time factor. On the old basis the stamp duty was related to the cover, and it was common to find a premium of 10s. and a stamp duty of 30s. or 50s., which was a ridiculous relationship.

Public risk policies had represented another field where there was a grave disbalance between the stamp duty payable and the amount of the premium. Because these covers often applied to the hazards of a single day and the amount of the cover could be very substantial, stamp duty at the old rate can commonly amount to double the amount of the premium. The new rate is at the rate of 6d. for each £100 or part thereof with a maximum of £1 on any single policy.

The same principle has been extended to television policies and both have been brought into line with the existing practice concerning motor vehicles.

In the cases of house-owners and householders' policies, in terms of which the third party liability is limited to £250, no premium is charged by the insurance companies and the practice has been to charge a rate of 4d. per £100 of cover. The amendments will exempt from duty this type of cover up to £1,000 provided no premium is charged. Above that, the new 6d. rate will apply.

There are two other matters to which I should make brief reference. In Section 65 (e) of the principal act the words appear "Upon its execution in Queensland". Counsel has advised us that, where a document is executed out of Queensland and it is later brought to this State, there is grave doubt as to whether Queensland is entitled to collect duty notwithstanding that the document is acted upon in this State. The amendment is designed, by omitting the words which I quoted, to resolve that doubt.

The Stamp Duties Act contains a power of inspection, but it had one serious administrative flaw. If an unstamped document came under the notice of the Commissioner, proceedings must be instituted within six months of the failure first coming to the notice of the Commissioner or his staff. In practice it was found that six months was far too brief and the amendment proposes to extend the time to two years. To illustrate the need for that, I point out that an inspector may after conducting inspections come back to the office with a suitcase full of documents, each of which requires separate examination and some of which involve a great deal of secondary examination and much legal consideration as to the rights of the office. In practice the office was never able to keep an

inspector steadily working in the field, because of the provision as to six months. We do not think it is wise to provide for an unlimited period during which the Commissioner may pursue a wrongdoer, but we think that the period of six months is too short and that a period of two years is more realistic. I should like to add that there are a number of minor changes which will facilitate the dealings of the office with the general public which will not require statutory authority. There are at the moment a number of forms of request which, under the present Orders in Council and Regulations require to be separately presented to the Stamp Duties office and be the subject of an impressed duty at the rate of 2s. 6d. That is a tiresome procedure for a negligible amount of duty. It involves a clerk's taking the document to the office, discovering when it will be ready, paying the duty and then coming back subsequently to collect it. A study of many of these suggest that the revenue will be adequately protected by admitting the use of adhesive stamps and an Order in Council will shortly be tabled extending this facility. I might say that I am impressed by the arguments of cost and inconvenience involved in the need for repeated visits to the Stamp Duties Office where trifling sums are at stake. Wherever I can find that the revenue is safeguarded in some other way, I lean towards the use of adhesive stamps. The requests to which I refer all require lodgment with the Real Property Office or some other Government Department. The officers there make sure that the request is, in fact, stamped. I regard that as an ample safeguard to the revenue.

Mr. Power: What protection do you afford to the department with regard to insufficient stamp duty? Sometimes the collateral security must be taken into consideration.

Mr. HILEY: Where that danger arises—the Commissioner has drawn my attention to it—I do not propose to allow that sort of document to be dealt with on that basis. I have given the Committee what I hope is a comprehensive outline of this important measure.

Mr. DUGGAN (North Toowoomba—Leader of the Opposition) (11.55 a.m.): I suppose we have listened this morning to one of the most extraordinary declarations of policy on the part of a Treasurer in a Liberal Party Government that any hon. member in any Parliament of Australia would expect to hear. It will be interesting to observe whether the Coalition solidarity prevails when the impact of the increases is known. I interjected when the Treasurer was speaking by saying "Hear, hear" when he said that under his proposals the Government would give back to the man on the land as much or perhaps more than they took from him. There was one solitary "Hear, hear" which was in marked contrast to the chorus of "Hear, hears" when the Treasurer introduced his Budget, which was broadcast, giving a declaration of the Government's

policy. But since then hon. members of the Government have apparently done some homework which the Treasurer was so keen to mention from time to time so far as we of the Opposition are concerned. They apparently have read his Budget speech more closely or are responding to some of the hundreds of telegrams flowing in from people affected by these proposals.

Mr. Ewan: Nobody is affected by them yet.

Mr. DUGGAN: We shall see how hon. members opposite react. It is obvious from what the Treasurer has said that the present is an open season on taxpayers. They can be shot at by both the Federal and State Treasurers. The Little Budget was introduced by the Treasurer but it is difficult to understand his approach to these increases. He does not go to the front door but sneaks round the back and picks up bit by bit. I strongly suggest that is what is being done. If there is any denial on the part of members of the Government to that declaration, I want to say that the words I have used were none other than the words of the present Premier when the former Treasurer, the hon. member for Bundaberg, introduced an amendment to the Stamp Acts some three or four years ago to make provision for a paltry increase of a penny in the stamp duty to be affixed to cheques. The present Premier felt so hot under the collar about that particular matter that he was impelled to use those strong words. It is rather interesting indeed to think that the present Premier has given his imprimatur to these proposals when he reacted so violently in 1956 or 1957 to an amendment introduced by a Labour Government to increase the stamp duty on cheques from a miserly two pence to three pence. If that was the reaction of members of the Government when they were in Opposition I cannot for the life of me see how Country Party members particularly have reacted so far in endorsing these principles. I think that when the full impact of these proposals is realised outside they will be sorry men indeed for introducing them.

The Treasurer's speech this morning was most eminently suited for an economists' convention or perhaps the type of address one would expect Mr. McGovern, the Federal Taxation Commissioner, to ask one of his bright boys to deliver on the subject of increasing charges on taxpayers. The art of taxation is to get as many feathers as you can from the goose with the least amount of squealing from the goose. The Treasurer attempted to do that by saying in an airy-fairy sort of manner what the Government were doing for the man on the land. I sat on the Government benches for many years and know that when the Estimates for the Department of Public Lands and the Department of Agriculture and Stock were being discussed members of

the Government were berated because the Government were not providing sufficient services for the men on the land who was providing the real wealth of this community.

In the Taxpayers Bulletin for December, 1957, the present Treasurer had this to say—

"People have not yet learnt the lesson that no government creates wealth or produces anything."

Obviously when the Treasurer said that he held the opinion that the real wealth of the country was won by the man on the land. When he and his party were in Opposition they berated us year after year for our failure to provide as extensive a service to the rural community as they considered necessary. Paradoxically, they are now quoting expenditure on those services as justification for extracting money from men engaged in industry who, at some time or another in their careers, elect to dispose of their properties.

From time to time we on this side of the Chamber have asked the Government to try to prevent the growth of the inflationary spiral in Australia, and particularly in Queensland. That spiral was evidenced only this week by an increase of 4s. a week in the basic wage, which I am sure shocked many Cabinet Ministers. I have heard unofficially that they thought the increase might be 2s. The basic wage has soared by 26s. a week since the present Government attained office. We have continually asked for some form of price control, but they have rejected our requests out of hand. They say that there should be unrestricted competition and initiative in the community, and that that is the way to attack the problem of inflation.

The Treasurer cites case after case of capital appreciation on certain properties. But how does he meet the problem? If we introduced identical proposals, hon. members opposite would froth at the mouth. As I have said, that is what they did when we increased the stamp duty on cheques by a miserable penny. The present Premier was very indignant on that occasion. Now, however, Budget after Budget we see increases in various taxes. Although the individual amounts might be regarded as petty, the increases bring in a considerable amount of revenue.

The Government, as a private-enterprise Government, have now reached the stage where they acknowledge officially the system of profit control, something that they have always regarded as repugnant. For years they have told us about the privations of the man on the land; how he combats drought, and so on. Now he has to meet the impact of higher postal charges and heavy railway freights. This is at a time when the price of wool is falling and the threat of synthetic fibres has become very real. In spite of all those things, the Government have decided that the time has come to impose further taxation on these people.

This is nothing but a capital-gains tax. Many people who have no sympathy for the Opposition will suggest that the Treasurer has set a precedent on this occasion. At some future time, whatever government may be in power, they may elect to add to the principles of this measure and there will be no effective way of combating their action.

Mr. Connolly: Is that a threat, or a promise?

Mr. DUGGAN: The hon. member would like it to be a promise. He has been challenged on his statement about workers on the basic wage. He did a dance the other day that would do credit to the Bolshoi Ballet, yet he has the impertinence to challenge my views. I take it that he supported this measure in caucus. If he did not, let him have the courage to oppose it here. If I am called upon to say what our policy will be when we are the Government, I shall gladly accept the challenge. At the present time, however, I am exposing the sham and hypocrisy of hon. members opposite in their attitude towards these matters. The hon. member can scribble away as much as he likes on these matters. His dilettante approach does not impress anybody and all his use of smart phraseology and repartee is not an effective answer to these rural problems.

Mr. Hiley: Is that why you lost Gregory?

Mr. DUGGAN: No. Many other factors were involved and the Minister knows it. He has exploited it and he is continuing to exploit it all along the line. It is the very matter I raised on the Budget, about which he tried so hard to belittle me. It is all sham and hypocrisy. The Government have done everything they possibly can, under the guise of being fair-minded and liberal, to play the shabbiest of political tricks. I want to bring it home to the people, and to more and more people as time goes on. They have used every possible means to cause confusion or division in the ranks of Labour by manipulating various electoral boundaries. I could cite case after case where those of us who know the true story of their machinations can clearly see that the sole purpose of their actions has been to confer political advantage on themselves, yet they strike this holier-than-thou pose. This will test them. The Treasurer cites example of 96 times the premium on land rentals and so-on, yet his own colleague introduces legislation under the Land Acts to confer a 50-year lease of an extensive area of land held under pastoral development conditions, giving a right to tremendous capital accretion. The Treasurer cannot have it both ways.

Mr. Muller: Under exceptional circumstances.

Mr. DUGGAN: Oh yes, but they are not specified. It is left entirely to the Minister and his advisers and I have no confidence in him or in his advisers in the matter. On the one hand the Government are growling about

the tremendous capital appreciation that has taken place and on the other they are doing everything they possibly can to foster it.

Mr. Hiley: Those leases are harrisia cactus leases and the lessees have to accept exceptional developmental conditions to get them.

Mr. DUGGAN: I respect the Treasurer's intellect and his approach to various problems, but he must not lose sight of the fact that we are living in an age of tremendous scientific advance. Only this morning I heard on the wireless an interview with a gentleman who has come out from England to deal with industrial pollution and river pollution. He said that a bacteria has been developed to control the effluent from industrial and other establishments, which will be an answer to the problem in most cities and countries of the world. That has been developed dramatically and quickly. Pick up any scientific journal and week after week you will find big chemical companies and others announcing that they have developed an insecticide to control all sorts of vegetable and other pests or troubles that require correction by biological or chemical means. In the face of all that advance of science, land is being given away on a 50-year lease.

Mr. Muller: The fact of the matter is that it is not taken up. It is land that nobody takes up in existing circumstances.

Mr. DUGGAN: I am saying that. It is land that at present may appear to be incapable of development.

The CHAIRMAN: Order! I hope that the hon. gentleman is not going to get too far away from the subject.

Mr. DUGGAN: We have on the one hand the Treasurer citing examples of great capital appreciation because of what he believes to be a tremendous goodwill value attaching to certain property and he seeks to control that and on the other hand we have his colleague introducing legislation that will permit a more fantastic accretion of capital over a number of years during which scientific progress will perhaps make that land much more valuable not in 50 years but in 5 or 10 years. The A.M.P. Society in South Australia converted the 90-Mile Desert into a fertile region through the application of science—the introduction of trace elements and so on. I am only pointing out, Mr. Taylor, how absurd it is in my view to adopt an out-of-date attitude to these matters. If this tremendous profit is being earned by these people—which has been denied over the years by hon. members opposite—what is wrong with the Labour view of having reappraisals of rentals every 7 years? That would do more to curb the inflationary trend. Certainly it would mean a more equitable distribution of the increment. Why do not the Government stick to that policy? The State would get the benefit if reappraisals were carried out every 7 years.

But the Government have freeholded valuable land in various parts of the State. Posterity is losing the value which should properly accrue.

Mr. Hiley: If you study the Land Bill you will see that the Government's proposal is to accelerate that.

Mr. DUGGAN: It is accelerating development temporarily at the expenses of posterity.

Now I come to another interesting approach of a Liberal spokesman. When we asked the Premier whether he would consider the introduction of three weeks' annual leave we received a nasty, sarcastic, sneering reply that if three weeks' annual leave were introduced in Queensland all the unemployed would flood New South Wales.

The CHAIRMAN: Order! I understand the hon. gentleman is making some analogy but I cannot see how the subject of the introduction of three weeks' annual leave has much to do with the Stamp Acts.

Mr. DUGGAN: I am trying to link it up. The Premier in his nasty, sneering reply said that the proposal could not be entertained. In other words, because it was the policy of a Labour Government, they should take no notice of it. But when they want to increase rates of taxation they endeavour to anticipate or stifle opposition from this side by suggesting that we could not very well attack the rates because they are the rates applicable in New South Wales. That was the Treasurer's attitude. When it suits the Government they cite New South Wales in justification of their legislation. But if we propose some industrial reform we consider of benefit to Queenslanders they are not prepared to listen to our argument when we cite New South Wales.

Mr. Power: You were a member of the Government and you opposed it.

Mr. DUGGAN: The hon. member is not a member of the Government. Not only is he not a member of the Government but he is not a member of the Opposition. After the next elections he will not even be a member of Parliament.

We have decided to concentrate our attacks where they should be launched—on the Government of the day. The Opposition will concentrate their attacks on the Government, not on any of these irrelevant side issues. We shall correct that situation in due course.

The Treasurer made an extraordinary speech when he introduced the Bill. Despite his lucid explanation of its contents, I could not take down in longhand all the details or consider all the items he has referred to at some length and for which I thank him. But after examining the Bill we will have an opportunity to refer to it in more detail at the second reading stage. Certainly it covers a wide range of increases. Frankly, I was amazed that in trying to justify the increases

he made the plea that the additional costs would be borne by the vendor. In respect of the increased hire-purchase charges the Treasurer has taken the view that the purchaser will be protected because the vendor will have to absorb these charges. Has anybody in the community in this year of 1959 seen any predisposition on the part of private enterprise to accept those charges without passing them on? If the Government are going to enforce this measure does it not imply profit control which members opposite have said over the years was repugnant to them. I say that the consumer will not be protected despite the pious aspirations of the Treasurer. The consumer will pay as he always pays when charges are imposed from time to time. I am not at variance with the Treasurer in his desire to recoup for Queensland that portion of our revenue lost because of the transfer of shares from Queensland to southern registers. The stamp duty which is payable in other States would be payable here if corrective action is taken. The Opposition do not want to see revenue that should be paid in Queensland being paid in other States, if facilities provided in Queensland are used; nor do I want to see others avoid their obligations. That part of the Bill will have our support.

Regarding the transfer of shares, I should like to read more about that before I commit myself. It seems reasonable to say that we will increase them to the New South Wales rate; but, as I mentioned before, we should not increase these charges to an extent that will drive business out of this State. A company approached me on one occasion when I was a member of the Government to make some provision for relief of stamp duty regarding accident policies extended to children attending schools. They pointed out that because of the Queensland Act they were originating those documents in Victoria and New South Wales. I thought that was wrong. We were losing money and putting the company to a great deal of extra clerical work. The Treasurer has stated that he will remove some of those confusing requirements where the revenue accruing to the State does not justify the time taken up by the company or by the Public Service. Share transactions are becoming a considerable portion of our commercial activity. The other day I was speaking to a gentleman from one of our big emporiums who told me that in a share register of 2,400 60 per cent. were women. That shows the extent of share purchases in this State. Would they send their share transactions to a southern broker where the charges are less, if they are increased here? If the Victorian charges are the same my argument would not apply, but if they are less there is that possibility. The Treasurer should not be unmindful of what we term the law of diminishing returns.

I say in conclusion that the Treasurer's speech was an extraordinary one. It has been an enunciation of a completely new principle.

The Country Party will not be very happy with it. It is all very well to say that the party with two or three or four dissentients have approved of this measure. I do know that there has been criticism outside because of the impact of this tax, not so much on account of the amount to be extracted. There could be made out a strong case. The hon. member for Mundingburra would say that there should be double the amount.

Mr. Aikens: I am surprised at your attitude.

Mr. DUGGAN: That is all right. I am only concerned at the moment with the approach of the Government which I think has an altered line of thought because it attacks the profit motive which, over the years we have been charged with being out to destroy. For that reason the attitude of the Government is extraordinary. I have been invited to outline Labour's attitude, to say what we would do in dealing with the situation. I am not obliged to do it. I am dealing with what I consider to be weaknesses in the Bill or weaknesses in the political approach of the Government. Broadly speaking, our attitude to these matters was expressed in legislation introduced over the years by successive Ministers for Public Lands in Labour Governments.

Mr. WALSH (Bundaberg) (12.21 p.m.): As I listened to the Treasurer, I realised how difficult financially his position must be getting. He has had to resort to methods to increase revenue that would be completely unpalatable not only to him, but to Government members generally. I have often listened to the Treasurer from this side of the Chamber attacking the particular form of taxation that he now seeks to increase, and therefore think that in due course we will be able to level at him and his colleagues the charge that they were speaking with their tongues in their cheeks when attacking Labour Governments over a number of years on those taxes. We heard Government members when in Opposition use such terms as "socialisation" and "confiscation".

With that brief comment as to the Treasurer's troubles, let me get quickly to the important points of the Bill, as I have only a limited time. I think we would be well advised to defer comment on the provisions relating to hire purchase and the Stamp Duties Act, until we have a copy of the Bill, as some of them may be intricate or complicated.

I point out at the outset that I subscribe fully to the provisions outlined by the Treasurer dealing with an impost on the transfer of Crown leases.

Mr. Aikens: Do you agree with me that he does not go far enough?

Mr. WALSH: I do not agree with the hon. member. He has got to the stage when he agrees with me. I should say that the Treasurer is proposing to do something

that Labour Governments over a period of years failed to do. The reason that may have been given at the time does not matter. Frequently, when I was Minister for Lands, going back 15 years, and Treasurer, I mentioned not one case, but hundreds. While discussing the Estimates of the Department of Public Lands, amendments of the Land Act or amendments of the Land Tax Act, I put on record in "Hansard" instances which obviously showed that the cheap land policy of Labour Governments had been abused because those Governments had not taken corrective action to prevent exploitation in Crown leases to a greater degree than in freehold tenure. That conclusion must be reached by anyone who studies transactions in various industries. The position is not peculiar to the grazing or pastoral industries. It exists in the sugar industry. Instances can be found of the transfer of perpetual lease land used in that industry at a price in excess of the value of freehold land in the area. I have given instances in areas north of Mackay. Even allowing for the full value of crops and improvements as stated by the vendor, in some cases the capital gain to the seller was over £5 an acre above the freehold value.

Mr. Burrows: What about the value of the assignment?

Mr. WALSH: All the hon. member is doing is backing the Treasurer. I believe he will. An assignment is on the same basis as a Crown lease. It is an instrument of the Crown for which the person who leases the land has to pay nothing. The Central Sugar Cane Prices Board provides for the assignment on a particular property at no cost to the landholder, and from then on he is able to sell it at a value in excess of the value of the land in the vicinity with no assignment. It is trafficking in Crown equity. That is what it really amounts to, and I am not going to distinguish regarding these matters. If any section of the community has thrust upon it or is fortunate enough to have a licence, whether an assignment to grow cane or run a Golden Casket agency or any other form of Crown equity for which they pay nothing, I do not see why the Crown should pass on to those individuals the right to exploit other sections of the community. Perhaps the Treasurer was not in this Chamber when I entered into a debate on the matter some years ago with the late Tom Kerr, hon. member for Sherwood, when I stated the question then. I said that the owner of a perpetual lease had far greater security, amongst other things, by virtue of the fact that he was not charged income tax on the gain on the sale of the perpetual lease. In the case of a freeholder there was provision for tax to be imposed on the transfer of the land.

Mr. Hiley: Which would have been wrong there.

Mr. WALSH: If the Treasurer looks at the amendment brought in by the late Joe Lyons in 1937, he will find that this was removed

from the Income Tax Act. Take the sale of hotels and the transfers of leases and property. We realise that if the hotelkeeper sells within 12 months and does not own more than one hotel he can get away with quite a lot.

Governments of the past gave a cheap land policy with rentals at 1½ per cent. to enable people to go on the land, develop their properties and to become of some value to the community without being prevented from so doing because of the imposition of high rentals and other forms of tax. The principle has been abused over the last 27 years continuously because there has been no alienation of freehold land since 1932 although there were some hundreds of thousands of acres that went to perpetual lease prior to that. The nature of perpetual lease land—being held in perpetuity—has allowed for exploitation, and I have complained of it in this Chamber over a number of years. How often have pleas been made to the Government?—and they will be made to this Government, too. There are many takers but few givers. When it comes to a suggestion of increasing revenue to provide for services there has always been a great deal of resistance because of the political implications. I have not hesitated to voice my objections to the exploitation of Crown leases.

I can recall a case in the Cecil Plains or Jimbour area where, because of a selector's financial difficulties, the Government of the day, on the recommendation of Mr. Payne, reduced the capital value of his property from £4 16s. to £1 12s. an acre. Within a few years, however, the selector sold the property for a capital value, taking into consideration the goodwill as determined by the vendor, of £5 6s. an acre. In other words, the vendor placed the purchaser in a worse position than he had been when the Government sought to give him relief from the valuation of £4 16s. an acre. The purchaser in all probability would also have to bear the burden of interest on moneys borrowed to buy the property, in addition to the higher rental.

I am particularly interested in the Treasurer's statement that a vendor will not be allowed to pass on to the purchaser any taxation that may be imposed on the transfer of a property. Such a provision will be virtually worthless unless there is something to follow it up. I visualise that a vendor will make arrangements with the purchaser so that in reality the purchaser will pay the tax.

Mr. Duggan: That will unquestionably happen.

Mr. WALSH: It will unless the Treasurer includes a provision that the sale will be invalidated if such an agreement becomes known to the department.

Mr. Burrows: Even if it is included in the legislation, anyone can practise evasion.

Mr. WALSH: Irrespective of what the law is, someone will evade it. I cannot adopt the attitude that apparently the hon. member for Port Curtis wants me to. My suggestion is that if the legislation is not tight enough now, we should make it tighter. It is impossible to close the door completely to evasion.

Mr. Burrows: You know that it has not been closed in transfers of cane assignments.

Mr. WALSH: If the hon. member has any concrete evidence of something of that nature, he should bring it under the notice of the Central Sugar Cane Prices Board.

Mr. Burrows: For every one that I know, you know a hundred.

Mr. WALSH: I know of none. If the hon. member for Port Curtis knows of any he has a duty to the industry, as well as to the individual, to bring it to the notice of the Central Sugar Cane Prices Board, which has the power to set aside any agreement entered into along the lines that I have referred to. I have not the slightest doubt that many of these irregularities have happened in the past, and it is possible that some of them have been buttressed to some extent by members of Parliament. That aspect of the matter could also be examined. The law relating to sugar cane assignments has been tightened considerably since 1933, and as the Government are now introducing a measure that covers the same principle it would be reasonable to ask them to examine that law with a view to including its provisions in the Bill, if practicable. I can see nothing wrong with their accepting my suggestion, particularly if they are anxious to prevent evasion. The proposal that has been outlined by the Treasurer is nothing very drastic as I see it. How could I, as a Labour man, fail to uphold the principle that he puts forward, anyway? At least I am not out of step with Federal Labour policy. As I understand it, Federal Labour policy has always favoured an excess profits tax. Where is the difference in principle between an excess profits tax on income and a tax on capital gains on the sale of Crown leases? Let us look at the subject fairly and squarely. It is the principle that I am interested in. The political implications must be considered by the Government, but I am not a member of the Government. The principle of taxing excess profits is good enough for Labour policy, and, as there seems to be even more justification for this, I am prepared to give it my fullest support. That is to say, as far as the proposal outlined by the Treasurer is a tax on the transfer of Crown leases it has my support. If there is something in the Bill that does not really give effect to that—and I do not accuse the Treasurer of it—he will doubtless concede me the right to withdraw my support. I have been frank enough to say that I think there is every justification for what he has outlined.

As the Treasurer said, Governments these days have to look for revenue and if there has been a profit of £13,000,000, on the figure he quoted—

Mr. Hiley: No, £5,500,000 profit on £13,000,000 of sales in one year.

Mr. WALSH: May I get a further explanation? Does that amount of profit relate only to town leases or does it cover all Crown leases in the State?

Mr. Hiley: All Crown leases.

Mr. WALSH: I am surprised that the figure is not higher because I should have thought there would have been nearly that much profit made on the Gold Coast.

In passing, I might say that I am one of those who think it deplorable that, with all we hear about high values of land on the Gold Coast the lifesavers, the very people who gave a service that has largely been responsible for building up the Gold Coast, more or less have to go round begging cap in hand for funds to maintain that service.

However, the figure of £5,500,000 profit out of £13,000,000 in sales should convey to the Committee an idea of the amount of capital gain there is to people dealing in Crown leases. It is certainly a payable proposition in many cases.

I was surprised to hear the Treasurer say he was going to limit this to 95 per cent. of the gain on the particular leases.

Mr. Foley interjected.

Mr. WALSH: I think the interjection of the hon. member for Belyando is worthy of consideration. The Treasurer will agree that a Crown lease of 28 years has less security than a perpetual lease and it may be that the category of the lease should be specified because of the very nature of the security. That in turn means that with perpetual leases there are likely to be extracted higher values for goodwill, having regard to the area of the land and to the industry, than there would be even in some cases in the grazing industry.

I should like to see lessees in some instances being asked to pay more. I do not know that there is any other case apart from the one determined some years ago that has always interested me so much. When asked to determine compensation on the resumption of a perpetual lease for road purposes, the late J. H. Shaw held that the lessee's interest in a cane property north of Mackay was 70 per cent. of the capital value. I have never been able to work out how a lessee at any stage of his lease should be entitled to a compensation figure equal to 70 per cent. of the capital value. On that basis if the Crown wishes to resume a perpetual lease for soldier settlement or some other form of land settlement on a smaller scale they would have to charge a very high rental to recoup themselves for the capital outlay on the purchase of the property.

Until I see the Bill I reserve comment about the tax on hire-purchase agreements. If the provision covering tax on the transfer of Crown leases is as outlined by the Treasurer it has my full support.

Mr. AIKENS (Mundingburra) (12.42 p.m.): We witnessed a remarkable exhibition of oratory by the Leader of the Opposition this morning. After hearing him I think we are entitled to ask: "Where are the Labour Party in this State going? In what do they believe? How far are they going to go in their new direction before they stop?" We heard the Leader of the Opposition condemn the proposals contained in the Bill covering the taxing of the profit made on the transfer of leases, root and branch. We heard him audibly sobbing as he made out a case for the wealthy graziers of the State, many of whom live in idleness and luxury on the South Coast. In almost every issue of "The Courier-Mail" we read that a retired grazier has died leaving an almost fabulous sum, in most instances money that he has made out of Crown leasehold, things that belong to the Crown. When we ask where the Labour Party is going we must remember that the hon. member for Bundaberg said that it was the policy of the Federal Labour Government to tax excessive profits. Recently general elections were held in England in which the Labour Party went to the country on the basis of an excessive profits tax or, as they called it, the capital gains tax. Mr. Gaitskell said, "Let us deal with the black marketeers, the profiteers and the spivs." Unfortunately Labour was defeated but had they been elected they would have done to a far greater extent what the Treasurer proposes to do within the ambit of this Bill. They would have taxed capital gains. Already capital gains are taxed in America. They had to introduce legislation to deal with the black marketeers, gangsters and all those who built up capital gains at the expense of the revenue of the State. As the hon. member for Bundaberg so properly pointed out, if we are going to render service to the people of the State we must have the money with which to do it. We cannot get any more out of the pot than we put into it. If we are not going to have revenue coming into the State's Treasury how then can we meet all the demands made upon the Treasury and the Government for the various concessions requested from time to time by almost every section of the community? I stand right behind the Treasurer in his decision to tax the profits made on the transfer of Crown leases and any other Crown instrumentality. As he spoke I interjected that he was making out a remarkable case for taking a bigger bite than he proposes in the Bill. If the hon. gentleman listens to my suggestion in that regard and takes a bigger bite than that envisaged in the Bill, I shall be only too happy to support it. On what side do we stand? Do we stand on the side of the wealthy grazier who makes a tremendous profit out of the sale of Crown leases—which belong to the people—or do we stand on the side

of the ordinary people—the useful people who want something from the Government for which they pay so much? That is the simple issue—on whose side are we? The Leader of the Opposition clearly indicated that the Labour Party is on the side of the wealthy grazier. I am on the side of the useful people—the working class. I do not care how much the Government take off the wealthy grazier or the rich as long as there is plenty in the State Treasury to give to the poor. That has been my attitude, and it has been consistent.

The Leader of the Opposition mentioned in passing that this Government were opposed to the introduction of three weeks' annual leave for the workers. I am in favour of three weeks' annual leave for the workers. I point out that when the Leader of the Opposition was a member of the Cabinet the usual argument they used against the increase—with the exception of the hon. member for Baroona—was that there was not enough money in the State Treasury to give the workers three weeks' annual leave. If the Leader of the Opposition and his ministerial colleagues at the time had taken action as the Treasurer proposes to do under this Bill they could have slugged the graziers and the other rich people, and there would have been enough money in the Treasury to give the workers the three weeks' annual leave. So the Leader of the Opposition speaks with two voices. When he was a Minister he said what amounted to this—we could give it to them but we would have to give it at the expense of the wealthy graziers and we are not prepared to tax the wealthy graziers to find the money that way for the three weeks' leave.

The CHAIRMAN: Order! The hon. member has made his point. I now ask him to get back to the Bill.

Mr. AIKENS: There we have the simple issue as outlined by the Treasurer where a man takes up a Crown lease—something that belongs to the people. How frequently have we heard during this session, particularly during the initiation of the Land Acts Amendment Bill, members of the Labour Party crying, "Do not give away the people's land. Do not convert it from leasehold to freehold. It belongs to the people. It should always belong to the people in perpetuity. The members of the Government are political scoundrels; they want to give it away in the form of freehold tenure." In the next breath we heard the leader of this motley crew saying, "Yes, leave the land in leasehold tenure and allow the graziers to exploit it as they will, but for goodness sake do not take any of their capital gains from them."

Mr. LLOYD: I rise to a point of order. I have listened to the mouthings of the hon. member long enough to realise that it is necessary to correct some of the statements which he has made in relation to the remarks of the Leader of the Opposition.

Mr. AIKENS: I have only 25 minutes.

The CHAIRMAN: I ask the hon. member for Kedron to state his point of order.

Mr. LLOYD: The Leader of the Opposition never at any time attacked the principle contained in this legislation.

The CHAIRMAN: The hon. member for Mundingburra.

Mr. AIKENS: If he did not, I will be as fair as I can—as I always am—and say that he lost himself in a maze of his own verbosity. As I understood him—and as every other hon. member understood him—the whole tenor of his speech was, “Hands off the wealthy graziers of this State. Under no circumstances tax any profit they might make on the sale of Crown leases. If that is not the impression of every hon. member, even the bewildered back-benchers of his own party, then I am very mistaken. We could all see the look of absolute amazement and bewilderment on the faces of back-bench members of the Australian Labour Party when their Leader was delivering his remarkable speech.

As the Treasurer has pointed out, within a certain period, I think one year, Crown land, the land that belongs to the people, the birthright of the people—to use again the expression of Opposition members during the debate on the Land Tax Amendment Bill—was sold for £13,000,000, out of which wealthy graziers made a profit of £5,500,000. Yet Opposition members say “Do not tax that profit of £5,500,000.” The Treasurer has told us quite truthfully that it does not incur any other tax. It is not even subject to income tax. The Treasurer has said there are many calls on the public purse, that many requests are made to him and the Government for financial assistance in various avenues, and consequently the Treasurer has said, “I have to get the money somewhere.” Where else can he get it, if he is to meet my idea as to where he is to get it, except from the wealthy people who were so avidly defended this morning by the Leader of the Opposition.

Mr. P. R. Smith: They were not very well defended by him.

Mr. AIKENS: I am beginning to wonder what the members of the inner executive of the Q.C.E. will say at the Caucus meeting next Wednesday, when A.L.P. members go along to Invicta House to meet them and give them an account of their stewardship for the week, because, if we can believe what we read in the papers, the inner executive of the Q.C.E. is going flat out for full socialisation. I know what the inner executive of the Q.C.E., the Egertons and others, would say about wealthy graziers.

The CHAIRMAN: Order!

Mr. AIKENS: I should have expected the speech of the Leader of the Opposition to be delivered by the wealthy grazier who sits on the A.L.P. back bench, the hon. member for Port Curtis. As a matter of fact, it was such a fanatical defence of the right of the wealthy

grazier to exploit the land that belongs to the people that I have every suspicion that the speech of the Leader of the Opposition was written by that predatory grazier, that big beef baron, the hon. member for Port Curtis.

Over the years since I have been in this Chamber I have raised the subject time and again. I remember the statement of the late E. M. Hanlon that all “Hansards” should be burned or completely destroyed six months after their publication. Although it was made in jest, fortunately for me the suggestion was never put into effect. Any hon. member or person who cares to do so can go through the volumes of “Hansard” since I entered this Chamber in 1944 and he will see that from time to time, when the opportunity presented itself, I bitterly attacked the profits that have been made out of things that belong to the people, in other words, Government leases and licences. I have bitterly assailed the practice that allows a person to get a Casket licence today and sell it a week or two later at a tremendous profit. That was such a racket under the Labour Government some years ago that when Mr. Frank Burke became manager of the Golden Casket Art Union he insisted that he and he alone should have the right to issue Casket licences. Hon. members opposite have spoken against the excessive prices paid for transfer of liquor licences or taxi licences. Much the same principle is involved. These leaseholds belong to the Crown. While it is right, I suppose, that a man should be paid something for the work he does on a Crown leasehold and for the goodwill he builds up, I do not think anyone can justify some of the prices that have been paid in recent months or years for Crown leaseholds in this State.

I am glad that the Treasurer mentioned that road transport in Queensland is eating into railway revenue, which is part and parcel of the revenue of the State. I shall not pursue the matter as the Minister merely mentioned it in passing, except to say that I hope the Government will take firm measures with every semi-governmental body, and every local authority who gets some form of revenue from the Government to see that it does not take railway revenue in the form of subsidy with one hand and give all its transport business to road transport companies.

The CHAIRMAN: Order!

Mr. AIKENS: The Treasurer mentioned it.

The CHAIRMAN: Order! The hon. member has mentioned it in passing. I hope that he will now get back to the Bill.

Mr. AIKENS: The Treasurer mentioned the subsidies paid to electricity authorities for rural electrification. I shall touch on it only in passing, with your condescension, Mr. Taylor and say that the rural people are not getting the electricity they should be

getting. If the Minister in charge of electricity in this State, who by the way is doing an excellent job, will closely investigate the way some of the regional electricity boards are not putting into effect the policy of the former Government and this Government of giving electricity to the people and not spending on rural electrification the subsidies the Treasurer mentioned were being paid to them for the purpose, and do something about it, I and the useful people in this country will be happy to know that something is being done.

A short time ago the Government introduced a measure to provide for an increase in the moiety paid by insurance companies for the upkeep of fire brigade boards. Immediately that was done, every insurance company in Queensland, with the exception of the State Government Insurance Office, passed the extra money and a bit more on to the policy holders in the form not only of increased premiums but deliberately put on stamp duty on the payment of the premiums. So much so did they do this that I took my insurance business away from the company I had it with and handed it over to the State Government Insurance Office.

Mr. Walsh: You should have done that long ago.

Mr. AIKENS: I set a trap for one of the Duggan crowd but the hon. member unfortunately walked into it. I would have always had my business with the State Government Insurance Office but that office would not give me storm and tempest cover on my home when the hon. member for Bundaberg was the Minister in charge of the office.

Mr. Walsh: Don't be silly.

Mr. AIKENS: That is true. I asked a question in this House about it. Now that office has given me storm and tempest as well as fire cover I have transferred my business to it. It is cheaper and better too. If we are to have any tax on the policy or premium of any other insurance policy, the private insurance companies and, to their discredit, the big mutual insurance companies will not only pass on the cost of the tax to the policy holder but they will add a bit extra and increase their own profits by a cheap and snide method. I hope the Treasurer will have a look at that point.

As the time, Mr. Taylor, is 1 o'clock and as, like Cassius, you have a lean and hungry look, waiting for your lunch, I shall conclude.

Mr. LLOYD (Kedron) (2.15 p.m.): I listened very attentively to the mouthings of the hon. member for Mundingburra, who, in his endeavour to get the support of the Liberal Party, is continually making personal attacks on members of the Australian Labour Party. His efforts to distort the speech of the Leader of the Opposition, I am sure, will do him no good with the Liberal Party. By his attacks on the Leader of the Opposition

and other members of the Australian Labour Party, he is trying to enter into an unholy alliance with the Liberal Party. I understand that he has said that if he is not opposed for South Townsville, his party will not enter a candidate for North Townsville. His object is quite clear to me and, I am sure, to every other hon. member. I am certain that the Liberal Party will not be taken in by his confidence trick.

When in Opposition, the Government opposed any form of sectional taxation that affected the primary producers. In stating a case for the imposition of this form of taxation, the Treasurer said that because of the rise in values and the tremendous profits being made by men like the hon. member for Roma and other hon. members opposite—

Government Members interjected.

Mr. LLOYD: Let me assure hon. members opposite that I agree entirely with that principle of the Bill, but the tax should be imposed throughout the community, not only on one section of it. The Treasurer has said that 2 per cent. of the purchase price will be subject to taxation, but already the purchaser has to pay a conveyance fee of 1 per cent.

Mr. Hiley: I said that.

Mr. LLOYD: A stamp duty of 2 per cent. will now have to be paid by the vendor.

Mr. Hiley: As an additional duty on the transfer of Crown leases.

Mr. LLOYD: And a fee of 1 per cent. has to be paid by the purchaser.

Mr. Hiley: The 1 per cent. now becomes 25s.

Mr. LLOYD: We will take it at 25s. What will happen if we apply the principle to every other legislative enactment? The hon. members for Bundaberg and Mundingburra have already pointed out that there are other forms of licensing. In other words, the Government give concessions to people with virtual monopolies in industry. They have secured the advantage of an appreciation of goodwill because of the general inflationary processes of the economy in past years. Land tax is imposed on freehold properties and the Treasurer now wishes to use the argument against the appreciation in value of perpetual leases and ordinary leases. If the same argument is used to justify a tax, why cannot it be used for exemptions, too? When it is all boiled down, there is very little difference. A piece of land may have been bought freehold 50 years ago for a nominal sum compared with today's values. Its sale price today may reflect a tremendous appreciation thanks to the community effort. If its value has risen so high as to attract land tax but the intention is to exempt it from land tax, why cannot a similar exemption be extended to leasehold land by the Bill?

The hon. member for Mundingburra, who apparently did not listen to the Treasurer's introduction, said that the workers will not be hit by the legislation. Let me pose the case of a man who built a workers' home. I am subject to correction on this and I certainly hope it will be to the benefit of these people. Say a family man built a worker's home some 40 years ago on land that he leased from the Government at a valuation of £25 to £30. Today, because of community effort and inflationary processes, it is worth £500 to £1,000. There are many such cases. The man may have retired from employment. He may have paid the house off and he may be unable to afford the 3 per cent. rental on the property, which would amount to £20 or £30 a year, in addition to the rates, and live on his pension. He has no alternative but to sell the property. Is he to be made to pay the 2 per cent. on the total selling price, or 5 per cent. of the goodwill appreciation in the interim?

Mr. Hiley: This Government, always considerate of the workers, has excluded Workers' Homes.

Mr. LLOYD: We do not trust the intentions of the Government at the present moment and, until we see these matters in the legislation, we do not intend to let them rest. We wish to retain the privilege of bringing them forward, and, if there is an opportunity for the Government to tax the working man as well as the wealthy grazier, we do not think they, in all sincerity or apparent sincerity, should take the opportunity. The Bill could very well exempt many perpetual town leases.

The legislation is controversial enough for us to refrain from giving a definite opinion on it at present. I am sure all hon. members will agree with my Leader that we should wait until we study the Bill. Not once during his speech did he actually attack the principle in it, as suggested hypocritically by the hon. member for Mundingburra. It may well be that the Bill is quite sound in many respects, as long as it does not provide for extra taxation on one section and not on another.

From the Minister's introductory remarks it appears that on hire-purchase agreements there is to be a stamp duty of £2 on the first £100 and 5s. for each additional £25. It could mean that the stamp duty will be in excess of the 1 per cent. on the memorandum of transfer of a property. For instance, a hire-purchase agreement involving £500 will attract a charge of £6 whereas only £5 would be chargeable on the memorandum of transfer on the sale of a property in freehold for £500. We must take matters to their logical conclusion. Finance companies are lending their money so that people can purchase various commodities. Should a trading bank that advances money by way of overdraft to a person or a company for a specific purpose be taxed by charging stamp duty on the registration of the overdraft? Matters can be

taken to their logical conclusion and, of course, they can be stretched too far. But I think we are entitled to study the legislation in this way.

Cane assignments have been mentioned. Cane assignments are granted to enable people in the industry to make a living and to help the industry to survive and be prosperous. Nevertheless it is a Government-created monopoly. The transfer of cane assignments increases the value of the land by as much as £10, £20, perhaps £50 an acre. There is no suggestion to impose a 2 per cent. tax or a 5 per cent. tax on the goodwill appreciation. Legislation has been introduced to enable milk vendors to have block runs. Again there is a goodwill appreciation on the sale of block runs. Would their transfer attract stamp duty? What about the paper runs established by newspaper companies that have guaranteed a prosperous living to many people?

I do not disagree with the principle of the Bill. It is merely a matter of whether the taxation is too high, whether it is too sectional. These are matters we have to consider. We must have the opportunity to express our views before the Bill is printed. It is essential that we should be able to do so without the histrionics and mouthings of the hon. member for Mundingburra who is trying to make a pact with the Liberal Party in Townsville so that he will not be opposed in South Townsville. Therefore he is doing his best to assist the Government instead of attacking them.

Mr. AIKENS: I rise to a point of order. I was told that the hon. member for Kedron had said that in my absence. I am glad that he repeated it while I was here. I am in the happy position to be able to say that I do not care two hoots in Hades who runs against me. I will win by the proverbial street. I have not got to make any arrangements with anybody.

The CHAIRMAN: Order!

Mr. AIKENS: And to finish my point of order, Mr. Taylor, unlike the hon. member for Kedron I did not apply recently to join the Liberal Party.

Mr. LLOYD: The hon. member has demonstrated his capacity for distortion of the truth. In order to distort the truth, the hon. member told what could be called lies, if anything.

The CHAIRMAN: Order! The hon. member has made a statement and the hon. member for Mundingburra has denied it and I think that is sufficient.

Mr. LLOYD: With all due deference, I am afraid I did not hear the hon. member for Mundingburra deny that he had a pact with the Liberal Party in Townsville. The Leader of the Opposition rightly pointed out that the Government members whilst in Opposition attacked this form of legislation, viciously and bitterly. The Leader of the Opposition

exposed the hypocritical attitude of the Government who, in their attempt to secure extra finance to balance the Budget, do not care whether the tax is sectional or not. There are other spheres where governments have given a prosperous living to people by licences. Surely we are entitled to information in regard to these things—whether it is the intention of the Government to extend this provision to cover not only graziers, but town leases and other gratuities given by the Government to industries and individuals. It is unfortunate that we have not seen the Bill. After we have seen the Bill we will be in a better position to express an opinion.

Mr. CONNOLLY (Kurilpa) (2.33 p.m.): It is perhaps not surprising that the hon. member for Kedron should spend the greater part of his time on his speech and on a point of order in an effort to extricate his Leader from the position in which that hon. gentleman has got himself and the other members of his Party. The Leader of the Opposition said that this is remarkable legislation, but the thing that is remarkable is the attitude that he took up. I do not say it has been taken up by other hon. members opposite but they are very uncomfortable. The hon. member for Mundingburra asked a question which rather intrigued me. He said, "Where is the Labour Party going?" Unfortunately for the community at large—and I have said something like this before—the Labour Party does not seem to be going forward or backward; it just isn't going anywhere. The Australian Labour Party used to have a set of principles, although all people did not agree with all of them, but the only principle they seem to be dedicated to today is the principle of opportunism—taking advantage of the situation. I should like to know why is it that when this serious question is raised the Leader of the Opposition should shed crocodile tears about the way in which the Government are taxing the enterprise and initiative of the graziers? Where are the hon. members for Warrego and Barcoo? Is that the attitude they take? Do they believe that is wrong in principle?

A.L.P. Members interjected.

Mr. CONNOLLY: Hon. members opposite do not like it.

Mr. Duggan: If you want to know where he is, he is out in his electorate.

Mr. CONNOLLY: Why is it that A.L.P. members are cavilling about it.

Mr. DUGGAN: I rise to a point of order, because of the rhetorical question asked by the hon. member for Kurilpa, "Where are the hon. members for Warrego and Barcoo?" I inform hon. members that the hon. member for Barcoo is in his electorate, in the grazing areas of the State.

Mr. CONNOLLY: I am happy to accept the explanation, just as I am sure that the Leader of the Opposition is happy to be in

a position to offer it, because I cannot believe that those old stalwarts of the Labour movement from the West would come in here and cry crocodile tears about the opportunities of the grazing community to make out of the assets of the community which have been in their trust for a few short years profits which have been expounded to the Committee by the Treasurer. Who is it who has told us of the hundreds of telegrams that have been directed to Government supporters and possibly to the Opposition? The Leader of the Opposition. Who is it who is affecting this extraordinary concern? The Leader of the Opposition. Is it by any chance that Labour has lost its whole philosophic background and is scrambling around on the floor of the Chamber for any sort of argument to use against a measure introduced by the Government. If that is not the position, it certainly looks like it.

The Leader of the Opposition affected a little heat, a little irritation with me because I interjected on one occasion while he was speaking. He became rather testy. It is useless to get scotty or bad tempered with other people. The hon. gentleman was trying to walk a tight-rope. For a moment he would go down on one side, and in the next moment he would be down on the other. He said in effect, "You are instituting a capital gains tax." If the grazing fraternity think they are going to derive any comfort from the attitude of the Leader of the Opposition, it will be merely cold comfort, because he then went on to indicate to the grazing fraternity what they can expect if by some extraordinary turn of fortune's wheel he ever got back onto the Treasury benches. He said, "You do not know whether another Government may not increase greatly the proportion which you propose to take from the profits of the graziers." We are taxing initiative and enterprise! Are we, indeed? It has been described as a capital gains tax, but what is the position? What is it that the grazier using Crown leasehold is operating with? He is operating upon a capital loan made to him by the community. The interest on that loan that he gets from the community, in terms of rental, is extremely low. The community proposes to say to him, "If you, in addition to having the use of our capital, our land, for 28 years, make a substantial profit on turning it over, on selling it to someone else, bearing in mind the fact that the interest we charged you for the loan, that is, the Crown rental we have charged for years for your holding, is entirely below an economic level, we propose to take for the service of the community a very small proportion or percentage of the profit which you have made." Does Labour oppose that. That is what I wanted to know.

Mr. Mann: More if I had my way.

Mr. CONNOLLY: I am indebted to the hon. member for Brisbane for his interjection. I am bound to say that when I asked

the Leader of the Opposition a question in those terms he became obsessed and started to direct some derogatory remarks to me. I do not mind derogatory remarks. It is very important that the Committee should clearly understand the attitude of the official Opposition on this subject. I think that the Leader of the Opposition proposes to force the Committee to a division on this issue. I hope he does. I should like to know where every hon. member in this Chamber stands. I am sorry that the hon. members for Warrego and Barcoo are not here to record their votes in division on this issue.

It was said by the hon. member for Bundaberg that this measure is one which must be unpalatable to the Government benches. I do not think it is. I know that the grazier naturally puts up a bit of resistance to it but I think, at the same time, that the intelligent grazier knows that this sort of thing must come about. I do not blame the grazier. I do not criticise the man who stands to make a profit if he manoeuvres as best he can to avoid paying additional taxation. Hon. members would do so themselves if they could get away with it. The Government do not respond to pressure exerted by pressure groups whether they are of the same political kidney as us or not. There was an instance of pressure brought to bear in connection with trading hours. The Government, I repeat, does not capitulate to pressure from a group even if it is of the same political kidney as ourselves. There is nothing unpalatable in this matter. The Bill is a fair thing to the community at large, and in the circumstances outlined the measure only applies to sales of the community's assets. If those using those assets are not making a return to the community the imposition will apply on the sale of the assets. If Crown rentals were made economical rentals, the Crown would be getting back the things this Bill proposes to exact. If Crown rentals are raised or if land tax is imposed the burdens will fall on the continuing producer, the man staying in the industry and battling against the uncertainties of life. This imposition is being placed only on the man turning a property over. He says to himself, "I have had a fair thing out of it and now propose to sell the property." Would a reasonable man mind paying either 2 per cent. on the total consideration or 5 per cent. on the goodwill content, depending on the alternative he chose to adopt? He has had the use of the land, and I have enough confidence in the grazing community to know that the balanced members of that community will not mind. They understand that this has to come. It is either that or other forms of taxation falling on the producer direct rather than the profits made when a man sells out. It would be easy for me representing a city electorate to say that I am not concerned about telegrams from the West. In a political sense perhaps they do not affect me; but our fortunes stand and

fall together. We must do what is right by the grazing community and not say that it is only a small group and perhaps it does represent a large voting power, and therefore we can saddle it with a heavy burden. I do not suggest that. I think that every intelligent member of the grazing community once he understands the basis of the legislation and what alternatives might fall on the man on the land will say that the Government after all are doing a fair thing in the general interest and will not complain.

I hope that the Leader of the Opposition forces a division on this question because I should like to see recorded in Votes and Proceedings where every member of the Chamber stands in the matter notwithstanding the pious platitudes and crocodile tears that have been shed by those who are not only insincere but hypocritical in their attitude to this measure.

Mr. HART (Mount Gravatt) (2.45 p.m.): After listening to the Leader of the Opposition, I found it very difficult to decide whether he opposed the Bill or not. From the way he spoke I came to the conclusion that he was opposing it, and the hon. member for Mundubberra, too, interpreted his remarks in that way. The Deputy Leader of the Opposition said that his Leader meant nothing of the kind. If so, he should have expressed himself more clearly. Even though he apparently opposed the Bill, he said that if he ever gets the chance he will double the duty that is now being imposed.

Whatever name anyone likes to give this tax—whether it be excess-profits tax, capital-gains tax, or anything else—I regard it as a very fair tax. It is more analogous to land tax than any other form of tax, except that it falls only upon vendors and upon the profits made by them. In that respect it bears a strong resemblance to former provisions of the Income Tax Act. Formerly, if a man held land for less than seven years and sold it at a profit, the profit was taxed.

Mr. Walsh: That was on freehold land.

Mr. HART: That is so. In reality, of course, nobody owns freehold land. It is held under freehold title from the Queen, who is the real owner. At any time the Crown can resume freehold land under the Public Works Land Resumption Act, and other Acts.

I disagree with the statement of the hon. member for Bundaberg that, under the Federal Income Tax Act, a profit made on the sale of leasehold land does not attract taxation. I refer him to Section 26 of that Act. If, in certain circumstances, a profit is made on the sale of leasehold property, income tax must be paid on it.

Mr. Walsh: Does that apply to Crown leases?

Mr. HART: It applies to any property whatsoever.

Mr. Hiley: It does not apply to Crown leases.

Mr. HART: I may be wrong there, but I think that under Section 26 of the Federal Income Tax Act, if you buy a grazing selection or any other property for the purpose of resale at a profit and sell it soon after at a profit, the profit is taxable. At least, that is my interpretation of the Act.

Land tax is levied on the capital value of land held as at midnight on 30 June each year. The tax is levied on the value of the property. I can see nothing wrong with levying a small tax on any profit that may be made on the sale of grazing land. This is a much fairer tax than land tax, because it is levied only on a very small proportion of the profit made on the sale. It is not a tax on production, because as long as a grazier remains in possession of the land no tax is levied on him. The grazier is taxed only when he leaves the industry and, even then, only a small proportion of the profits that he has made is taken from him. I can see no objection to that.

The Leader of the Opposition said that the hire-purchase companies would pass the tax on to the hirers. I do not think that will be so under the Bill.

Mr. Mann: Oh, what nonsense!

Mr. Houston: Don't kid yourself.

Mr. Mann: You do not think the hire-purchase companies are going to carry the burden, do you?

Mr. HART: I can see that hon. members opposite have not studied the Hire Purchase Bill. Under it the maximum interest rate to be charged is 20 per cent. Hon members opposite fixed no limit on interest. On refrigerators and the like the maximum rate now charged is 10 per cent. flat, which works out at about 19½ per cent. That is the average charge made by the companies so there will be no room to pass on the tax.

Hon members opposite would do well to realise that at present, by having such extremely low taxes, we are subsidising all the people in the southern States. Down there the rate of tax is higher. I think it is 2 per cent. already in Victoria and we propose to go only to 1 per cent. Previously the hire-purchase companies passed on the 2 per cent. charged in Victoria but they passed it on solely to hirers in Queensland. The Bill proposes to alter that.

Mr. Walsh: You could not stop the interstate trader from passing it on.

Mr. HART: No, but it is already charged in the South and already in the charges made by the hire-purchase companies there would be that sum that they had to pay to southern interests. They are passing it on at the present moment to hirers in Queensland.

Mr. Mann: There is nothing in the Hire Purchase Bill to lower the interest rates charged.

Mr. HART: That matter has been discussed at length in the debate on the Hire Purchase Bill and no doubt it will be discussed again. The hon. member does not seem to be able to grasp what has been explained to him—that none of his Labour friends in the South have seen fit to legislate on hire-purchase interest rates, for perfectly obvious reasons. All that has been explained in that debate and I do not intend to go into it now.

Mr. BJELKE-PETERSEN (Barambah) (2.53 p.m.): I have listened to the debate with interest. I shall not attempt to reply to the various statements. No doubt the Treasurer will do that if he thinks fit. The remarks of the hon. member for Mundingburra show his complete ignorance, particularly about the people of the inland, who will be largely affected by the Bill. He made the rather astounding statement that he did not care how much the Government taxed them—the more the better as long as 'he money came flowing into the coffers of the Treasury. He showed his complete lack of concern about the role those people play in the development and prosperity of the State. He said he stood for the useful people, meaning, I take it, people who work with their hands and draw a wage or salary. I fail to see, as I am sure all other hon. members will, how the people of the inland can be termed other than useful people. Indeed, I should say without much fear of contradiction that they make a much greater contribution to the wellbeing and prosperity of the State than the hon. member for Mundingburra does.

Mr. Walsh: I assume that you are talking about the bona-fide land settlers?

Mr. BJELKE-PETERSEN: Yes, all the inland people who have played a part in the development of the State. The hon. member for Mundingburra would draw a line distinguishing one section of the community against whom everyone should be opposed, including the Government. The hon. member would fleece this section of the community as much as possible. But this section is far more important than the hon. member for Mundingburra. He spoke about the large sums of money that people have left after death. He spoke about their making their money out of the assets of the Crown. Other hon. members have tried to make the same point. But I do not agree with the statements made about making money out of the assets of the Crown. The assets of the Crown would not be worth 2s. unless somebody did something about them. The same principle applies here as in other walks of life. If leaders of industry build up their assets they are allowed to sell their businesses without having to pay a tax. Why not? Leaseholders have built up their assets and should not be taxed when they make a sale. Many hon. members opposite assert that there should be no capital gains whatever. Of course, that is the Socialist attitude that has been expounded by many of them for years. It is the type

of remark we might expect on a measure like this. Only during the war and since the war have many of these people been able to command sufficient income to make improvements and so increase the value of their leasehold properties.

When this Bill was first mentioned by the Treasurer in his Financial Statement many protests came in from various people throughout the State, particularly from the grazing community, which represents only a comparatively small number of people. I received many protests from graziers in the Barambah electorate, more than I have ever received on any previous complaint. Other hon. members have received objections to the principle in the Bill. The fact that the Government are short of money, that their costs have gone up, is very small consolation to these people who are not happy with the new principle. Their costs are always on the increase. Although shearing rates have been stable for a time their general costs, freights, etc., are continually on the up. They have no means of passing on their increased costs.

Mr. Power: Cattle prices are higher.

Mr. BJELKE-PETERSEN: That is because of the scarcity of animals and the greater demand. I am sure that all hon. members will admit that the Government have done an excellent job. They have achieved a wonderful record. There are many more bus transports for primary and secondary school children attending new schools and there are many more public buildings throughout the State.

Mr. Foley: Why spoil it by what they are doing?

Mr. BJELKE-PETERSEN: I believe that the hon. member agrees with me that the Government have done an excellent job. The Treasurer and his colleagues have the job of distributing moneys, and it has been spent throughout the country over the last couple of years. So much so I often wonder what the Labour Government did with the money when they were in power.

The **CHAIRMAN:** Order! The hon. member is drifting away from the motion.

Mr. BJELKE-PETERSEN: The Government are in need of greater amount of finance. I am pleased that the Minister for Development, Mines and Main Roads will spend more money in the West; that will

help to compensate the western people. However, I am right against any new principle of taxation. All people irrespective of their walk of life cannot escape taxation and death duties. I am opposed to something that is sectional, as in this instance where the people have no control over the costs which the industry attracts in various ways. They all pay income tax the same as everybody else, but on a higher scale than the average. This industry is not like other industries that are able to pass on increased costs.

Mr. Hiley: There is no extra tax on land.

Mr. BJELKE-PETERSEN: I realise that point. My main purpose in speaking was to register my protest against the introduction of a new tax which will increase rather than decrease. That is as sure as the sun will rise tomorrow. These things never decrease; they increase and grow. We only have to look back over legislation providing for a small charge which gradually grew to a large one.

Mr. Windsor: Sales tax is one.

Mr. BJELKE-PETERSEN: Yes. It must not be forgotten that many of these people sell out only after many years of occupation. Many of them spend most of their lives on these properties. They have battled with droughts and other disabilities during that time. Now, because they have developed their properties, because of the price of wool, and so on, they are able to sell the properties at a profit. It must not be forgotten also that they have spent tens of thousands of pounds to develop their properties. They are able to sell them at the present market price only because of the expenditure of that money on development. I know of these things because for approximately 12 years I was associated with developmental work in the West. The life of these people is not as easy as many others believe. I have heard references in the Chamber to the idle rich of the West. Those people who know the West and western people realise only too well the planning and organisation of work undertaken by western people. Many graziers operate in a big way, and others in a small way, but by their efforts they have turned land that was not worth very much before the war into an asset of great value to the community. It is unwise in my view to introduce this new method of taxation of profits. The rate of tax will grow rather than diminish; the principle may be extended to other fields. In my view those from whom this money is to be collected deserve all the benefits they have been able to achieve by

the sale of leaseholds developed only after a lifetime of hard work.

They have paid high taxes, particularly high taxation during the war years. Indeed, we know that the Commonwealth Government depended very largely on taxes paid by this section of the community to cover huge Federal undertakings.

In the circumstances I am not happy with the principle of this legislation. I know very well the people in this section of the community, and the work they have performed to develop their properties and improve the assets of the State. I do not think it is very wise legislation, although the subject is most important and the circumstances are such that the Treasurer has felt bound to introduce it. There are many aspects of the subject. I could speak at considerable length on it, but at this stage I think I should emphasise only that this is an entirely new method of collecting revenue. I regret its introduction.

Hon. P. J. R. HILTON (Carnarvon) (3.9 p.m.): I shall not delay the Committee for any great length of time. I was interested in the different opinions expressed from both sides of the Chamber on this far-reaching measure. On the points that have emerged, and as I have not seen the Bill, I am inclined at this stage to oppose the principles, particularly that of levying some duty on the sale of Crown leases, as I consider that such a duty is sectional. A great deal has been said about tax on capital appreciation. There is much theoretical and logical argument in favour of such a tax, but that is not the issue before the Committee. If we were considering an all-round increase or a tax on capital appreciation such as prevails in America, as the hon. member for Mundingburra rightly pointed out, we could perhaps approach the subject in a more reasoned or more care-free manner. I think it is sectional in character. It is unwise to levy sectional taxation although the circumstances demanding it might be great indeed.

Mr. Hiley: If that is your view how did you remain a member of a Government that for years levied land tax?

Mr. HILTON: Land tax on freehold land applied for years and years.

Mr. Hiley: It is a sectional tax.

Mr. HILTON: To some extent the Government propose to eliminate land tax and at the same time impose this tax likening it to land tax.

Mr. Hiley: We are not eliminating land tax.

Mr. HILTON: To some extent. On the one hand the Government are raising exemptions in respect of land tax on freehold and imposing tax on leasehold so far as the small man is concerned. If that is the case I am violently opposed to the principle of letting one section off and bringing another

section in. During my political career I have had many cases brought to my notice of leaseholders being forced to sell because of circumstances. Admittedly on sale they would get over and above what they paid for their land. A man heavily involved with a finance company or a bank might be forced to sell. Is a man to be taxed under this legislation if, because of adversity, he is forced to sell and sells at a profit? If that is the case I am again violently opposed to the principle as it is unsound, unwise and dangerous. We have to consider those aspects before we can give such a measure our blessing or otherwise.

I am reminded of the Treasurer's remarks in his Financial Statement describing the new formula as one of barest sufficiency for the State. In addition to increased revenue by the new formula we find that taxation is to be imposed in this direction and so far as I can see it will be sectional in its application. That is something about which I am not happy.

The hon. member for Barambah made a point with which I very much agree.

In the field of primary producers we meet all categories—some big, some small. I am not now making out a case for the big man, but we must remember that many small selectors have borne the heat and burden of the day. Much of an invisible nature results from their initiative and good management, something over and above the visible improvements. They have grappled with drought and flood, and something in addition to the visible improvements is represented in the sale price of the property. It is not fair that they should be taxed on the increase in the value of the property that is brought about largely by their own initiative and determination.

Mr. Aikens: Would you rather increase their rent?

Mr. HILTON: The determination of rent is a matter for an authority created by the Crown. As I say, the determination and perseverance of a settler should not be unduly taxed when he sells his property.

Mr. Hiley: When we are leaving him 95 per cent. of the gain, do you think that is an undue interference?

Mr. HILTON: It is a tax on initiative and determination. If the principle was being applied to every other phase of industry where Government licensing is a dominating factor, there would not be so much valid argument against it. What about transport licences, which are sold at enormous profits? Is there any increase in taxation there? Admittedly the licensees have to pay tax on their manifests, but the values of their licences are far in excess of those of many leasehold properties. Will an equivalent increase in stamp duty be applied to them? To be fair, the Government should do something along those lines. That at least would remove the sectional aspect of the Bill that I object to.

Until we hear the Treasurer elaborate further on the Bill and until we can study its provisions, we must suspend judgment. However, from what I have heard today the legislation involves sectional taxation, which must be deplored.

Mr. BURROWS (Port Curtis) (3.19 p.m.): A line of logic that I cannot follow is often adopted by some hon. members. In effect, they say that because somebody does something wrong, other people are justified in doing the same. The hon. member for Carnarvon has just said that because the holders of transport licences escape taxation, everybody else should. It would be just as logical to say that if we are unable to catch every burglar in the State, we should set free those whom we now have imprisoned. The Bill, like the curate's egg, seems to be good in parts. We have had only a brief outline from the Treasurer and naturally we are a little timid about declaring whether we support it wholeheartedly or not. As to taxing unearned income that accrues, one has only to read the advertisements of grazing properties for sale to find that people want £3 to £5 an acre plus the cost of improvements for a lease. There is no doubt that the properties are sold. One in my electorate was sold the other day for £240,000 and it is not an area that has big cattle properties. From the brief outline given by the Treasurer, I have no quarrel with that part of the Bill.

I am sorry for those who have to buy on hire purchase. Those who can escape it are very lucky but those who have to resort to it are unfortunate.

Mr. Power: It is because of their low income.

Mr. BURROWS: That is so. We have a Hire-Purchase Bill on the business sheet and one of its disappointing features is that the present Government have refused to limit the effective rate of interest on hire purchase. I am not one of those who looks always for the cloven hoof in anything associated with the Government but it seems to me that the quid pro quo for the hire purchase firms goes somewhat along these lines: they say, "Lay off us in respect of the limitation of interest and you can put stamp duty on the agreements." The hire-purchase companies always win because the unfortunate hirers will have to pay that stamp duty.

Mr. Wordsworth: You have a good imagination. You should write a book.

Mr. BURROWS: I do not know about having a good imagination. At least I have a conscience and that is more than the hon. member could have or he would not be sitting on that side of the Chamber.

The CHAIRMAN: Order!

Mr. Wordsworth: There is no need to be nasty.

Mr. BURROWS: I have no need to be nasty. If I wanted to be nasty—

The CHAIRMAN: Order! Will the hon. member please pursue the subject of the Bill!

Mr. BURROWS: We have not seen the Bill yet but I agree with that part of it that enables the Government to get some share of unearned profits. The Government are really the people and it is the people's land that is being transferred so surely a moiety of that unearned profit should go to them. With his perverted sense of humour the hon. member for Mundingburra said that I would be defending the wealthy graziers. This morning we witnessed the almost daily unfortunate exhibition from the hon. member who is prompted by job consciousness, a fear that at the forthcoming elections he will lose his seat. He comes cringing, crawling, and toadying to the Liberal Party in the hope that they will not oppose him at the next elections. If they do oppose him he is hoping that preferential voting will be introduced so that in return for his slanderous attacks on the A.L.P. they will give him their preference rather than the Labour candidate.

Mr. Aikens: I hope if anyone opposes me he will be a dill like you.

The CHAIRMAN: Order!

Mr. BURROWS: If the hon. member wants a dill to oppose him he will have to oppose himself and then he will have no opposition.

The CHAIRMAN: Order!

Mr. BURROWS: As far as this political outcast is concerned—

The CHAIRMAN: Order! What the hon. member is saying has already been said. It is tedious repetition. I ask him to consider the subject matter of the Bill.

Mr. BURROWS: When the hon. member takes up the cudgels on behalf of wealthy graziers and alleges to the amusement of the Committee that I am a wealthy grazier I have no objection. The only point is that he is not correct. If I were a wealthy grazier at least I would have acquired my wealth honestly without adopting any of the cringing, toadying tactics we see him demonstrating every day in an effort to get a job—even the most humble job. At least I have always preserved my self respect. I have never been job conscious.

Mr. DAVIES (Maryborough) (3.28 p.m.): I rise because of the misrepresentation that has taken place, particularly in regard to the Leader of the Opposition. I was pleased to hear the hon. member for Barambah express his honest opinion about the Bill. It was what we would expect of him. He did say that he did not think it wise, that the Bill was unfortunate. Where are the other members of the Country Party who represent grazing areas? Where is the hon. member for Aubigny? Where is the hon. member for Marodian? We expect Cabinet Ministers to support their colleagues. Where is the hon. member for Tablelands? Why has the

hon. member for Balonne not risen in his place? I have no objection to the two hon. members who are barristers rushing in to the support of the Minister. Each member has the right to have his say. But one would think that hon. members representing grazing areas would have been selected to come to the defence of the Minister. That they did not is evidence that there is a big cleavage in the ranks of the Government on this principle. The hon. member for Roma who is generally vociferous in his remarks is completely absent this afternoon. One would think that the hon. member for Mackenzie would have had something to say about the Bill. Who have supported the Government? The representatives of the city grazing areas. The two barristers have been rushed out of Court to come in to the Minister's defence.

The CHAIRMAN: Order!

Mr. DAVIES: I conclude by saying that after speaking they just as quickly rushed out of the Chamber, evidently to return to Court. We had the hon. member for the pocket borough gerrymandered seat of Kurilpa rising in his place. How many sheep are in some of the holdings in his electorate? Take the Highgate Hill selection and the Fairfield grazing areas.

The CHAIRMAN: Order! I am not going to allow the hon. member to expound on electoral boundaries. I ask the hon. member to deal with the subject matter of the Bill and please not to deal with personalities.

Mr. DAVIES: In an area of 667,000 square miles, one would have thought that a member representing a country area would have been selected to support the Minister—at least one who represented more than 1½ square miles. The hon. member for Barambah was listened to attentively. I shall have more to say on the tactics of members of the Liberal Party when I speak on the Budget because I will not be so restricted. I strongly resent the efforts of members from the Liberal section to misrepresent the views of this side of the House. The two legal members apparently imagined they were dealing with a simple case in a court and made a very poor showing. Those hon. members did not attempt to state the matter fairly, but sought to misrepresent the views of members on this side. The Leader of the Opposition and the Deputy Leader pointed out that when they were able to study the Bill they would be able to express a definite view.

Reference was made to the apparent hypocrisy of the Government who used to oppose bitterly any increase in this direction when they were in Opposition. When the hon. the Premier was Leader of the Opposition he assailed the Treasurer of the day for the introduction of a measure that provided for a slight increase in the amount payable by those whom the Country Party

claimed to represent. It is evident that the Liberals have outvoted the Country Party on this measure. After we have studied the Bill we will decide what is best in the interests of the State.

I wish to emphasise the hypocrisy of a Liberal member representing a gerrymandered electorate with an area of 1½ square miles being the first speaker selected to support the Minister. The hon. member has no association with the problems so fully understood by members such as the hon. member for Balonne. If the Country Party does want the Opposition to take the necessary action, why have they not risen to support the hon. member for Barambah? Government members state that the Labour Party is dominated by Caucus. It has been clearly established that that can be said of the Government at the present time. Country Party members are not game to speak. They may express their opinion, but they will not vote against the Bill. We are not objecting to that, but why should the Government engage in hypocrisy by attacking the Labour Party because it abides by majority rule?

I leave my further comments until I have a copy of the Bill.

Mr. GAVEN (Southport) (3.36 p.m.): As a Country Party member, I accept the challenge of the hon. member for Maryborough.

Mr. Davies: You are forced to.

Mr. GAVEN: I am not forced to accept anything, although on this occasion I am happy to accept it. It was easy for the hon. member to talk me into it. I suppose the charge of hypocrisy could at some time or other be levelled at every hon. member in the Chamber, and the hon. member for Maryborough must accept it that that is so of him, because today he proved himself to be a very able political acrobat. From time to time, when he was one of a Government Party and they introduced legislation to increase taxation, he accepted the decision of the Labour Caucus, just as Government members at the moment have accepted the need for further revenue in the interests of the State.

I listened very attentively to all hon. members and with the exception of two or three, I should say that their statements were so much bunkum and eyewash. They talked round the subject, they did not come to the point. There was not a concrete argument in the whole of their speeches.

The hon. member for Carnarvon who is usually sound and fair, said that the legislation was sectional, but, as he has always argued that land tax on freehold properties was not sectional, I have to include him too with the political acrobats. I have always opposed land tax.

Mr. Walsh: You are misconstruing what he said.

Mr. GAVEN: I am not. I was always one of the first to my feet to oppose land tax. The hon. gentleman, when he was a Minister of the Government, defended it or did his best to defend it on the ground that it was not a sectional tax, but one to get revenue for the Government.

Mr. Walsh: I defend it now too.

Mr. GAVEN: I am making this speech. I do not want any assistance from the hon. member. I repeat that he defended it as a means of getting revenue for the State and this is a tax for the same purpose. It is not a tax levied only on big leaseholders. It is levied only when a leasehold is sold, whether a small one or one of 50,000 acres.

Mr. Hilton: Why exempt the small landowner from land tax and impose this tax on the small leaseholder?

Mr. GAVEN: As the Government are wise they may eventually be able to exempt the small leaseholder, just as they are raising the exemption for land tax to £10,000. We hear a great deal from Opposition members about the need to do something for the little man. They did not do a great deal for him when they were in Government. Their effort leaves much to be desired.

The point I am making, and this is the crux of the matter, is that no Government can govern without revenue. Ways and means of getting it have to be devised. If revenue is insufficient, how can the Government provide schools, hospitals, other facilities and things for which Opposition members constantly ask? In my view there is no man more fitted to discharge the responsibilities of his office than the present Treasurer. The Bill is not a departure from general principle. Not one shilling in tax will be paid unless someone sells and makes a profit. What is wrong with that?

Mr. ADAIR (Cook) (3.40 p.m.): After listening to many speeches this afternoon I must say that I have not heard hon. members representing grazing areas support the Bill in any way. Since I have been a member I have always defended the graziers in my electorate. They are the poorest graziers, living under the hardest conditions, of any grazier in the world. I have repeatedly said that it would be a shame to place any extra burden on them. As a matter of fact the Government should grant them their land, rent free. There are no roads in Cape York Peninsula and the graziers should be free of road tax. It will be a calamity to place extra taxation on them.

Mr. Hiley: There will be no tax on the grazier.

Mr. ADAIR: Many of them have lived in the area for generations and brought up large families and some day might be forced to sell. Whilst the price they are getting

for their cattle is high this is the only time in their history when they have had a "quid" in their pockets. Mrs. Gostello has lived up there for many years and has raised a large family and it was only recently that she could afford to go for a trip to Sydney. The farthest she has been able to go in the whole of her life was Townsville. Her position is like that of many other graziers in the Peninsula. The time might come when they will be forced to sell their holdings and then a tax will be put on them and they will be denied the results of their lifetime of work. I oppose the Bill; the imposition of extra taxation would be against my wishes.

Hon. T. A. HILEY (Cooorparoo—Treasurer and Minister for Housing) (3.43 p.m.), in reply: Several members of the Committee said that my opening speech contained much unexpected and surprising information but might I say that I found in the replies of hon. members of the Opposition much that was surprising and unexpected. Never have I seen such a confusion of declaration coming from the other side of the Chamber. We had forthright declarations by the hon. members for Bundaberg and Carnarvon, by interjection from the hon. member for Brisbane and forthright declarations by the hon. members for Kedron and Cook. On this side of the Chamber we had a forthright declaration by the hon. member for Mundingburra. Each of those members left the Committee with not the slightest doubt as to how he valued the basic principle under examination.

Mr. Graham: I am pleased to hear you include the hon. member for Mundingburra as being on your side of the Chamber.

Mr. HILEY: That is where he sits. The hon. member would not suggest that I should have said that he sits on his side. There was no such declaration from the Leader of the Opposition, nor indeed from any of the members of his party, other than the hon. member for Kedron who showed his support. If any inference could be drawn from his speech it was for wider application. I think that the members of the public are entitled to a detectable attitude on a great public issue from hon. members who are in the public eye. As I listened to the Leader of the Opposition, I could not help thinking that he showed himself to be cast in the political character of that very extraordinary bird that the ornithologists call the mugwump. He sits with his "mug" on one side of the fence and his "wump" on the other, and is unable to decide which way to go. He has only himself to blame if we construe his attack on the Government as opposition to the principle underlying the measure. Not even the heroic efforts of his colleague from Kedron to rescue him could atone for the lamentable lack of clarity in his speech.

The Leader of the Opposition examined the principle that this tax should be payable

by the vendor, and cast doubts on its effectiveness. That matter received a great deal of consideration from the Government. We do not believe that in a field so variable as Crown leases it is practicable to bring about such a thoroughly effective control as we have with sugar-cane assignments, with a single industry working under fairly standard conditions. Even there, however, the real control rests less in the operative control of the Central Sugar Cane Prices Board than in the fundamental economics of the industry. The value of the cane produced on the farm is the biggest factor in keeping effective control over the prices that people are prepared to pay for a cane assignment.

Mr. Walsh: But the Board has the final say on the terms and conditions of the transfer of an assignment.

Mr. HILEY: The really effective control is that over the price and quantity of the product.

Mr. Power: On one occasion the hon. member for Whitsunday advocated the removal of that control.

Mr. HILEY: I know he did, but other hon. members, including the Minister for Development, Mines, and Main Roads and the hon. member for Burdekin, have presented the opposite point of view in very strong terms.

Inevitably there will be some evasion of the proposed taxation, but my opinion is that the people who sell Crown leases will find themselves facing a very great income tax dilemma if they seek to evade the effect of this legislation. When they consider the matter soberly after talking to their advisers, they must come to the conclusion that it is far better to pay 1s. in the £1 on the goodwill to the State of Queensland than to run the risk of paying 13s. 6d. in the £1 to the Federal Commissioner of Taxation.

Mr. Duggan: That did not stop evasion when the system of land sales control was in operation.

Mr. HILEY: In that case the bulk of the profits were fairly free of income tax. However, in this instance a vendor who starts playing round with his apportionment and applies more than he should to livestock and other improvements and less to goodwill may find himself in a very difficult position. I am not trying to pretend to myself that there will be no evasion, but the path of the evader will be much thornier than it is in many other fields of taxation.

The hon. member for Bundaberg said virtually that the leasehold system had failed to protect the Crown. On sober reflection, I think he is right. I am bound to say that I do not subscribe to the idealistic contention that there is nothing but virtue in the leasehold system, and nothing but lack of virtue in the freehold system. Indeed, because of

the imperfections in the way the leasehold system has operated, I venture to say that the Crown has done better out of freehold up to date than out of leasehold. There are some very real imperfections in the leasehold system that are a challenge to every student of public affairs.

Mr. Hilton: The revenue from the Department of Public Lands as compared with land tax would not support you there.

Mr. HILEY: The hon. gentleman would be surprised to know that the total march of revenues to the State from the lands of the State has shown an ever-shrinking tendency as against every other form of revenue. I have the figures handy and it will take me just a moment to find them. I think the Committee will be shocked to realise the extent of the decline. In 1929-1930, the total land revenue of the State was £1,099,000 against a total taxation of £4,297,000 and a total revenue of the State of £15,997,000. In other words, at that time land revenue represented 25 per cent. of the total taxation and 6.87 per cent. of the total revenues of the State. In the last year just concluded, that figure of 25 per cent. of the total taxation had slid to 7.22 per cent. In other words, the relative contribution of land revenue to the State is only one-third of what it was 30 years ago.

Mr. Hilton: Timber revenues are not in that whereas they were in it formerly.

Mr. HILEY: Let us be sure of that. The total revenue from land last year represented 3.31 per cent. of the total revenues of the State; in 1929-1930 it was 6.87 per cent.

Mr. Hilton: The land cannot grow.

Mr. HILEY: No, but its value can and the use made of it can. If the hon. gentleman is right, how does he explain the fantastic premiums that people are able to obtain when they sell their property?

Mr. Hilton: Your argument is that past Governments have been too lenient to Crown tenants?

Mr. HILEY: That is the effect of what was said by the hon. member for Bundaberg, and I am reviewing what he said.

Mr. Walsh: It is quite true but they would never admit it, and your side would never admit it, either.

Mr. HILEY: Let me state the attitude of the Government on that matter. The Bill will not tax a continuing grazier and it will not add one penny to a grazier's costs. The Government believe that the grazing industry should be aided by lower than economic rents. What we view with concern is that a leaseholder should, by sale at a very high price, destroy the whole benefit of the Government's efforts to assist the grazing industry with low annual costs. He is putting into his pocket this huge premium and imposing a

burden on the future conduct of the grazing industry by way of interest and redemption on the huge sums paid.

Mr. Hilton: There is a free contract between the vendor and the purchaser, of course.

Mr. HILEY: Of course, but if the hon. gentleman has no regard for the effect of that on the grazing industry, we have. Of course there is an established, growing business and no established and growing business avoids developmental costs while it is worked up to its rhythm and productivity. If we did not recognise that, the levy could and should have been higher. It is because we recognise it that we say, in fairness, to the landholder, "You keep 95 per cent. of the premium you make but at least recognise the Government's ownership of the capital investment out of which it sprang and give to the Government 5 per cent. of the profit you make. Keep 95 per cent. yourself and keep all the profit that you make on your own capital invested in improvements." That is, in simple essence, the Government's attitude and declaration. I repeat that we do not propose nor do we want to say to the grazing industry, "Bring your rental up so that the Crown gets in each year the full economic rent of the property." We know the hazards. We know the discomforts. We know the thought and care that has to go in year after year to establishing a successful and prosperous grazing industry. The owner is entitled to a tremendous amount for his contribution. We do not say that he gets the lion's share. He gets the whole of the animal except the tail. That is all we ask for, not for the benefit of the general community, but to enable the Government to provide the man on the land with benefits of the type I enumerated—more high schools, school buses, residential colleges at the University, subsidies to rural electricity programmes, and so on.

Mr. Duggan: Don't you say that they are entitled to that as much as the city man is entitled to it?

Mr. HILEY: I suppose the hon. gentleman is suggesting by throwing in that remark that the man who lives in the city is the man who uses the residential colleges.

Mr. Duggan: You enumerated about six items. Why don't you be fair?

Mr. HILEY: Which one was the hon. gentleman referring to?

Mr. Duggan: You mentioned hospitals.

Mr. HILEY: I did not mention hospitals.

Mr. Duggan: You did in your main speech.

Mr. HILEY: I did not. I mentioned hostels.

Mr. Duggan: You enumerated about six items.

Mr. HILEY: Every one of them confers a distinct, special, and just benefit on the man on the land. It is because we want to do these things that we are asking for more revenue.

Mr. Jesson: What do you estimate you will get out of it?

Mr. HILEY: It is included in the Financial Statement. If the hon. member did not read it, I have no time to read it now.

Let me refer again to that case I cited concerning the sale of a grazing farm or perpetual lease. The rental was about £660 a year. The vendor received £60,000 for goodwill. Whether he likes it or not, the man who paid £60,000 has to look for an extra return of £3,000 a year to give him a bare 5 per cent. on the money he paid for goodwill.

Mr. Hilton: What was the value of the improvements on that property?

Mr. HILEY: I gave them in my introductory speech.

Mr. Hilton: I am sorry, I missed it.

Mr. HILEY: Improvements and plant were put down by the vendor at £3,162. The goodwill was fixed at £63,819, the rental was £669 a year. The amount of goodwill paid on that transaction represented what the Crown will receive in rent over the next 95½ years. Is the hon. member still opposed to the Bill after hearing that? At least it will give him food for thought. It was very interesting to hear the hon. member oppose the Bill, not even having heard the presentation of it.

Mr. Hilton: I reserved my attitude until we studied the details of the Bill.

Mr. HILEY: The hon. member reserved further comment after stating two direct grounds for his opposition to the Bill. He said he opposed it because it was sectional, and for some other reason that I have forgotten.

I doubt whether the Committee will ever receive a more apt illustration of the changed trend of political thought and practice and a reflection of the outlook of some of the great political bodies in Australia today. This trend is not confined to Australia. This is a trend that was evident in the election in the United Kingdom last week. It is perfectly clear that no political party in the world today can exist that turns its head backwards and looks to the past and espouses only the ultra conservative interest and the vested interests of the past. This is a world that recognises these are days of changing thoughts, and it demands of those people who practice in politics a progressive outlook. Faced with that change, what do we find? In England the Socialist Party was soundly thrashed because it lost its ideals

of progress and was still bogged down in a world obsessed with class hatred and Socialism; and the English people said they would have nothing of it. On our side of politics the curse politically was that many of the rank and file and many of the men in public life were ultra conservative. Today these things have changed; and we had a clear example of that today.

Mr. Davies: The Federal Government could legislate on that.

Mr. HILEY: Let the hon. member go down to Canberra and address his remarks there. The most surprising thing that has emerged from the debate is that the apostles of progress are substantially on this side and the voices of conservatism are over there on the other side.

Motion (Mr. Hiley) agreed to.

Resolution reported.

FIRST READING

Bill presented and, on motion of Mr. Hiley, read a first time.

LAND TAX ACTS AMENDMENT BILL

INITIATION IN COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Hon. T. A. HILEY (Coorparoo—Treasurer and Minister for Housing) (4.5 p.m.): I move—

“That it is desirable that a Bill be introduced to amend the Land Tax Acts, 1915 to 1958, in certain particulars.”

State land tax dates back to 1915 and was designed with a dual purpose. It was intended as a revenue measure, but its fundamental purpose was to break up the large freehold estates and to discourage the holding of such land undeveloped.

In the intervening years the tax has drifted from its basic purpose and was fast tending to become a general tax. The number of taxpayers rose to over 20,000. The exemptions were so low that a myriad of small taxpayers arose, creating a situation which was a nuisance to the taxpayer and a costly administrative burden to the State.

Moreover, the tax rates were badly designed, operating in sharply-stepped groups, with the inevitable inequities which attach to such an outmoded rates system.

Last year saw the first correcting step, when the minimum assessment was lifted to £2. As a result of that, the number of taxpayers fell from 25,289 in 1958 to 17,401 in 1959. It will fall under the Bill to between 11,000 and 11,500.

Mr. Walsh: How much revenue does that represent?

Mr. HILEY: If the hon. member will listen, he will find out that information.

This year the Government propose to go further—

Exemptions will be raised on both country and city land.

The old system of rates will be repealed and a new scale, one of steady progression, will replace the sharply-stepped feature of the old scale.

Super tax will disappear as a separate tax and will be merged into the new scale.

The provisions dealing with undeveloped land will be repealed.

The power to acquire land compulsorily will be repealed.

The necessity to lodge a return will be lifted to a higher level.

The penalty clauses are reviewed.

Exemption will be lifted from £700 to £1,000 for city lands and from £1,900 to £3,000 for country lands personally worked for agricultural, dairying, or grazing purposes. The £2 minimum assessment will continue. The effect of this is quickly shown by reference to the roneod sheets and graphs which have just been distributed to members of the Committee. From this you will see that a city man had an effective exemption of £1,179, i.e., £700 basic and £479 under the £2 minimum rule. He will now go to £1,479—£1,000 basic and £479 as before. With the country man, the basic exemption was £1,900, and the £2 minimum meant a further £479, so that his effective exemption was £2,379. That will now go to £3,000 and £479, a total of £3,479.

These changes in the exemptions will reduce the number of taxpayers by a further 6,300. As a result of these changes, the number of land taxpayers will have been reduced by 60 per cent. since the Government took office.

But the Government cannot afford to lose the revenue from land tax. The rates have been adjusted in such a manner that, on top of the higher exemptions which I have just referred to, the rates will be lower up to a taxable value of £10,000, above which there will be a proportionate increase, the same total result being obtained as would have applied under the old rates. The tax is now losing its character as a general tax on land. It is becoming much more a tax on aggregation, something designed to operate as a deterrent to one person or company seeking to acquire an undue share of the freehold land of the State.

Mr. Burrows: How do you reconcile that with your previous statement that the Government cannot afford to lose the revenue from land tax?

Mr. HILEY: Have I to reply in words of one syllable? The rates are being adjusted in such a manner that on top of the higher exemptions which I have referred to the rates will be lower up to a taxable value of £10,000, and above which there will be proportionate increases.

Mr. Walsh: You will have 6,000 fewer taxpayers and the same revenue?

The circulated tables and graphs illustrate the position quite clearly. Incidentally, Mr. Taylor, it would help readers of "Hansard" if the tables of illustration were included and I therefore submit them for inclusion—

Mr. HILEY: That is right. Hon. members will see the effect by looking at the graph.

"LAND TAX

Statement showing examples of the variations in tax on certain unimproved values of land, as a result of the provisions of the Bill

Unimproved Value						Present Tax (£700 Unimproved value Exemption and Minimum Tax £2)	New Tax (Provision for £1,000 Unimproved value Exemption and graduated Rates of tax, with existing Minimum Tax £2)
£						£ s. d.	£ s. d.
<i>Resident Owners—City and Town land, and Country land not personally used as prescribed</i>							
700	..	..	..	..	..	Nil	Nil
800	..	..	..	..	..	Nil	Nil
900	..	..	..	..	..	Nil	Nil
1,000	..	..	..	..	..	Nil	Nil
1,100	..	..	..	..	..	Nil	Nil
1,179	..	..	..	..	..	Nil	Nil
1,180	..	..	..	..	..	2 0 0	Nil
1,200	..	..	..	..	..	3 2 6	Nil
1,300	..	..	..	..	..	3 15 0	Nil
1,400	..	..	..	..	..	4 7 6	Nil
1,479	..	..	..	..	..	4 17 4	Nil
1,480	..	..	..	..	..	4 17 6	2 0 0
1,500	..	..	..	..	..	5 0 0	2 1 8
1,600	..	..	..	..	..	5 12 6	2 18 4
2,000	..	..	..	..	..	9 9 7	6 5 0
2,500	..	..	..	..	..	13 2 6	12 10 0
2,699	..	..	..	..	..	14 11 6	14 19 9
2,700	..	..	..	..	..	16 13 4	15 0 0
3,000	..	..	..	..	..	19 3 4	18 15 0
3,199	..	..	..	..	..	22 16 6	22 9 7
3,200	..	..	..	..	..	33 17 1	22 10 0
3,500	..	..	..	..	..	37 18 4	28 2 6
4,000	..	..	..	..	..	55 0 0	38 10 10
5,000	..	..	..	..	..	85 2 1	61 9 2
6,000	..	..	..	..	..	110 8 4	86 9 2
12,000	..	..	..	..	..	258 19 2	255 4 2
13,000	..	..	..	..	..	281 17 6	288 10 10
21,000	..	..	..	..	..	507 10 0	555 4 2
31,000	..	..	..	..	..	820 12 6	951 0 10
60,000	..	..	..	..	..	1,729 11 8	2,276 0 10
70,000	..	..	..	..	..	2,165 12 6	2,804 3 4
76,000	..	..	..	..	..	2,510 0 0	3,125 0 0
101,000	..	..	..	..	..	3,343 6 8	4,166 13 4
<i>Absentee and Company Owners—All Land Owned, No Exemption.</i>							
480	..	..	..	..	..	2 0 0	2 0 0
500	..	..	..	..	..	3 2 6	2 1 8
1,000	..	..	..	..	..	7 5 10	6 5 0
2,000	..	..	..	..	..	16 13 4	18 15 0
2,500	..	..	..	..	..	33 17 1	28 2 6
3,000	..	..	..	..	..	50 0 0	38 10 10
4,000	..	..	..	..	..	79 3 4	61 9 2
5,000	..	..	..	..	..	104 3 4	86 9 2
10,000	..	..	..	..	..	229 3 4	221 17 6
11,000	..	..	..	..	..	252 1 8	255 4 2
20,000	..	..	..	..	..	500 0 0	555 4 2
30,000	..	..	..	..	..	812 10 0	951 0 10
50,000	..	..	..	..	..	1,458 6 8	1,826 0 10
60,000	..	..	..	..	..	1,875 0 0	2,326 0 10
75,000	..	..	..	..	..	2,500 0 0	3,125 0 0
100,000	..	..	..	..	..	3,333 6 8	4,166 13 4

Unimproved Value	Present Tax (£1,900 Unimproved value— Flat—Exemption and Minimum Tax £2)	New Tax (Provision for £3,000 Unimproved value— Flat—Exemption and graduated Rates of tax, with existing Minimum Tax £2)
£	£ s. d.	£ s. d.
<i>Resident Owners—Country land personally used for agricultural, dairying or grazing purposes.</i>		
1,900	Nil	Nil
2,000	Nil	Nil
2,300	Nil	Nil
2,379	Nil	Nil
2,380	2 0 0	Nil
2,500	3 15 0	Nil
3,000	8 0 5	Nil
3,100	8 15 0	Nil
3,200	9 9 7	Nil
3,300	10 4 2	Nil
3,479	11 10 3	Nil
3,480	11 10 5	2 0 0
3,500	11 13 4	2 1 8
4,000	17 10 0	6 5 0
5,000	51 13 4	18 15 0
6,000	81 2 11	38 10 10
7,000	106 5 0	61 9 2
8,000	127 1 8	86 9 2
16,000	323 2 6	321 17 6
17,000	346 0 10	355 4 2
23,000	527 10 0	555 4 2
33,000	842 5 10	951 0 10
53,000	1,490 8 4	1,826 0 10
63,000	1,909 7 6	2,326 0 10
78,000	2,536 13 4	3,125 0 0
103,000	3,370 0 0	4,166 13 4

NOTE :—(1) The new graduated rates of tax provided replace the previous rates of land tax and super land tax. (2) Land tax is assessed on the taxable value viz.—total unimproved value less any Statutory Exemption, of all land owned by a taxpayer.”

Take the first table, city and town land, i.e., with one minor exception, which I will explain later, the taxpayer has an advantage under the new rates until he passes £12,000. From then on he pays more.

I ask the Committee to observe particularly the comparison of tax payable at £2,699 and £3,199. It will be seen that at those points, the steps in the old scale ran closest to the progressive curve of the new scale.

Indeed, at £2,699, the step actually broke through the curve and he will now pay a few shillings extra. However, look at the position if he had £1 more in land—£2,700. Under the old scale, he had to climb another step in the rates and for holding £1 extra, he was called upon to pay £2 1s. 10d. extra in tax. The position is even more marked at the £3,200 level. Under the old scale, to hold £1 extra in value above £3,199 increased his tax by more than £11. Under the new scale, it will be seen that he is at the stage where the rate of increment is 5d. in the £1 and there is no better illustration of the virtue of the gradual progressive approach compared to the violently stepped approach. I might add as an illustration of the gradual progressive approach that the method was adopted some years ago in the schedule of rates under Federal income tax. I am sure hon. members

will remember cases under the old law when a man got an increase he was worse off. This is designed so that a person will not be worse off. There will be no sharply stepped brackets but a gradually progressive method.

In the case of holders of country land, the effect of increasing the exemption to £3,000 prevented any point of danger arising. Indeed, it is not until after a landholder owns more than £16,000 worth of country land that the new rates catch up and pass the old rates.

The Government make no apology for increasing the rates on the bigger aggregations. We do not want to encourage the development of any narrow landed aristocracy in this State. We are conscious of an ever increasing hoard of land-hungry people and there is no greater evidence of that from the hundreds and in some cases thousands of citizens who enter for our land ballots. Not only that, but we look round this State and we see clear evidence of more rapid development of a greater degree of improvement where land that is suitable for closer settlement finds itself broken up into smaller holdings.

In the Government's view, Queensland's population will rise continuously and it should pass the 3,000,000 mark by the turn of this century. Inevitably, as population density

increases, the degree of land usage and the more intensive practices of land husbandry must play their essential part. We do not want to see land tax operating as a burden on the smaller holder. We do want to see it operate as an inducement to discourage larger aggregation of holdings.

One effect of the new scale of rates is that it will transfer some of the burden of land tax from country land to town land. Indeed, our assessment of the effect of the new scale of rates and exemptions is that the man in the country will pay £100,000 less, and the town lands will pay £100,000 more. The effect of that increase will be felt most by those organisations, principally companies, who choose to develop large-scale and multiple operation. The bank and the chain store are typical examples.

Mr. Duggan: Some chain stores own four or five freehold blocks in Brisbane. Do you group those blocks for land tax purposes?

Mr. HILEY: Yes. Land tax is assessed on the aggregate holdings. That has been a principle of land tax ever since it was introduced in 1915.

Mr. Walsh: You combine both country and city blocks?

Mr. HILEY: Yes.

We think it inevitable that the trend towards the development of greater units in commercial enterprise will continue. It has already had some marked expression in our commercial life and we think it will continue to grow. The plain fact of the matter is that the technology both of production and of distribution makes it possible to command certain very real advantages from greater volume. It is our view that this tendency is not only inevitable, but, from a cost point of view, desirable. At the same time, we do not want to see the lot of the small business man made impossibly hard. For that reason, it accords to our view of what is proper and desirable that the corner grocer's shop should pay little or no tax; but that the great chain store, with all its tremendous advantages, should pay a relatively higher contribution to the State's revenue.

Mr. Power: The chain stores are closing up the corner shops today.

Mr. HILEY: That is so. That is one reason for the step that we are taking.

This principle does not stop with the grocer's shop. It can be applied with equal force to almost every field of commercial endeavour.

We are dropping out the provisions for the levying of a separate tax on undeveloped land. These provisions have been inoperable under all Governments in succession since 1942. But the Commissioner tells me that back in the days when they were operated they provided an extremely difficult field of interpretation. Development is an argument

of degree and I have searched assiduously to discover some formula that might provide a tax incentive to bring land into productive use, rather than to allow it to stand idle.

Mr. Walsh: The estimated collections would be only about £10,000, would they not?

Mr. HILEY: The greatest amount in any year was £11,000.

I could discover no satisfactory formula and I reached the conclusion that a combination of higher land values, higher rating by local authorities and the revised approach of the new rates envisaged in the Bill will together go as far as is necessary. The Bill repeals the provisions dealing with undeveloped land.

Undeveloped land was defined as land that has not in or upon it improvements to the value of at least one-fourth of the unimproved value of the land. Undeveloped land that does not attract any exemption and is taxed at a rate of 2d. in every £1 of unimproved value operated for the years 1916 to 1942 inclusive. In 1943 it was suspended until peace was declared. It was due to function for the year 1953 but by an amendment of the Land Tax Acts power was given to the Governor in Council to declare by Order in Council the suspension of the said tax in any year. For 1953 and subsequently, the said tax has been suspended yearly by Order in Council and consequently has not been operative since 1942. That has been the will and the approach of successive Governments. In 1942, the tax assessed was approximately £11,000. The assessing and collection of the tax was costly and involved friction with taxpayers, most of whom were small owners, who, in addition to owning, say, a home block of land in Brisbane, owned a small block adjoining it or elsewhere, the additional land being "undeveloped."

Certain land owned by a few large professional subdividers of land were, in many cases classed as undeveloped for the operative years, but in this category, land owned by professional subdividers would not attract undeveloped land tax today due to other methods of treatment of areas subdivided before sale. This treatment of the land differs considerably from that of 17 years ago and prior thereto, it being almost general practice today to rip up the land with bulldozers, fill in depressions to the prescribed levels, reduce drastically steep and sharp gradients and generally to present the subdivided area with easy gradients and access and make it as attractive as possible to potential buyers, such operations being deemed "improvements."

Similarly, in certain areas adjoining waterways, canals have been and are being constructed, the soil and rock which is extracted therefrom being deposited on the balance of the land subdivided, raising it in some instances by 5 feet to 8 feet, such operations, excluding the making of roads, being deemed "improvements."

With the proposed increases in the exemption under the provisions of Section 11, together with the existing minimum tax provision and the changed circumstances referred to above, there does not appear to be any tangible reason for maintaining the "undeveloped" provisions of the Acts, hence their repeal.

The next principle to which I wish to refer is the repeal of the separate provisions imposing super land tax as a separate tax. The new rates have been designed to telescope into a single scale what was previously covered in a separate scale of land tax and of super land tax. The same purpose has been commanded in the new composite table of rates.

The Bill provides for the repeal of sections 9A and 9B, which relate to super land tax, and the continuing of the imposing, levying and recovery of land tax for the financial year 1958-1959, and for previous years, under Sections 9A and 9B, as if they were not repealed, without limit of time. It is necessary to do that because, while the line of demarcation will be immediately prior to 30 June, 1959, we do not think, in repealing the measure, that we should let off anybody on whom a liability has arisen before the repeal of the Act. There may also be some few cases of delay and we want to reserve the right to clean up the past, but from the new date the new rules will apply completely.

Mr. Houston: Are these tables included where they apply?

Mr. HILEY: Yes.

Super land tax has been in operation for the years 1917-1958 inclusive, it being necessary (except for 1931 when it was not continued) to impose the said land tax annually—1922 onwards and until 1935 when for and in the latter year it was imposed as a permanent measure. With the proposed introduction of the graduated scale of rates of land tax to embrace both land tax and super land tax, there is no reason to retain super tax sections of the Acts other than to preserve the operation of the super tax in respect of land that might be assessed in future years for the years 1917-1958 inclusive.

The next provision deals with the rates of tax applicable to land owned by a mutual life assurance society. This deals with the tax leviable on the unimproved value of land owned by a mutual life assurance society, such a society being defined as a life assurance society which distributes the whole of the profits among the policy-holders. The rate of tax is to be increased to 5d. in every £1 of unimproved land value without exemption in lieu of the rates of—

Up to and including £2,500 unimproved value—2d. in every £1.

Exceeding £2,500 unimproved value—an additional 1d. in every £1 in lieu of super tax.

The five Mutual Life Assurance Societies, viz.—Australasian T. & G. Mutual Life Assurance Society, National Mutual Life Association of Australasia Ltd., Australian Mutual Provident Society, Colonial Mutual Life Assurance Society Ltd., and City Mutual Life Assurance Society Ltd., paying land tax, have enjoyed the present maximum rate of tax of 3d. in every £1 of unimproved value for the years 1922 and since—an important concession when it is realised that some of the life assurance companies who are in competition have paid tax at the ordinary rates of tax as high as 8d. in every £1 of unimproved value.

The proposed application of the flat rate of tax of 5d. in every £1 of unimproved value to the land owned by the said five mutual societies will still put them in a very favourable position in that they will be paying tax of 5d. in the £1, compared with 10d. in the £1 that some of the other companies will pay. A point arises that justifies objective examination by the Committee. Considerable thought was given to the propriety of this principle by Cabinet and the Government Party. It was thought, for example, that some of the Mutual Life Companies, having erected public buildings for occupation by tenants were in competition with similar buildings erected by banks or other non-mutual companies. It is a pretty fair rule and approach to public affairs that people competing in a common field should receive common treatment.

Mr. Aikens: Have they been exempted up to the present time?

Mr. HILEY: No, they got a concessional rate in the past.

Mr. Aikens: I see no reason to continue it.

Mr. HILEY: After a good deal of thought the Government decided that they should increase the rate from 3d to 5d. which will still be a concession on what other companies are paying. In fairness I thought that I should present these facets to the Committee so that all hon. members would know the problem the Government have examined and how they reacted to it.

The paragraph in the Bill providing for a Mutual Life Assurance Society not being entitled to or allowed the exemption under Section 11 merely clarifies the matter—in actual practice no exemption being allowed to such a society which is deemed to come under the definition of "company." There was some doubt whether they might be entitled to claim exemption. It was considered that as they always got the benefit of the concession rate they should be treated as far as exemption was concerned the same as any other company. No company is entitled to any exemption, and never has been, consequently the Bill will make it clear that mutual life companies are not entitled to any exemption.

With regard to the amendment of Section 16, the ordinary statutory exemption of £700 unimproved value, having been increased to £1,000 unimproved value (Section 11), it is deemed necessary to increase the amount of the total unimproved value of land a resident owner may own without need to furnish an annual return. Consequently, the amount has been increased from £700 to £1,000 unimproved value as a result of which no resident owner taxpayer will be required to furnish an annual return unless the total value of his land in Queensland aggregates £1,000. That was done because with higher exemptions operating it would be an unnecessary burden on the taxpayer to submit a return and the staff of the Land Tax Office to have to handle returns from people when it was abundantly clear that there was not the remotest hope that they would be liable to pay land tax. Consequently the number of returns the staff will be called upon to examine and file will be reduced.

The repeal of Section 31 and the headnote appearing immediately before that section is the next matter I shall deal with. The present section provides, *inter alia*, that if the Commissioner is of the opinion that the owner of any land has, in a return furnished under the Act, understated the unimproved value of the land, to the extent of 25 per centum or more, the Commissioner may apply to the Supreme Court for a declaration that the Crown is entitled to acquire the land under the Land Tax Acts. That means the value returned by the taxpayer.

The provisions of this section are deemed to be too drastic. The section has been in force since the inception of the Acts and there is no record of any Commissioner of Taxes or of Land Tax having found it necessary to put the said provisions into operation. It is considered that the section does not achieve any worthwhile purpose and is unwarranted, hence its repeal. To consider an example, we take the view that if there is a return put in which understates the value there is an appropriate clause containing penalties the same as for the man who understates his income tax. The provision which allows the Commissioner to apply to the court for the land to be bought by the Crown at the price the man returns, was considered too drastic and as successive previous Governments clearly recognised that and did not apply it once, it is proposed to remove that provision.

Section 34 has been overhauled and brought up to date. It contains purely machinery provisions for the recovery of unpaid land tax from taxpayers.

Section 48, which deals wholly with offences has been recast. Additional provisions for dealing with offences against the Acts have been inserted, full regard having been given to the provisions of Sections 49, 50, and 51, which it is proposed to repeal and which I will deal with subsequently.

Section 49, which deals with under-valuation of land, has also been recast. The present section provides for a penalty of up to £500 and also to treble the amount of tax evaded, or to forfeiture of the land undervalued or any part thereof. It also provides that if the value of the land stated in the return is less by 25 per centum or more than the value as found by the adjudicating court, the value shall be presumed, in the absence of evidence to the contrary, to have been understated with intent to defraud. That is what the Act says.

This section is also deemed to be drastic. It is bound up with Section 31—proposed to be repealed, and it has not been found necessary to put any of the provisions of the section into operation during the currency of the Land Tax Acts. Part of the provisions have been included in the new Section 48 "Offences" in a varied form.

The new Section 49 embraces that part of the present Section 48 relating to the power of the Commissioner, in lieu of proceedings for a penalty for an offence against any of the provisions of Section 48, to impose a fine upon the person so offending, the amount of the fine which rests in the discretion of the Commissioner, being increased from 10s. to £2 if the person so offending is not liable to pay land tax, and 10s. or 10 per centum of the assessable amount, whichever is the greater, to £2 or 10 per centum of the assessable amount, whichever is the greater, if the person so offending is liable to pay land tax.

In certain circumstances it is necessary for the Commissioner to have this power, the amount of the fines to be imposed being increased in view of the minimum tax provision of £2 which became law in 1958.

Mr. Power: Will the Commissioner accept the local authority valuation?

Mr. HILEY: Not the local authority—the Valuer-General's valuation.

Mr. Power: What about country areas which the Valuer-General has not valued?

Mr. HILEY: Those are the ones that are like Mohamet's coffin. Wherever the Valuer-General has established a value the Commissioner and the State are bound by it.

Section 50 is to be repealed. This section, which deals with taxation evasion, provides for the same penalties as shown in the present Section 49, both sections being bound up with Section 31, which I have dealt with. These provisions, as in Section 49, are deemed to be harsh and at no time has it been found necessary for action to be taken under the said sections. Some of the provisions as varied are included in the proposed new Section 48, dealing with offences. This repeal is therefore essential.

Section 51, with regard to the forfeiture of land for fraudulent evasion, provides that after conviction of any person under either Sections 49 or 50, the penalty for forfeiture of any of his land has been imposed, the Governor in Council may, by proclamation,

declare that the estate or interest of that person in the land is forfeited to the Crown, the proclamation having the same effect as a proclamation under Part VI of the Act—Section 31—the taxpayer not being entitled to any compensation.

Mr. Walsh: And that has never actually happened.

Mr. HILEY: Never. It is altogether too severe. Indeed, if any attempt had been made to implement it, I think most citizens would have considered it to be a monstrous penalty, an exaggerated penalty and that a more appropriate one was all that was necessary.

Mr. Burrows: It might not have been possible to sustain that in the High Court.

Mr. HILEY: Yes. It would have been held to be good law. There is no doubt that this sovereign Parliament in that respect has power to make such a law and provide for such a penalty, but the good sense of every Government occupying the Treasury benches since it has been law has prevailed, and no Government have attempted to impose it because quite rightly they recognised that it was altogether too severe.

Mr. Walsh: There are similar provisions in the Land Act.

Mr. HILEY: If that is the case, they require looking at.

Mr. Walsh: You could justify them in the Land Act in some cases.

Mr. HILEY: That may be so. The penalties for dummying, for example, are exceptionally severe and quite rightly so.

As will be seen, this section follows a conviction under Sections 49 and 50 which have been dealt with previously. It is also bound up with Section 31, which it is proposed to repeal and has been dealt with previously. Consequently, with the repeal of the present Sections 31, 49 and 50, the necessity for this section does not exist. This repeal is therefore essential. The proposed amendments are made retrospective to 29 June, 1959. With the considerable decrease in the number of returns to be lodged, it is expected that in the Land Tax Office there will not be the same number of assessments, the same number of returns to be scrutinised and the same amount of other detailed work to be performed, although the reduction will not be proportionate to the drop in the number of assessments, because it will still be necessary for the office to collect information and peruse notices of sale, just as it will be necessary to peruse every valuation list issued by the Valuer-General to find those landholders with such an amount of land that they are required to render a return.

For this year I do not expect the benefit in administrative costs to be apparent, but I

expect that there will be at least some detectable benefit next year. I say publicly that the Government have already considered this aspect. It is in our mind that the men who have been trained in land terminology, titles and land values and the relation of improvements to land can fulfil many useful posts in other sections of Government employ. For example, we have an ever-expanding requirement in the Department of the Valuer-General, which is constantly short of trained personnel to deal with those parts of the State which have not been revalued. In addition, in the Stamp Duties Office there is a constant need for trained assessors who understand land values and valuation of improvements, so that it is the belief of the Government, whatever constriction might become possible in the staff of the Land Tax Department, that there will be abundant opportunity to provide useful employment for those trained personnel in either the Department of the Valuer-General or the Stamp Duties Office.

I wanted to make that explanation publicly, because although I have sent messages to that effect, I want to remove any doubt from the mind of those servants who have given loyal service to the Land Tax Office that possibly their days with the service are numbered. I want to indicate to the public that this has been a matter which has received our consideration, and I publicly indicate where I think the correction will possibly lie.

Mr. DUGGAN (North Toowoomba—Leader of the Opposition) (4.40 p.m.): I do not think that this measure will take up the time occupied by the former as its provisions have been set out very clearly. There are not many important points of political disputation. The reduction in the number of taxpayers will meet with general approval. The only observation I want to make is that the reason for the legislation is that official acknowledgement has been given to the increasing evidence of inflation by belated land values. I have drawn attention to this aspect of our economy before, and I think it should be repeated because it is an unhealthy trend. There is much speculation in real estate these days, some legitimate and some desirable, but I do not think some come within those categories. The position has changed much from what it was ten, fifteen or twenty years ago. There has been tremendous inflation and I have used as an illustration my allotment of land in Toowoomba, which rose to £780 in value in a relatively few years. That trend is characteristic in other directions. I had a gentleman come to see me last Saturday, the owner of a property on the Gold Coast. He bought the land for £100 but the local authority valuation the other day was £2,500. There is an unreal and fantastic increase in that case, particularly when the home was bought for retirement purposes. This aspect of our inflationary trend is to be greatly regretted. It is having a serious effect on the fixed incomes of those who are trying

to manage their private affairs with a view to retirement. These matters should be corrected as far as possible.

The present revenue will be approximately maintained by 6,300 fewer taxpayers. I do not quarrel with the incidence of taxation falling in this case, where there has been an aggregation of properties. I do not share the Treasurer's viewpoint that we are really taxing banks or chain stores or somebody else. All charges are passed on. In the case of the landholder who has made an aggregation of great areas of land, it is not possible for him to pass extra taxation on. Some graziers or wool growers who come into the super-tax bracket might have difficulty in passing tax on. Insurance companies, general stores, retail stores, banks and other people with property which brings them into the bracket will not experience any great effect so far as shareholders or management are concerned. Costs will be passed on in some way. The impact will be on the local country store or the corner store, because the buying power of chain stores is so great that it outweighs any benefit conferred. It is not a principle with which I quarrel in respect of those who should be in a position to bear it. I have no serious quarrel with the proposals outlined.

As regard to the repeal of certain provisions of the Act the evidence that has been offered seems to support the wisdom of doing it. If certain provisions have been inoperative, or have not been called into use since 1916, there seems to be no valid reason why they should be retained. Of course, it may well be that the circumstances operating at that time were responsible for their insertion in an effort to deal with something of a reprehensible nature. Mention has been made of the retention in the Land Act of provisions to prevent undesirable practices, and if the facts are as outlined by the Treasurer there seems to be no reason why we should retain the provisions in this legislation. In my opinion it is a bad practice to retain legislation that has been found by successive Governments to be unnecessary.

The Treasurer merely outlined what everybody knows to be true when he said that the original purpose of land tax was to break up large estates. Now that its purpose has been achieved we must consider the economics of its implementation for other purposes. At some stage of our economy there will have to be a more scientific utilisation of our land. Consideration must be given to the question of whether it will eventually become uneconomic to market certain of our products. Those remarks apply particularly to products that are subject to international competition, such as wool and wheat and other commodities that are produced for export. Ultimately the level will be reached above which it will be uneconomic to raise stock or produce crops, because reasonable returns will not be forthcoming. As a matter of fact, that position has already been reached in some instances. I have spoken recently

to some former landholders in the Darling Downs district, particularly around Cambooya and Drayton, who sold their lands some years ago to people from the south. They told me that it was more profitable to invest their money in Commonwealth bonds than to purchase another property with it. Where artificial prices are created we will ultimately reach an unhappy position if we allow all costs of production to be passed on to the consumer. That applies to the dairying industry at the present time. If the present-day high valuations are allowed to form part of the costs structure, an inflationary spiral will be set in train.

There does not seem to be any great difference in the taxation payable under the schedule that the Treasurer has given us. The maximum amount is about £800 for a property valued at £100,000. The increases at the higher level do not seem to represent an impossibly heavy burden, while those in the intermediate levels seem to be afforded at least some measure of relief, which no doubt will be welcomed.

I should like the opportunity to examine in detail the provisions that it is proposed to repeal. After listening to the Treasurer there seems to be no reason for objection, but on the general presentation of the case I see a very strong reason why we should strongly oppose it. If evidence can be produced that the present legislation is not having the effect that was envisaged in the development of land, perhaps we can enter the discussion on a different basis. If those with practical experience in the application of land tax can produce evidence, that will make us change our views, that opportunity will be afforded on the second-reading stage. As Leader of the Opposition I must at this stage confine my comments to what the Treasurer has said and I find myself substantially in agreement with the proposals.

Mr. WALSH (Bundaberg) (4.50 p.m.): I do not suppose any hon. member could disagree with any of the proposals introduced by a Government in an effort to give relief from taxation to those who need it, and, to the extent that the Bill provides for exemptions on a higher scale than formerly, I take it that it will receive the support of every member of the Committee. But I could not let the opportunity pass without drawing attention to what might be described as the confidence trick that was put over by the members of the Country-Liberal Party during the election campaign when, among other things, they definitely made the promise that, if they were returned to power, land tax would be abolished. I do not say the Treasurer made that promise; I do not think he would be so stupid.

Mr. Hiley: They did not. They promised progressive elimination and correction of land tax.

Mr. WALSH: If I gathered anything from the remarks of the Treasurer not only on this Bill but also on the previous measure,

landholders cannot hold out any hope whatever for the progressive elimination of land tax, because everything he has said on the measures has been in justification of the continuance of the imposition of land tax. I do not disagree with him or with the Government on that score. It is very obvious that, owing to the financial difficulties of the State, the Treasurer is not going to advise Cabinet that they should surrender their right to this form of taxation.

Mr. Nicholson: Would you?

Mr. WALSH: Of course I would not. The hon. member has known me long enough in the Chamber to know that I would not give anything away that a Government were entitled to collect. But what the Treasurer proposes to do with exemptions, as outlined by him simply confirms and continues the policy of the previous Labour Government. The Treasurer will remember that, in the three or four years before the political catastrophe that smashed the Labour Government, the exemption for residential owners was about £300. In that brief period the Labour Government increased it to £700. All that the Treasurer is doing now is in effect giving some relief because of inflation and the added value of the lands as determined by the Valuer-General over that period. I think he will agree that that is largely so; but to the extent that the Bill sets out to simplify the assessment of land tax and its collection, every member of the Committee will give the Treasurer credit for introducing something to benefit the administration and the community. I know that the Treasurer, like each and every one of us, must engage in political propaganda on occasions. To satisfy the Country Party section of his Government he has to make it appear that there is a considerable handout to Country Party areas. Again he knows that he cannot sustain that claim when it is realised that roughly 92 per cent. of the area of Queens-land is held under Crown tenure, and so does not attract land tax. Therefore, allowing for the unoccupied areas of the State, about 6 per cent. of the total area is held freehold in fee simple and not a very substantial proportion of that attracts land tax.

The Treasurer realises that there are not many closely-settled areas where the unimproved value of the land would be of considerable embarrassment to the landholder. Probably the Downs area would be most affected. Some farmers have suffered hardship because of land tax payments. But when dealing with these matters you do not deal with them from an individual point of view.

Mr. Hiley: The Downs and the Lockyer.

Mr. WALSH: That is true, as the Treasurer reminds me. The Lockyer around the Gatton area comes within much the same category as the Downs. Land in that area which was subdivided very early in the piece and taken under freehold tenure is attracting

colossal prices today. We have heard all the arguments about the effect of land tax. Now that the Treasurer has mentioned the Gatton area I refer to the fact that the people up there were able to demand the presence of Cabinet Ministers and senior Government officials at a public meeting where they were more or less carpeted because of the valuations determined by the Valuer-General's Department. Probably at a later stage I shall cite one or two cases of people who complained bitterly about valuations of approximately £60 an acre but almost in a matter of months they sold their land for £200 an acre. That is how many of them become affected by the imposition of land tax. Very largely the owner of the land determines its value in the first place for the imposition of land tax. The Valuer-General might try to make a determination between the owner's figure and the local authority valuation. The two areas mentioned would be vitally affected but I think hon. members opposite would agree that such a small portion of the State is occupied under freehold tenure that the effect of land tax has not been the important factor it was alleged to be when they were in Opposition. Even taking into consideration the higher exemptions I do not think land-owners will get any great relief having regard to the amount that they pay. One has only to look at the annual report of the Commissioner of Land Tax. I draw hon. members attention to the various schedules contained therein and the dissections showing the amounts paid in land tax by various primary industries. Compare the amounts paid by each industry with the total production within that industry. On a previous occasion I gave figures in an attempt to satisfy the Minister for Public Lands when he was arguing about the effect of land tax on primary production. It has a very minor effect. I drew attention to the amount of land tax paid by the sugar industry. In that year £18,000 was paid by a limited number of growers and companies operating within the sugar industry. Although there were 8,000 cane-growers and the value of production for the year was approximately £50,000,000 only £18,000 was paid in land tax, half of that being paid by seven companies in the sugar industry. Yet we hear the continual cry about the effect of land tax on primary production. The dairying industry with a value of production of about £50,000,000 would not have paid more than about £126,000 in land tax. The farmers—including dairy-farmers and others—number about 50,000 and the amount paid was about £126,000 out of a production value of £50,000,000. All the cry about the effect on rural production cannot stand up to a test. I believe in this matter the Treasurer has conveyed to us that the Government's desire is to inflict this taxation on the city interests. I agree that regarding the monopolies and big cartels about which the people complain, the heavier the taxation we can impose on them, the better it will be for the community. Unless the Government did that you could have a position whereby companies might

buy up millions of pounds worth of land. If the Government are going to take steps to prevent it they will have my full support. I hope they go further and legislate on a similar basis to the 1937 legislation so as to prevent the growing tendency of take-over in this State such as when Boots were trying to take over all the chemists' shops. If it is the intention of the Government to keep their eye on the tendency to purchase land and hold it for speculative purposes, to monopolise the ownership of land, any measure to prevent such an occurrence should have the support of every hon. member. Early in the life of the Government I made an observation about the confidence trick put over by the Country-Liberal Party when they determined on allowing perpetual leasehold tenures and other types of Crown tenures to be purchased straightout on a freehold basis. I pointed out that the Government would find ways and means of recovering whatever revenue they may have obtained from perpetual lease or Crown tenures. Here we have a striking example of it. As freehold tenures increase as the Government expect them to, more and more country dwellers will have to pay land tax. The Treasurer is wide enough awake to know that on the value of freehold determined by the Land Court the Treasurer will finish up getting more revenue than the Crown was getting from leasehold. I am not quarrelling with that if that is the Government's policy and they want to do it in that way.

Mr. Hiley: Does not that support my observation that the freehold system would return more revenue to the Crown than leasehold?

Mr. WALSH: I cannot concede that. There is such a large area still in the hands of the Crown and likely to continue in the hands of the Crown. No selector with a Crown tenure, grazing lease or pastoral lease, would be stupid enough to pay out capital to buy such extensive areas when he could invest his capital elsewhere and still get his land very cheaply from the Crown.

Mr. Hiley: Ten per cent.

Mr. WALSH: Exactly. The only complaint I would have of such legislation is that it was not flexible enough so that those percentages could be adjusted. However, i. there is to be a contract in respect of a perpetual lease, it must be a definite figure. We can speak on that point, however, when the Bill to amend the Land Act is introduced.

On the principles as outlined by the Treasurer, it would appear that the Government are continuing the policy of the previous Government; they have in effect confirmed our policy.

There is to be a further adjustment, by amalgamating super tax with general land tax. That provision merely improves the

machinery sections of the Act. It will probably eliminate much detailed work in the department.

Undeveloped land tax was introduced many years ago. When I was Treasurer I pointed out that it had remained on the Statute books for many years without being operated. Each year, as the Treasurer has no doubt done this year, I laid on the table of the House an Order in Council providing for exemption from the operation of that Act to be continued for that year. Now the Government propose to repeal the measure, although I should say there is still justification for an examination of undeveloped lands within city borders. Whether they can be controlled through councils or local authorities is another question. I do not think any land speculator should be allowed to retain a substantial area within a developed city until such time as he can get for it a price far in excess of the price he would normally get if he developed and sold it in the normal way.

Mr. Hiley: If you know of such a block and can show it to me, I will resume it for the Housing Commission.

Mr. WALSH: I do not want to point my finger at something, although I could point to something within the State.

Mr. Mann: Bundaberg.

Mr. WALSH: I can speak for Bundaberg.

Mr. Muller interjected.

Mr. WALSH: That may be so for the Minister. He is taking the cocky viewpoint. I am taking the community viewpoint and I cannot see any justification for the extension of water and electricity supply and similar services beyond an undeveloped area of land. The cost to the community is so much greater, as those services have to pass an undeveloped block, whereas if the block was developed the cost to the community generally would be so much less.

I hope local authorities bring that point to the notice of the Government so that the Government will give power to local authorities to compel such landholders to break up undeveloped blocks. That was the purpose of land tax, and it had the desired effect, to the advantage of the community generally. As the tax was imposed for the purpose of bringing about subdivision and development of rural lands, I do not see any reason why local authorities should not be given power to compel landholders to subdivide. It is wrong to say that it is not necessary. The Minister for Public Lands should know that it is necessary. Such a condition exists in an area not far from the post office in this city. When I say not far from the post office, I mean six or seven miles, which is not a great distance in the metropolitan area. I dare say it exists between here and Inala. Quite a lot of land owned privately in that area could be subdivided. Areas in the green belt may be entitled to some consideration compared with

blocks in the city. They should attract a lower rating in the green belt. I know that local authorities wink their eyes at a lot of these things. I see no objection to the repeal of the legislation as I know that if it had been implemented it would have cost a great deal more.

Mr. AIKENS (Mundingburra) (5.10 p.m.): In the tables and graphs that the Treasurer so very generously had circulated to hon. members, there is a provision for land tax on land held by resident owners. I have been asked a question about it, and I should like the Treasurer to inform the Committee in his reply what actually constitutes a resident owner. We know that if a man holds various parcels of freehold land throughout the State and the value of the parcels is aggregated he pays land tax on the aggregate amount. I am informed that if the areas are somewhat large and he has a house on each, so long as he lives in the house for a certain portion of the year, he is regarded as a resident owner with regard to that particular parcel of land and consequently to the whole of the aggregation of his land.

Mr. Hiley interjected.

Mr. AIKENS. I should like to have that matter cleared up.

The Bill, as the Treasurer said, not only abolishes and reduces land tax on quite a lot of holdings of small value but increases land tax on holdings of large value and simplifies the method of land-tax assessment. That is a very good thing. In all our legislation we should aim for simplification. As a member of Parliament—and I have no doubt others have had the same thing happen to them—some of my electors have brought along their land-tax return Form B to me. They have been unable to fill it in satisfactorily. They have attempted to fill it in, only to have another form sent to them from the office which I understand is Land Tax Supplementary Return—Form C—or another Form B has been sent back and they have been told that they have not filled it in satisfactorily. Other electors have brought me Form B in the first instance and I have helped them to the best of my ability and knowledge to fill it in. I am a man of just ordinary intelligence, knowing no more or less than the average man in the street. I find that this particular form is very difficult to fill in because so much is required that you cannot possibly fill it in correctly. I have done the best I could for my electors; on most occasions the form has been accepted by the land-tax people. On one or two occasions, however, the form has been sent back after I felt that it had been filled in correctly.

Mr. Walsh: It must have been the wrong year.

Mr. AIKENS: No. Look at the first page of the form and see the words "Particulars of land held in severalty," "The local authority to which rates paid"—and that is quite easily filled in—"Resubdivision",

"Division", "Allotment", "Section", "Portion". Anybody who knows anything about local authority work will know that some allotments of land held in a city area run as re-sub. 1, section 2, subdiv. 1, portion 9, of subdiv. 8, of section 8, of resub. 5—it goes on for half a page.

Mr. Hiley: You merely state what you have just said.

Mr. AIKENS: How can you when there are only four columns? You also have to give particulars of the frontage, the depth, and the area, as well as a reference to the title deed, about which the average householder knows virtually nothing. Probably his deed is stuck away somewhere. Mine is in a safe deposit box at the bank.

I ask the Treasurer to have a look at the form from the viewpoint of the average, intelligent landholder, and see if he can simplify it in the same way as Sir Arthur Fadden and his officers in the Federal Income Tax Department simplified the salaries and wages return for income tax purposes.

The form requires certain information in respect of country land, such as the improvements that have been effected. One of my electors failed to disclose the fact that he had on his land an ordinary wooden house with an iron roof, and the form was returned to him so that he could insert that information. There is a good deal of room for the simplification of Form B. The big landholders, of course, get their accountants or solicitors to complete the form, but it is a big hurdle to the ordinary citizen who owns freehold land in a city or town.

When I learned that this Bill was being brought down today, I thought that on my way this morning from my guest house I would get a couple of land tax return forms so that I could point out to the Treasurer the difficulty experienced by the average citizen in filling them in. Being a country man, I had to take a blind stab as to where I would go to get the forms. I ask the Treasurer now if he knows where he can get them in Brisbane.

Mr. Hiley: Yes.

Mr. AIKENS: The Treasurer knows, but I will bet that not one country member of Parliament does. I started at the Treasury Department, as land tax comes under the jurisdiction of the Treasurer. When I asked there for a land tax form, the official looked at me as if I were a visitor from outer space and said, quite courteously, as the others did, "You won't get land tax forms here. Try the Lands Office." I then trudged down to the Lands Office, but I was told that I could not get any land tax forms there. I said, "Will you tell me where I can get them?" The man on the counter said, "I am not too sure, but you might be able to get them either at the Income Tax building or at Morcom House across the road." I then went to the Income Tax building and

asked if they had any land tax forms. I noticed a number of signboards there in different languages and I think the officer that I saw must have thought that I was a New Australian because I asked for land tax forms at the income tax office. He said something to me that sounded like, "Gorgonzola, habeus corpus, spaghetti, rigor mortis." I said, "I am not a New Australian. I want a land tax form." He said, "Don't ask me for one, brother." And so I went to Morcom House. No-one there knew where I could get a land tax form until I met perhaps the humblest worker there, one of the cleaners. He was a Townsville man and was very happy to meet me, as I was to meet him. So we shook hands and we started to talk about the old home town and the people we knew. Then he said, "What are you doing here, Tom?" I said, "Believe it or not, I am looking for a State land tax form." "Oh," he said, "I will tell you where you can get one of those." So he took me down a little narrow back flight of stairs past all the garbage bins and all the rubbish boxes, out a little gate, across a little narrow passageway, showed me with considerable pride the excellent cafeteria in the basement of the income tax building and showed me their excellent recreation room and talked to me about this and that and one thing and another and finally got me to a lift, where he pressed the button. The lift opened and he said to the attendant, "Will you take my old mate up to where he can get a land tax form?" I went up seven storeys to the seventh floor, so, in case you did not know before, you know now that if you want a State land tax return you can get it on the seventh floor of the income tax building at the corner of George and Elizabeth Streets. Anyone who reads "Hansard" will know where to get them.

Mr. Hiley: Or any police station or any post office in the State.

Mr. AIKENS: I do not go to police stations as a rule or to lands offices. However, that is a fairly accurate account of the trouble I had this morning in getting a State land tax form. It is all very well to say, "Go to a police station or to a Land Tax Office or somewhere else." I do not even know where the Land Tax Office is. I only know where the Lands Office is. I know where the income tax office is. I have been walking back and forth up and down George Street for 16 years. I know all the main buildings. But that is the difficulty that I and other visitors from the country—the salt of the earth, Mr. Taylor—have in getting a land tax form.

The CHAIRMAN: Order! Now that the hon. member has detailed so fully the procedure of getting a land tax form, I ask him to return to the subject of the Bill.

Mr. AIKENS: If I have made it perfectly clear to you, Mr. Taylor, I will conclude my speech on that note.

Mr. BURROWS (Port Curtis) (5.24 p.m.): It has taken the hon. member for Mundingburra a long while to give his account. He cannot be very observant when he goes into a post office.

The Minister said in the course of an interjection that freehold is more rewarding than leasehold to the Crown. I cannot agree with that. To illustrate my argument let me refer to the tables he has so generously given us, setting out the old and new rates of land tax on various valuations. Any value will serve the purpose but let us take a piece of freehold land worth £2,000. The owner would pay £6 5s. in land tax. On a piece of country freehold land worth £3,000 he would pay 1½ per cent. under the old rate or 2½ per cent. under the new, and 2½ per cent. on £3,000 is £75. Actually, under the Bill he would not pay any land tax. We have to go right to the value of £3,480 and then the tax is only £2 whereas on perpetual lease the payment is £85, possibly £87. So the Minister is a little out in his calculations. For his information I question the remark.

Mr. Hiley: I heard your argument.

Mr. BURROWS: I should be happy to be corrected if I am wrong but as I understand the Land Tax Act there is no provision covering aggregations. A big Company called, say, Browns (Brisbane) Ltd., might own £10,000 worth of land in Queen Street while Browns (Ipswich) Ltd. could own £10,000 worth of land in Ipswich. I am very much concerned about the incidence of big combines pushing the little men out. No-one knows better than the Treasurer the trickery of companies in evading not only land tax but also income tax. They employ smart accountants who, although they operate within the law, can point out how by forming different companies with different balancing dates and other financial tricks they can save thousands of pounds in taxation.

Mr. P. R. Smith: Your accountancy will help you in your grazing business, won't it?

Mr. BURROWS: I am sure your legal knowledge will not help you in your legal business. What do you want to come butting in for with your 2½d. worth? That is what I expect from a person with the intelligence of the hon. member for Mundingburra but from a man in your position and profession I expect a higher standard.

The CHAIRMAN: Order!

Mr. P. R. Smith: I was merely asking you whether your proficiency in one calling would assist you in another.

The CHAIRMAN: Order!

Mr. BURROWS: If you had any satire—

The CHAIRMAN: Order! The hon. member will please address the Chair.

Mr. BURROWS: I am sorry. Those are the points I wished to make.

Motion (Mr. Hiley) agreed to.

Resolution reported.

FIRST READING

Bill presented and, on motion of Mr. Hiley, read a first time.

SUPPLY

COMMITTEE—FINANCIAL STATEMENT— RESUMPTION OF DEBATE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Debate resumed from 16 October (see p. 732) on Mr. Hiley's motion—

"That there be granted to Her Majesty, for the service of the year 1959-1960, a sum not exceeding £1,339 to defray the salary of Aide-de-Camp to His Excellency the Governor."

Mr. DEWAR (Chermside) (5.30 p.m.): At the outset I should like to congratulate the Treasurer once again on the presentation of his Budget and on the capable manner in which he has handled the affairs of State since he assumed the office of Treasurer. It is pleasing to note that the State continues to make progress. I should also like to congratulate the Government particularly on the enthusiastic manner in which they have tackled the problem of inducing industry to come to this State from other States and overseas, and on their assistance to industries already established here. A great deal of success has been achieved. It is also pleasing to note the enthusiastic manner in which the secondary industries division has gone about its job. Information is readily accessible to firms that ask for it. I have had some experience in this regard and I congratulate those people on doing an excellent job.

It is rather pathetic to hear the bleatings from A.L.P. members. For instance, we heard the hon. member for Brisbane complain bitterly about the decline in home building, but the hon. member for Sherwood, who dealt with the matter in his speech, showed that there had been record building in this State. It was singularly unfortunate for the hon. member for Brisbane that a few days after he made his statement regarding housing that the "Telegraph" newspaper should carry the headline, "State has best house year since 1954." That reveals the type of irresponsible statements that come from hon. members opposite. I do not suppose it would be possible to listen to a more pathetic approach to the Financial Statement than the speeches of the official Opposition. They have had a very busy week. Last week there were a number of developments relating to the A.L.P. The story goes that they had no Caucus meeting last week, that they were summoned, like schoolboys, to Invicta House to learn about

Parliamentary tactics for the next election. I can understand why the bosses of the Q.C.E. should desire to have this motley crew at headquarters to teach them something about elections. They certainly have a lot to learn. Hon. members opposite are very humble, and so they should be. They have plenty to be humble about. It is alleged that the Leader of the Opposition begged of the Party to drop socialism, no doubt because of the results of the British election when the British Labour Party found itself in the ignominious position of having its candidates defeated in working class districts where members of the Conservative Party were successful. The defeat was so great that the split which occurred in the Labour Party here in 1957 will be repeated in the British Labour Party, if it has not already occurred. One member of the Labour Party in that country is going to join the Liberal Party, because he is no longer interested in the policy of Labour, particularly that of die-hard nationalisation. It is alleged that the Leader of the Opposition here has begged the Australian Labour Party to drop socialism. At one time we had left, centre and right wings of the Labour Party. They got rid of the right wing and now they are pinks and reds. At the recent trade-union congress the Leader of the Opposition appealed for unity between the industrial and political wings. He not only made that appeal, but according to the "Telegraph" on Thursday last, he said—

"One of the greatest necessities in the A.L.P. was a much fuller interest by young people.

They did not know of depressions, and of the fight and struggles for industrial reforms.

Problems today were different from those of 40 years ago."

Consider that statement with his statement some years ago as a member of the Labour Government. I am not sure of the date or of his exact words, but I think the place was Toowoomba, and that he said that the young people of today were too well educated and therefore they did not vote Labour. In other words, he deplored the fact that our education system was so good that the young people were waking up to the Labour Party and the inference to be drawn from such a statement five or six years ago was that the Labour Party's policy was to keep the people in ignorance so that they would always vote Labour again. According to the "Telegraph" of Thursday last, he deplored the fact that the Labour Party could not attract young people to its ranks. He wants to keep the youth of today ignorant so that they will continue to vote Labour; he wants to make sure that they remember the depression. The life blood of the A.L.P. is misery. Hon. members opposite have a vested interest in unemployment. They want the young people to remember such things. They deplore the fact that the youth of today are educated, that they can

now think for themselves, and have decided to vote Labour no longer. They recognise that the Labour Party is a spent force. It is true that at one time the Labour Party fought for principles, in the days of no enlightened thought, but in these days of enlightenment, when management and labour work hand in glove, there is no need for the rantings and ravings of the red-raggers, the extremist elements of the Labour movement. The Labour Party is a spent force, and hon. members opposite know it.

Mr. Egerton, at the trade-union congress, gave out certain conditions for A.L.P. candidates at the next election. He said that each candidate should be asked, "Do you believe in socialism?" and that if he stuttered or stammered, he should be told, "Go and join the Liberal Party." I believe that is the test to be put to each candidate. If he cannot state unequivocally, "Yes, I believe in socialism," or, if he stutters or stammers, he will be told to get out of the Labour Party. I do not know if it is intended that he should join the Liberal Party. The hon. member for Port Curtis stammers a bit, and we do not want him over here.

I congratulate the Government on their tremendous school-building programme. I will have a better opportunity to deal with it on the Estimates of the Department of Education. When the Government assumed office the State was in an acute position with regard to its school-building programme.

Mr. Houston: That is not true.

Mr. Davies: Of course it is not.

Mr. DEWAR: The greatest activity in high school building work in this State in the post-war years under Labour took place in the year of the 1956 election. I think five or perhaps seven high schools were put on the list that year, in order to save the political hide of Labour members. The Kedron High School was an example. It was put on the list to save the hide of Mr. Tom Rasey, the Labour member then representing the electorate of Windsor. If ever there was a political stunt, that was it. That was the year of greatest activity in high-school building during the office of the previous Government. Every one was put on the slate and the foundation stones were laid for one purpose only—to save the Government of 1956. The Minister for Public Works and Local Government in reply to a question by the Deputy Leader of the Opposition last week highlighted it when he said that the Government were building schools where the need existed, not for political expediency. The Government have gone about the school-building programme in that way. The greatest impetus has been given to school-building during the post-war years. In their first year of office the Government allocated £750,000 more for education than that allotted by the previous Government in their last year of office.

Mr. Davies: You had to.

Mr. DEWAR: We had to because the department was starved under the hon. member's Government. In our second year of office no less than £1,500,000 more was made available for school buildings than in the last year of the previous Government. I extend congratulations to the Minister for Education on the enthusiastic manner in which he has applied himself to the task of lifting education to the realm it should be in. His is one of the top portfolios; education is one of the most important phases of community life. Everyone knows that schools are being built and I repeat that schools are being built on needs, not for political expediency.

I wish to discuss two matters during this debate because I can see no opportunity to discuss them on the Estimates. The first is a very pressing need in the not too far distant future, the need for a Building Safety Code from the viewpoint of fire hazards. I am not an expert on putting out fires but I am the Government representative on the Metropolitan Fire Brigade Board and I have come to learn a bit about fire-fighting. There is need for a Building Safety Committee and it should comprise, in Brisbane, the Chief Inspector of Factories and Shops and in country areas his representative, the Town Clerk of the local authority concerned and the fire chief of the local authority also. There is a crying and pressing need for building safety in regard to fire hazards. In Sydney and Melbourne buildings may go to 400 feet but in Brisbane the nominal heights for a building is 132 feet. It is possible, under the ordinances, to go higher if the floors beyond 132 feet are stepped back. Buildings of 19, 17 and 14 storeys have been projected for the South Coast; I believe that a 14-storey building has been suggested for New Farm. There was reference to it in the Press yesterday.

If buildings above 125 feet in particular, or 80 feet as suggested by the fire chiefs of Australia, are not built in conformity with proper fire safety standards they can become fire traps for many people. Local authorities have power of control within their ordinances but the control is not always effective. A man from another State might want to erect a 20-storey building on, say, the South Coast. The local authority may have an ordinance restricting the height of buildings, but its ordinances covering fire hazards may not be very definite. The prospective builder may fear that the installation of the safety devices that the local authority requires will increase the cost of the building by as much as £100,000, and his reaction could be to threaten to erect his building in another local-authority area. In order to retain the building for its own area, the local authority might submit to pressure and allow it to be erected without the inclusion of many necessary precautions against the hazards of fire.

The main problem presented by a fire in a tall building is getting people out, particularly if the fire is on one of the lower floors.

Another problem is created by smoke, which travels up the lift wells and staircases. If it gets to the top floors it can create panic, even though the people there may be in no danger from the fire. As an example of that, a fire broke out on the second floor of the multi-storey Winekof Hotel in Atlanta, Georgia. The hotel had been constructed in such a way that fire could not spread from one floor to another, but so much smoke travelled up the lift wells and staircases that people on the 14th, 15th and 16th floors panicked and jumped out of the windows. They lost their lives unnecessarily. They were in no danger from the fire, which was quickly extinguished.

At a recent conference of Australian fire brigade chiefs a safety code was laid down for buildings over 80 feet in height. The Brisbane Fire Brigade has a Metz ladder—the longest in Australia—mounted on a Dennis chassis. It cost £15,000 and will extend 125 feet. It was first used at the big fire some months ago in S. A. Best's building in Gipps Street, Fortitude Valley, and it paid for itself in that fire alone. World authorities say that the maximum height to which a ladder can be built to extend is 150 feet, so that some other method must be contrived to get people out of buildings of a greater height. In the case of a building 132 feet high, the present ladder will enable firemen to put water into the top floor, but they cannot get people out.

It is essential that in every building over 80 feet there should be totally-enclosed fire-resistant stairways and lift wells. In addition, every floor should have an observation lobby surrounded with fireproof glass. From those lobbies the firemen can study the fire with no danger to themselves, and determine the best methods to fight it and to get the people out.

One of the big problems associated with fighting fires in tall buildings is the lack of water-pressure. The Empire State building in New York, which I have seen, is the highest building in the world and some years ago an aircraft crashed into the 32nd floor. Naturally it exploded; it caught fire and set fire to that floor of the building. Because of the modern method of having fire-resistant lift-wells and stairways, the firemen were able to make their way up to the floor and, through the observation hatch, they quelled the fire while people on the other floors hardly knew that there was a fire in the building. That is what is required.

It is not enough to have fire-resistant lift-wells. The lifts in those lift-wells must have their own electric power. They must not be dependent on the power that lights the building.

In buildings over 80 feet high the problem of water pressure is great. To lift water one foot calls for .434 lb. pressure; to lift it 100 feet calls for 50 lb. pressure, and to lift it 400 ft. calls for 200 lb. pressure. Under this building safety code it is essential

to have one main to serve the first 10 floors and then, for the next 10, to have a second main independent of the first, then to have a pump on the ground floor to take water up and a booster pump on the tenth floor. All these are extremely important requirements.

The fire chief told me the other day that such a building is in use in Sydney. It is air-conditioned and it is so ultra-modern in every way that tenants do not even have to worry about garbage and office refuse. Chutes are built into the walls and garbage is tossed down them. It goes into an incinerator and is consumed on the spot. One day smoke was belching forth from every one of these chutes on the 10 or so floors in the building and panic started. Nothing starts panic faster than smoke. People do not need to see fire. As soon as they see smoke they imagine the whole place is on fire and they panic. The fire brigade was called and ultimately it was found that somebody had thrown an old waterproof overcoat down one of the chutes and it had rested on top of the incinerator. It was too far away from the flames to burn but it started to smoulder from the heat, and smoke issued from it in great clouds and came out on every floor in the building.

All these matters must be examined by men who understand them. That is why I think it is time the Government, through the Local Government Department, considered amending the Local Government Act to provide proper standards of buildings with the idea of protecting not only the people who live in residential in particular and who work in offices in high buildings but also the fire-fighting personnel who have to go in and get those people out no matter what the conditions may be. So I suggest to the Government that they consider establishing a Building Safety Committee comprised of representatives of the department of the Chief Inspector of Factories and Shops, the town clerks of the local authorities, and the fire chiefs.

There are one or two other matters I want to discuss on the Financial Statement and the first one—

Mr. Davies:—Is unemployment.

Mr. DEWAR: The estimates of the Department of Labour and Industry will be before the Committee later and the hon. member will have an opportunity to say what he likes on that subject then.

The first matter is a very sad episode that was related to me by quite a good friend of mine in the last few days. It concerns the father of a boy who went down to Point Lookout about two weeks ago and who, just before breakfast without telling anyone what he was doing as he was an accomplished swimmer, took a surf ski and paddled out from the beach at Point Lookout and was never seen again. Neither he nor the ski has been sighted since. The father, naturally, was very distraught

about it and wanted to know how this could happen to his son as he was such a strong and accomplished swimmer. So he made many enquiries on the spot. To his horror and amazement—and mine—he finds that everyone in the locality knows that there is a vicious riptide at a certain spot off shore, that it is so many yards wide and runs out to sea about 40 miles. Everyone in the local area knows that the dangerous current is there but this man's son did not. Neither does any other visitor. Visitors to any surfing beach in Australia do not know the hazards at any particular spot. This man has discussed the matter thoroughly with officers of the Department of Harbours and Marine and the Police Department who agree with his contention. They said they would support the case he put to me and that I am now putting to the Committee. I am putting this case in the hope that the Minister for Public Works and Local Government will give favourable consideration to amending the Local Government Act to force local authorities to investigate any likely hazards in their shires, and if investigations reveal that hazards exist that are likely to be dangerous to visitors who do not know the local conditions, that a suitable notice be displayed at the appropriate place to alert them to the danger.

Mr. Gaven: The only trouble about that is that you get gutters every 250 yards.

Mr. DEWAR: I am not so much concerned about gutters—gutters change. The lifesavers are aware of the presence of gutters. They have their own methods of indicating where the gutters are. I am more concerned about dangerous riptides like this one at Point Lookout which is a permanent feature of that beach. Visitors do not know about it until they are in trouble. This man's son lost his life because he did not know. A notice on the beach warning visitors of a dangerous riptide in the direction of an arrow or some other form of indication would alert people to the danger. A visitor would be less likely to take risks. If he took risks in spite of the warning most people would say that he had only himself to blame. The cold facts of the matter are that visitors are prone to danger because they blindly enter waters where they know not that danger exists. They have just not got a chance. The suggestion put forward is worthy of consideration. I realise that the manager of a big hotel at a beach that may have some local danger is not going to be very happy about the display of a notice that may tend to keep visitors away from the beach. Certainly he would not be very happy about displaying such a notice in his hotel. But any person of sound and honest principles in that type of business or any other business catering for visitors would be most happy to know that the people who came to the beaches and used his hotel were protected. He would be only too happy to co-operate. There are one or two other points to which

I wish to refer. These matters were brought before my notice after attending the Safety in Industry Convention which was held in this city and attended by a number of members from this side. No members of the A.L.P. were interested enough to go.

Mr. Davies. The hon. member who said that had not been there himself.

Mr. DEWAR: I do not think that is correct. Every hon. member who spoke about it on this side had some association with the convention. I attended two very interesting sessions. Reference was made to safety in industry in the electrical trades. One of the difficulties was to get it over to the people how dangerous it was for those who are untrained to attend to electrical appliances. I have not the figures with me, but the number of accidents and deaths caused by untrained people attending to electrical appliances is very high. I have had experience of the dangers associated with electricity; having been burnt once by a lawnmower, I keep away from it.

Another problem mentioned was the use of the correct resuscitation methods for people who had suffered an electric shock. Quite recently a man received a 33,000 volt shock and was burned over the whole body, but he is still alive. It is very important that the correct treatment should be used to resuscitate a person who has received a high voltage shock. I understand that when electrical shock is suffered damage can be done to the lungs and the chest region. Perhaps someone knowing enough to be dangerous and not enough to be helpful who saw a person fall in a severe state of shock resulting in collapse of the lungs might apply the Schaefer method of resuscitation in which the pressure is on the lungs. That could easily kill the patient. Under the circumstances the Holger Neilsen method would be the best to use, that is lifting the elbows above the head. The method should be explained clearly to the public so that it can be used in an emergency.

Mr. Power: A book has been published on it.

Mr. DEWAR: Yes. Although legislators can make laws, unfortunately they cannot protect a fool from his own folly. Books may be printed and given away, but the people cannot be made to read them. That is the problem.

A person may get into difficulties in the water. A strong swimmer may bring him to the shore, but he may not know the correct method of resuscitation. The Government should consider a programme of education in these matters. I ask the Minister for Education to consider my request. It should be possible to conduct school courses or a school training scheme to make the children aware of the danger of playing with electrical appliances. I am sure every hon. member with children could recount stories about his children at some stage of their lives pulling out

a wall plug while their mother was using some electrical appliance such as a floor polisher. I recall an occasion when my brother was using an extension lead. I was speaking to him and my young son grabbed the extension lead, pulled it out of the socket and pushed his finger into the socket. He touched one of the terminals, but fortunately he was able to yell out loudly. I heard him, and snatched the cord from his hand. He was badly burned. I doubt very much whether he will ever again touch an electrical appliance. We should be able to educate children to keep away from electrical appliances before they learn the lesson the hard way by burning themselves.

The subject could be taught in the schools as another aspect of Social Studies. The message would then be implanted in the minds of the children, and by the time they are adults they would have a basic knowledge of the danger.

It should be possible to include in the school curriculum an elementary course on methods of resuscitation. The children would impart the knowledge to their parents, and in a few years the population as a whole would have some knowledge of the subject. Assistance would in all probability then be available in all instances when persons needed resuscitation. The elementary rudiments of the subject should be taught at school.

I now turn to a matter affecting the near North Coast, commonly called the North Coast, just north of Brisbane. The name to me would indicate the coastline from Mackay to Cairns. It is commonly referred to as the North Coast, but recently "The Courier-Mail" has conducted a poll on a suitable name, and it may soon be known as the Sunshine Coast. I refer hon. members to the statement by Mr. Geraghty, President of the Surfers Paradise Chamber of Commerce. According to "Truth" he said bluntly this week "that since the present Government has been in office the emphasis has been on publicity for the North, rather than the South Coast." The statement is prefaced by these words—

"Gold Coast publicity boosters suspect that the Nicklin Government is 'playing politics' in the Battle of the Coasts!"

That would convey to any reader of the article that the Government were spending more money on the North Coast than on the South Coast.

Mr. Marsden: Not a bad place all the same.

Mr. DEWAR: No. Since I have been in this House, roughly 10 years, the Government have probably spent more money progressively on road and development work on the South Coast than in any other part of Queensland. Any comment of the nature I have referred to seems to be on wrong premises. I am a lover of the North Coast; but I do not know that any Government money is spent in the area, except on that

10 miles of road from a mile past Landsborough to a mile before Buderim. In the Landsborough Shire roadworks have been going on for the past 18 months and a good road is being built. When that is done I hope some money will be spent in the shire of which the hon. member for Cooroora is chairman. There is a shocking piece of road from the south of the Maroochy Shire to Nambour; it is one of the worst pieces of road in Queensland.

Mr. Davies: Nonsense.

Mr. DEWAR: I travelled from Julia Creek to Richmond a year ago over a road which is better than that from the Buderim corner to Nambour. This piece was probably built by a Labour Government. What else could one expect? Nothing has been spent on it since. There is not one good road to the North Coast resorts whereas the South Coast has duplicated roads. The writer of this article says that the Government are playing politics but I repeat that I do not know of any money that the Government have spent on the North Coast. What is more, the Government are going to make a profit out of contracts let on the North Coast. They are giving back to the people the use of their assets and getting revenue for the Crown in return. The Crown is going to provide an asset for the use of the people between Coolumb and Noosa. It will not be pie in the sky but something that the present generation will be able to use. The people will be getting first-class roads along the North Coast at no cost to the Crown and at the same time revenue will be forthcoming for the Department of Public Lands for use in other parts of the State. So much for this talk about the Government playing politics on the North Coast. I hope that the Minister for Public Lands and Irrigation will have a statement to make about a contract which might be let south of Coolumb. I then might be able to get to my home at Point Arkwright half an hour quicker and not have to travel over bad roads. What the Government have done on the North Coast is sound common sense. It will extend from the David Low bridge at Bli Bli on to Coolumb.

During the course of my speech I have taken hon. members on a world tour and have covered many different subjects. I hope that the adoption of a fire safety code will provide a measure of protection to the people of this State as well as the members of the fire-fighting services. I emphasise also the point that I raise about forcing local authorities to display prominently the history of any natural hazards that exist where visitors may go. That will not only be the means of saving lives but will also help to promote the tourist industry. If interstate visitors see prominently displayed particulars of local hazards, they will know that their interests are being looked after.

In conclusion, I commend the Treasurer on his presentation of the Budget.

Mr. DAVIES (Maryborough) (7.32 p.m.): Before dealing with the Budget, I should like to refer to a recent statement in a question by the hon. member for Mulgrave in such circumstances that the Opposition was given no opportunity to request a withdrawal. The hon. member took advantage of a ruling by Mr. Speaker that his question was in order. It was a scurrilous attempt to defame a political party that is held in high regard throughout the country. Although it may not be supported by 50 or 51 per cent. of the people at every election, it always gets almost 50 per cent of the votes cast. It is quite evident that the hon. member is prepared to stoop to an all-time low to gain a political advantage. It was contemptible of him to give to a party a name that he is well aware does not exist.

Mr. WORDSWORTH: I rise to a point of order. I did not give any party a particular name. I merely referred to Mr. G. M. Dawson as the leader of the Communist-Labour movement in Queensland. If the cap fits the hon. member, let him wear it.

Mr. DAVIES: A statement like that is offensive to us and ranks as one of the lowest political statements of all time.

There were three outstandingly regrettable speeches in the debate. One was by the hon. member for Kelvin Grove, whose ugly, undesirable viciousness during the first part of his speech was inexcusable. The second was by the hon. member for Carnarvon, who revealed childish obsession to supposed Communists in the Australian Labour Party. Then there was the speech of the Minister for Development, Mines, and Main Roads, who tried to defend the Government against attacks by the Opposition on their refusal to face up to the problems of the sugar industry. He spent the whole of his time in an effort to misrepresent us, when he could have given us a good deal of useful information. I point out that in the Maryborough area 218,000 tons of cane could be harvested this year. Last year, 171,000 tons of cane were crushed for a quota of 20,000 tons of raw sugar thus an extra 2,000 tons. This year 142,000 tons of cane suffice for the mill quota of 20,000 tons of sugar. That means that 65 per cent. of the crop available on the farmers' net assigned area will be crushed, leaving about 35 per cent. in the field. That is the problem we wanted the Minister to deal with. He could have told us of some of the reasons for the great overproduction in the area. Is it to become worse in the next 12 months or are there some features of present overproduction that should cause us to think that in the next year or two the problem may not be serious? In our area the cane that usually arrows has not arrowed this year. Had it arrowed as it usually does in February, it could have meant a reduction of some 7 tons an acre. There were no frosts in the area this year and the remarkable weather conditions have led to the highest c.c.s. the

farmers have known and the highest tonnage per acre.

In 1956 all of the cane was sold. The year 1957 was a drought year and production fell almost to nil. In 1958, 9 per cent. was left in the field and this year we have 35 per cent. left.

Many proposals have been put forward from this side of the Chamber but the Minister did not deal with any of them. We remember the time when the Queensland Government had to step in and acquire the whole crop and still does so. Admittedly, that was a form of socialism. We remember that it was in the 1920's that the Australian Labour Party introduced the sugar cane prices legislation, which placed the industry on a sound footing. With those foundations it has progressed so successfully. As a matter of fact, it is worth noting that it was during those years that the Australian Labour Party Government introduced legislation to enable farmers to create pools to control the marketing of their products and the producers refused. The "Daily Mail" and "The Telegraph" commented on the fact that this legislation has formed the foundation of all Australian-wide legislation dealing with the marketing of primary products from then on.

As a matter of fact, I could quote one or two leading Country Party members, now passed on, who gave great service to the State and who commented along those lines. One point I want to emphasise is that, at that time, the legislation was bitterly attacked by many Liberals, one of the foremost of whom was Mr. G. P. Barnes, the Liberal-Country Party member for Warwick, who in 1922 said—

"A more daring, audacious, and cruel Bill was never presented for the consideration of a deliberative Assembly in a British land."

This is the legislation on which the primary industries throughout Australia have based all the organisation that exists today. He added—

"This is a coercive measure, intended to dictate to everyone what he shall do and what he shall not do."

"Coercive" is a word we hear often today.

Mr. Wordsworth: What year was that?

Mr. DAVIES: At the time of the introduction of this particular legislation.

Mr. Wordsworth: Which year?

Mr. DAVIES: 1922. The hon. member for Fortitude Valley went back to the 1860's in his speech. Mr. Barnes went on to say—

"I sincerely hope that this fair land of ours is not going to be cursed by the passing of legislation which will be destructive of our freedom, and which will prevent all development in the future."

Need more be said?

I could quote "The Queensland Producer" at the time in which it says that it takes the opportunity to congratulate the Labour

Government for their efforts on behalf of the farmers of Queensland.

Mr. Hart: What year was that?

Mr. DAVIES: The grazier from Mt. Gravatt is ignorant of the early development of the industry. He tried to put on a valiant show on behalf of the Government, then disappeared back into the courts.

Mr. HART: I rise to a point of order. That is the second time that the hon. member has made a statement like that. From about 25 minutes to 2 the hon. member for Kurilpa and I were working with the Minister for Justice. We came into the chamber at about a quarter past 2 and spoke on the Stamp Acts Amendment Bill. Having spoken, we went back to work with the Minister for Justice.

Mr. Mann: Give him an extension of time.

The CHAIRMAN: Order! I ask the hon. member for Brisbane not to make such remarks. The hon. member for Mt. Gravatt is speaking to a point of order. He is making an explanation. I have the gist of the explanation; the Committee has the gist of the explanation; I think the hon. member for Maryborough has the gist of the explanation. I ask the hon. member for Maryborough to accept the explanation of the hon. member for Mt. Gravatt.

Mr. DAVIES: Yes, I am quite prepared to accept the explanation. I am very pleased that the hon. member was able to give that explanation.

The hon. member for Chermiside spoke about the slashing defeat of the British Labour Party. Small comfort can be gained from the fact that the Labour Party lost 200,000 votes. Nearly 13,000,000 people voted for the British Labour Party. There was no such thing as a landslide. The mouthpiece for the Government in the "Courier-Mail" said that there was no landslide. We had the remarks of the hon. member for Chermiside, and the Treasurer about what was happening to the Labour Party, but they forget the New South Wales elections this year. Where is the logical conclusion of their arguments? And there was the Lismore by-election.

Mr. Rae interjected.

Mr. DAVIES: The hon. member stood on the platform and said that it was essential for the future development of this country that the Menzies-Fadden Government should be returned. All hon. members opposite stand indicted for putting that Government back on the Treasury benches. Earlier this year the hon. member for Mulgrave was returned on a minority vote. If the Government had the confidence of the people surely to goodness at least 50 per cent. of them would have recorded votes in their favour. But the hon. member had to carry the sins of omission of the Government and so he

was returned with a little over 40 per cent. of the votes. They are a minority Government.

Mr. Wordsworth: You were returned last year on a minority vote.

Mr. DAVIES: I am proud of the confidence shown in me by an absolute majority over two candidates.

Mr. Wordsworth: Still a minority vote.

Mr. DAVIES: The hon. member is the person who said, "I have not even read the Federal Budget." I can easily understand because he was so heartily ashamed of the Federal Government. At the recent convention in the South the hon. member for Chermiside said, "I am very pleased to be able to prove to the people that I am not a member of the Menzies-Fadden Government." He was ashamed of the Federal Government. I have pointed that out before. The Leader of the Opposition has also said it.

Let me deal with the vicious attack by the hon. member for Kelvin Grove on the A.L.P. We are criticised because a few of the members of the Australian Labour Party saw fit to agree to go to a convention in the South which was organised to give consideration to the question of peace in the world.

Mr. Tooth: You support this convention?

Mr. DAVIES: We have members going to this conference. We have enough love of Australia and the democratic system that we have developed to withstand any false indoctrination that may be attempted. Hon. members on the Government side apparently have not the courage or the strength to associate with people who hold a contrary opinion because they are afraid that they might be indoctrinated. We have enough backbone to attend a peace conference and discuss the most precious subject of all—peace. When men are gathered together there is no more important subject to discuss. Dr. Evatt was criticised last year because he advocated a conference of the leaders of the nations of the world. Mr. Macmillan advocated it and made his advocacy election propaganda. It was the greatest political bluff ever put over any people. We always have advocated a conference to discuss peace. During the election in England it was claimed the conference would be held after the elections, but grave doubts are expressed now as to when the conference may be held. It was merely used to bluff the British people. Was President Eisenhower afraid of being indoctrinated when he welcomed the leader of the Communists who travelled throughout America? No doubt the President dined and wined with him at the White House. Is it not true that British Royalty accepted a present from the Russians of a pure bred horse?

The CHAIRMAN: Order! I ask the hon. member to leave Royalty out of it.

Mr. DAVIES: Is it not a fact that in this country trade delegations from Communist countries have been welcomed, and that there has been dining and wining with them to induce them to buy our steel and wool.

Mr. Tooth: What has that to do with this conference?

Mr. DAVIES: Of course it has. Is not the man who sells wool to Red China helping to keep a Chinese soldier warm?

Mr. Tooth: You are not supporting that.

Mr. DAVIES: I have not sold them wool. May not the steel sold to them have been used to make guns for use in the march on Tibet? There are organisations along the coast discussing the United Nations problems. I know of places where Communists attend the gatherings, but the people see that the Communists do not occupy any executive positions. People highly respected in the community attend these gatherings. They have the courage of their convictions and they are strong enough in their beliefs not to be afraid of meeting people of different opinion. Would they stay away because they were afraid of being contaminated? Of course not. It is realised that it is essential to get together to have conferences with the aim of achieving peace and to influence these people by the exercise of higher ideals so as to persuade them to see the benefits of our methods and at least to moderate their own system. My opinion apparently would not influence the hon. member for Kelvin Grove. I realise that, and therefore I shall mention one or two other opinions of which he may take a little notice. I refer first to the leading article in the "Queensland Times" of this morning which reads—

"Rev. Norman Anderson has admitted that Communists will attend the peace conference to be held in Melbourne next month but has denied that the Congress will be dominated by them. Thousands of people believe in peace."

Government members know of the Rev. Norman Anderson. The paper's statement continues—

"There are many sincere people who believe that representation of the Communist Party in peace discussions is desirable and their willingness to overlook Communist action that has been against the interests of peace is prompted by a desire to emphasise the need for replacing present-day conditions by a new conception of world affairs."

The following statements by Mr. Macmillan and President Eisenhower, one of the great statesmen of the world, may interest the hon. member for Kelvin Grove—

"President Eisenhower said in a television broadcast in London tonight that there must be some promise of fruitful results if he were to take part in a Summit Meeting.

The British Prime Minister, Mr. Macmillan, who appeared with him in the historic TV discussion, told the President: 'I have never concealed from you that I want a Summit meeting.'"

President Eisenhower said—

"If we are to have a summit, Mr. Khrushchev, the Soviet Premier, must recognise that peace is an imperative."

The article continues:

"Mr. Macmillan said, 'The great thing about this is that we have never gone backwards. We look forward—I think you and I have tried to do that.

But now we are up against the greatest job in the world—how to keep peace and justice. Your visits to the three European capitals and the interchange of visits you are going to have with Mr. Khrushchev are a very fine contribution to peace.'

President Eisenhower said: I think people want peace so much that Governments had better get out of their way and let them have it.'

War had become so frightening in its capacity for destruction of the whole of civilisation 'that we—and I mean all people, as well as statesmen—have the responsibility of making sure that our actions in all things we try to do are all directed by this imperative need for peace and directed with what intelligence we can marshal with the brains which the Good Lord gave us.'

Exchange visits between East and West were supported by the President, who said that although a few people might become 'indoctrinated', truth and understanding would finally come from the exchanges.

President Eisenhower said he thought the problem of the under-developed nations was more important for Western civilisation than the Soviet-Western problem.

'There are one billion seven hundred million people living today without sufficient food, clothing and health facilities,' he said.

'They are not going to remain acquiescent. They are going to have an explosion if we do not help them, and the greatest job of all in the world which calls itself civilised, including the Soviet, is on a co-operative basis to help those people so that they can achieve their legitimate aspirations. That is a problem which every one of us must address himself to.'

Mr. Tooth: What is the relevance of that?

Mr. DAVIES: Having listened to the hon. member's speeches, I can realise that he would not understand the relevance of those statements, or my earlier comments.

I now refer hon. members to a statement by Mr. McEwen in the House of Representatives on trade with China, a country that Australia refuses to recognise despite this

amount of trade. It confirms the figures I quoted earlier on trade with mainland China and reads—

"The value of Australia's exports in 1957-58 and 1958-59 to mainland China were—

	1957-58	1958-59
	£	£
Wool	9,378,000	6,551,000
Steel	109,000	6,078,000."

That quantity of steel has been exported by a company in Australia and possibly some Government members have shares in it. They are willing to accept dividends on those shares. The same could be said of the wool exported to China. Cheques for that wool are received in this country, and donations are made to Country-Liberal Party funds from profits on the sale of articles to Red China that possibly have been used by the Forces attacking the Tibetans. The total of the trade with China for 1957-58 was £9,768,000 but it reached £13,876,000 last year. The people who protest so much against a conference such as this are the very ones who wine and dine with trade delegations while they plead with them to buy our goods. They do not care what becomes of the products so long as they get their pounds, shillings and pence.

In his Financial Statement the Treasurer said that we should continue at a satisfactory level during this financial year and that statement brought cheers from his cheer squad on the night that he broadcast his speech. How could any Government be satisfied with a Budget that permitted 9,000 registered people to be unemployed in the State?

Mr. Wordsworth: That is not true.

Mr. DAVIES: The hon. member for Mulgrave did not read the Budget.

Mr. Wordsworth: You are talking through your hat.

Mr. DAVIES: What I am saying will be proved to be very effective. At the recent conference of Commonwealth and State Premiers the Premier of this State said—

"I take this opportunity, Sir, of congratulating you and your Government"

That is the Commonwealth Government, when there should have been protests against their tactics. The Premier went on to say—

" . . . on the resolution, imagination and courage with which you have tackled this vexed problem of tax reimbursement."

He went on to say—

"Broadly, I regard the Commonwealth decision as a tremendous step and one which may go far to recapture the real spirit of federation, which I feel is fast withering before our eyes."

How could he be satisfied when at the same time he was saying that Federation was withering before our eyes? The report of the conference goes on in this strain—

"I have considered the effect of the six year period on Queensland. At first glance, the increase of £4,475,000 looks substantial, but it must be considered against our present position. This year, our deficit will be between £1,500,000 and £2,000,000. This means that roughly 40 per cent. of the increase will be swallowed in regaining budgetary equilibrium, and a balanced budget in the following years will be possible only at the expense of a rather severe cutting down in proposals by our various departments."

Here is another example of the Commonwealth's attitude. The Treasurer and the Premier approached the Commonwealth asking for some contribution towards the affairs of Queensland, and this is what the Treasurer said—

"My Premier authorises me to inform you that if the Commonwealth were prepared to grant to Queensland an increase in its base grant of the order of £300,000, that would be accepted by this State in lieu of any special grant for 1958-59, and we would treat that matter as closed."

He also said—

"You have recognised, in the case of South Australia, the principle of entitlement to a grant that has not yet matured but is clearly ascertainable and recognisable."

What did the august representatives of the Commonwealth Government say? And do not forget that they were congratulated by the Premier on their courage and imagination, and on the magnificent way in which they were treating the States! At a later stage Mr. McEwen said—

"I regret that I am not able to accede to the request made by Mr. Hiley to add to the Queensland grant out of consideration of the deficit situation in which you find yourself."

Is it any wonder that the Minister for Development, Mines, and Main Roads was so outspoken in the North when he said, "We get the brush-off every time we make a request to the Federal Government"?

The Treasurer has said that a balanced Budget in future years will be possible only at the expense of a severe cutting-down in proposals by the various authorities. He also said—

"Last year's excursion into deficit, with the accompanying decision to make application to the Grants Commission, was a bold, hazardous step."

The agreement binds us for six years, and I shall have something to say later on about honouring agreements. The matter was emphasised by the Minister for Development, Mines, and Main Roads the other night when

he was referring to the International Sugar Agreement. The Opposition has no desire to break the International Sugar Agreement, but everything humanly possible should be done to expand the sugar market.

The Treasurer has blamed the Australian Labour Party for the fact that Queensland did not receive an adequate share of loan moneys from the Commonwealth Government in the past. His remarks on that subject were dealt with by the former Treasurer. The percentage has increased from 11.58 to 11.92, but I point out that in previous years there has been a serious shortage of manpower and materials. It was hardly fair of the Treasurer to make such extravagant claims.

The Treasurer expects a surplus of £15,467, but what will happen following the recent increase in the basic wage? The Government should have been aware that costs were continually rising. It is quite possible that they will increase by £600,000 this year. The Treasurer said also that the surplus has been made possible only as a result of a severe cutting in the requirements of every department of the State. Throughout the Budget is the warning of what is likely to happen. It is clearly evident that instead of having 9,000 unemployed next year, the number will be double.

The Treasurer also says—

“The continued growth in the requirement for servicing the public debt of the State is likely to exert quite a strong influence on future financial policy.”

Last year the Consolidated Revenue Fund was charged £14,000,000 on account of public debt services. The Public Debt last year increased by £17,522,655. The man who spoke most strongly at the conference on this question was Mr. Cahill, who, for his various schemes, received very little backing. He said—

“I would like to say further that the point of view expressed round this table is the point of view that is held by nearly every person in New South Wales no matter what his political opinion may be. That is, that the raising of money by taxation free of interest and its lending back to the same people from whom it was raised, with an interest charge added to it, is quite wrong.”

And I am quite convinced that this Government is not facing up to this problem as it should.

The Treasurer told us the rate at which the Commonwealth Public Debt has been paid off—

	£
1957-1958	189,000,000
1956-1957	113,000,000
1955-1956	125,000,000
1954-1955	133,000,000

So, as the Premier said, the indebtedness of the Commonwealth Government has been reduced by £1,187,000,000 whereas the indebtedness of the State Governments and local government increased by £1,984,000,000. If we keep going at the same rate for the next decade the States will be carrying the entire debt of the Commonwealth and the Commonwealth Government will be free of debt. Mr. Bolte said that the whole of the Commonwealth debt will be transferred to the States. Indeed, Mr. Bolte, who is the Country-Liberal Party Premier of Victoria, said—

“The Federal Government had ‘financially throttled’ the States with taxing powers it no longer had the right to retain and would not let go. Through the power of the purse the Commonwealth dictates State policy on most subjects.”

Yet the Premier congratulated the Federal Government on the vision, the imagination, the resources and the courage with which they face up to their various problems. Then we had the Treasurer sounding a further note of warning in the Budget. He pointed out very significantly—

“Desirable as each of these low recovery items is the State cannot afford to continuously meet too high a percentage of non-productive loan expenditure.”

What is this non-productive loan expenditure that he talked about? Works on irrigation, works on public buildings, works on railways, and subsidies to the various organisations in the State! In what way, then, is the State going to meet the unemployment problem that is facing it? The position is grave. The Treasurer is now making frantic endeavours to gather in taxation, which is strongly objected to—at least the first measure debated today—by the members of the Country Party. He is endeavouring to get funds that should be made available by the Commonwealth Government. The total sum that will be brought in by the measures we will learn as they are introduced.

I turn now to the final passages of the Financial Statement in which the Treasurer makes a very grave indictment of the Commonwealth Government. It is a tragedy that in a country like Australia there could possibly be a government that would stand indicted as this Government do by a State Treasurer. He says—

“In those circumstances it was a shock to find that the recent Federal Budget contained three provisions which either benefited the Commonwealth or adversely affected all the States. These were—

Postal charges were increased—1d. on 4d., or 25 per cent. Telephone charges were increased—by 3½ per cent. ‘Free’ air mail will involve a loss of Railway revenue.”

I have added the percentages. Can anyone tell me that the Commonwealth Government, with their experience and with the advice at

their disposal, were not in a position to place those facts before the Treasurers at the last financial conference?

Mr. Ewan: Who said that?

Mr. DAVIES: The statement is from the Budget. Why does the hon. member not read the Budget instead of trying to waste my time here?

Mr. Ewan: The Commonwealth Budget or the Queensland Budget?

Mr. DAVIES: I will talk to the hon. member afterwards and explain it to him.

I say it is a sad state of affairs and I refuse to believe that the Commonwealth Government were not in a position to advise the Treasurers. They made a solemn agreement that was to stand for six years. While the conference was proceeding officers must have been planning behind the scenes for the increased postal charges. The carriage of mail by air must mean a considerable loss to the State's revenue, a loss that could mean many fewer homes to the State, money that could put back in employment the men that the Minister has sacked from the Tuan Forestry Reserve. That agreement has been broken yet hon. gentlemen opposite would chide us unfairly and misinterpret our attitude by saying that we wanted to break the International Sugar Agreement. There is an instance of the Federal Government's breaking their agreement without even the calling of a conference of State Treasurers and Premiers who might have been able to tackle the problem courageously and with some imagination. Another aspect of the problem is the increase in the basic wage. At least one or two of the Federal members had sufficient courage to express their opinions. I give full praise to Mr. Ian Wood who complained bitterly about the reduction of £1,500,000 in the Federal Aid Road Grant. The increased postal charges were bitterly attacked by a number of Country Party members and the A.L.P. in the Federal House. They bitterly opposed the increases which were imposed in the Federal Government's endeavour to make the post office, a public utility, a profitmaking concern. "The Courier-Mail" had this to say about it—

"At the time that the new charges were being foisted on the nation, Federal Government spokesmen said the post office should be more businesslike and self-supporting.

There may be justice in this principle, as a principle. But it ought never to have been applied with such ruthlessness.

And it is worth remembering that, though it is good for the post office to be 'business-like' in its day-to-day affairs, it is not a business. It is a public service."

It goes on to deal with the Christmas mail and the carrying of letters. I am sorry that I have not got the time to deal with that. I have here the comment by various other

newspapers. There is no doubt that the general effect of the whole Federal Budget is to make the rich richer and to impoverish the poor.

Government Members interjected.

Mr. DAVIES: The day they are capable of thinking on a big national scale they will receive such a shock that they will never recover.

We are quite prepared to support private enterprise when it gives support to the people and serves the people but we are bitterly opposed to the stranglehold that monopolies are getting on this country. We all know that there is no such thing as competition in the manufacture of many articles sold to the public. I remind the Committee of the extravagant profit made by the sale of a farm implement referred to by the hon. member for Port Curtis. Then there is the instance of a small manufacturing southern firm making certain small parts for cars and trucks and notices were sent out to the motor firms by a powerful manufacturing firm telling them not to buy from this firm and that if they did they would not supply them with the articles which they made. We could continue for a long time discussing the dangers and power of monopolies. Have this Government faced up to it? No! Hon. members opposite talked about Labour Party problems instead of applying themselves to the national problems with which we are dealing. This is a further example of what happens. A firm in the South manufactured flannel garments and because it would not increase its price the other manufacturers got together, found out the source of supply to the manufacturer of flannel goods, and said to the supplier, "If you supply any more flannel to this manufacturer we will not buy any more stuff from you." This supplier wrote to the firm and said, "You must increase your price or we will not supply any more flannel." I have copies of letters from the Attorney-General in the Federal Parliament dealing with the matter. Dealing with the Mt. Isa loan few people realise that the International Bank has outstanding loans at the present time to some 68 countries, and of all those countries Australia ranks second highest in the amount of loans. Yet we have not been able to get a penny for the Mt. Isa railway. We have received 317,730,000 dollars, 7 per cent. of the total loans to the various nations. The following amounts were received from 1950 to 1956:—

Amounts \$	Year
100,000,000	1950
50,000,000	1952
54,000,000	1954
54,500,000	1955
59,230,000	1956

The country which received the largest amount is India, and Australia received the second largest. All these loans carried 4½ per cent. We believe that the Commonwealth

Government should have been able to find ways and means of getting £4,000,000 to £5,000,000 each year for five years at a low rate of interest. The Commonwealth Government finances its own loan works from revenue. We believe that the position would have been remedied had the Chifley Government been in power. I regret that I have not the time to deal with the Snowy River scheme and the huge amounts of money that are spent on it. We have had an increase in the cost of living, and an increase in air fares which are a scandal. It is likely that agreement will be reached with the shipping companies for freight increases. Two parties are concerned but not the public. Our Industrial Court does take the public into consideration. I mention that for the benefit of the hon. member for the gerrymandered electorate of Kurilpa, who alleged the workers' wage was too high and also made the statement that the Federal Industrial Court judges were not taking into consideration the interests of the general public, but only gave consideration to the two parties concerned in the dispute. When the Industrial Court was established it was laid down that it must take into consideration the effect of any judgment on the general public. That is one of the worst slurs I have ever heard any hon. member cast against responsible judges and members of the Industrial Court are in that category.

This statement appeared in "The Courier-Mail" on quarterly adjustments—

"C.O.L. is up again.

The case against quarterly basic wage adjustments, therefore, does not look as strong as it is sometimes presented."

We know the Government would like to abolish quarterly adjustments and adopt the Federal basis.

From this very interesting article and others it would appear that during 22 months of the 26 months the Nicklin Government have been in office there have been seven increases in the basic wage, totalling 26s., compared with 11 increases totalling 25s. during the previous five years.

Mr. Windsor: You said we were going to reduce wages.

Mr. DAVIES: The Queensland and Commonwealth Governments are entirely to blame for this continuous upward spiral in the cost of living. Mr Menzies admits it. This is the statement he made when opening the Melbourne University Baillieu Library on 10 September, 1959—

"Buildings cost fabulous sums of money. Books, indeed, cost fabulous sums of money. I do not want somebody to tell me that this is largely because of the depreciation of the economy under my Government, though historically, of course, that is a fact."

Under this Government Queensland is a low-living State. We have heard the expression, "low-wage State." Queensland is not only a low-wage State, but is also a low-living State.

Government members have ignored the problem of unemployment. Even the hon. member for Toowoomba said there was no such thing. Another Government member said, "Give me 200 single men and I will find jobs for them tomorrow." He has not followed up his offer. The hon. member for Chermide said that men are happy to be unemployed, that they are then able to do jobs around their homes. I know what the unemployed in the Chermide electorate would say of that statement.

On the subject of employment I have been challenged to produce figures. I very much regret that they reveal a very sorry picture at a time when the sugar season is in full swing and the unemployment figure should be low. The following table shows the number of men employed at Tuan in various years—

Year	No. of Men Employed
1955	102
1956	105
1957	73
1958	75
1959	64

The figures for forestry employees throughout the State reveal the same trend, as this table indicates—

Year	No. of Men Employed
June, 1955	1,845
June, 1956	1,933
June, 1957	1,421
June, 1958	1,709
June, 1959	1,553

The number has fallen by 300 since the Government have been in office. I mentioned on another occasion the complaint by Mr. V. Grenning, Director of the Forestry Department, that not enough was being done to ensure that the demand for timber would be met. Men can be employed on clearing and preparing the land, apart from planting. The department must maintain a surplus of trees for planting, even if they are not required in a particular year. Queensland suffered from the same neglect in the period 1929-1932, when very few trees were planted. This table covers planting at Tuan during the past five years—

Year	Trees Planted
1954	503,000
1955	775,000
1956	616,000
1957	663,000
1958	409,000
1959	390,000

The number has fallen from 503,000 to 390,000 at Tuan.

Mr. Muller interjected.

Mr. DAVIES: The hon. gentleman gave me these figures and I intend to place them on record. These are the figures for the whole State—

Year	Trees Planted
1954-1955	3,186,200
1955-1956	4,086,500
1956-1957	3,492,800
1957-1958	3,095,500
1958-1959	2,741,600

That is the very sorry picture of the work being done in this State on reforestation. Why is the job being neglected? Because it is not in Queen Street; it is in a country area. The people are not conscious of how many people are unemployed. The Government's desire is to flash a few pounds about and to make themselves very good fellows. They are not interested in the welfare of the people in the State. Let me tell hon. members the unemployed figures for July. This information was supplied by the Labour and National Service Minister, Mr. McMahon. In Queensland in July there were 5,967 unemployed males and 3,020 unemployed females, making a total of 8,987. Of course, there are many who do not register as being unemployed because they know that if they get a few day's work it affects their payments from the Social Services Fund. In August there were 2,608 females and 7,951 males unemployed, or a total of 10,559. In the following month there were 11,581 receiving social service benefits. The sugar industry is still in full swing but there are 11,581 unemployed in the State. What will happen when the mills close down?

I had intended to deal with certain aspects of factory development in this State. I have received second-hand from the hon. member for Chermide, the spokesman for the Government, that the Estimates for the Department of Labour and Industry will be brought down. I thought the Premier would have given the information about the Estimates to be discussed rather than let us get it from back benches. If that is the case I shall withhold any comment on this question. I was going to deal particularly with the greatest display of showmanship that has ever been seen in this State. I refer to the promise to establish 'Industrial Estates.' I have all the answers to the various questions I have asked the Minister for Labour and Industry and they give a true picture of Government confusion. Queensland was supposed to be the State that would be offering more jobs than there were men to fill them. Industries were going to be established. I shall take hon. members to all the cities along the coast and show that there are fewer factories in those cities today than there were in 1957. And so we find this sorry story throughout the State. I realise that new schools are being built to accommodate the growing numbers of children of school age, but taking the overall picture a sorry outlook faces Queensland for the next 12 months. The only Government member who seems wide awake to what can happen is the Treasurer. In contrast, the

Premier has congratulated the Prime Minister on his alleged imaginative, courageous approach to the country's problems. A few months later, the Commonwealth Government committed one of the greatest acts of treachery possible. Not only did they increase postal charges, but they filched revenue from the States' railway services. The Government, who represent only 43 per cent. of the people, should be made aware of the strong feeling of indignation among the people. The Commonwealth Government are engaging in the same trickery as was practised by their counterparts in Great Britain.

(Time expired.)

Mr. WALSH (Bundaberg) (8.32 p.m.): The debate on the Financial Statement lends itself to a discussion on a very wide variety of subjects, and I propose to take advantage of that practice tonight. The hon. member who has just resumed his seat brought into the discussion the name of that famous dictator, Khrushchev, whose activities during recent months lead one to the conclusion that he is campaign director for both the Conservative Government in Great Britain and the Republicans in the U.S.A. If anybody helped in the return of the Conservative Government in Great Britain, it was Khrushchev.

A Government Member: He did a very good job.

Mr. WALSH: That remark confirms my view that, secretly or otherwise, there is a liaison between the Communist Party and the Conservatives, even in this country. When Khrushchev was in England some months ago he made the specific statement that if he lived in that country he would rather be a member of the Conservative Party than the Labour Party. That is why I am amazed that anybody who advocates the principles of Labour can have anything to do with the Communist Party.

If I were to judge the attitude of hon. members opposite by their interjections during the course of the previous speaker's remarks, particularly on the important problem of unemployment, I should say that they are not treating the subject as seriously as they should. It is so much loose talk to say that more jobs are offering than there are men available. I do not think anybody will doubt me when I say that in Bundaberg at the present time, even though a record crushing season is in full swing, at least 130 men are unemployed. The same will apply to many other coastal areas and probably other areas again to a greater extent. One can visualise the position when some of the mills in the Bundaberg area close in a fortnight's time. Most of them will be closed by the end of November and all those engaged in harvesting and mill work, and indirectly in other ways because of the crushing season, will be thrown onto the labour market with no concrete evidence of any plan by the Government to meet the situation.

I only hope that the Treasurer will give serious consideration to the requests that have been made by local authorities to make funds available to them to step up their activities in the slack season. I am frank enough to admit that in the previous period the Government have adjusted the local authorities' loans to relieve the position to a great extent but, on this occasion, as the mills are closing down much earlier and so much excess cane has been left, the Government will be faced with a serious unemployment problem.

That reminds me of some statements that have been made. I was in Bundaberg all last week. In my absence the Minister for Development, Mines, and Main Roads made some reference to the suggestion of an alteration in the control within the sugar industry, and the hon. member for Burdekin to some extent backed him up and said it would be the ruination of the industry if it got away from the form of control that is existing today. I have been long enough associated with sugar organisation to know that that has been the attitude in the past and it was only the persistent agitation of the rank and file within the industry that forced the powers-that-were to amend the form of control that applied from 1929 to 1939. Can anybody justify a position where the Gin Gin area, which has only one good crop in five years, estimates that 40 per cent. of the total crop will be left in the field, and the same applies to Bundaberg and Mackay? The northern areas are not as much affected though some are very bad. How can anybody brush the matter aside and not take enough interest in it to see what can be done to meet the position either by establishing new industries or by encouraging capital for the treatment of excess cane for use other than as sugar? I do not say there is an economic field there but, with my knowledge of the set-up, I will not accept it from the Cane-growers' Council or anybody else that it is not practicable to give some relief and provide employment for the workers. The consumers have to maintain the sugar industry at the level it has been at for so many years.

I do not want to be led away on that. There are other matters that I want to discuss and, strangely enough, I may not have very much to say about the Treasurer's Budget. Analysing the Financial Statement one could say in the first place that it contains a great deal of historical data. In any document of that nature, which could be otherwise boring, it is always interesting to put in print a few facts relating to the development of the State and its taxation policy and the financial relations between the various authorities, State and Commonwealth. While it provides an interesting picture historically, I think it will confirm the forecasts that were made from this side of the Chamber, and with which I think the Treasurer would agree if he spoke his own personal views in the matter, that the State is heading for a financial shock. The extent to which the Treasurer has had to manipulate the various trust

and special funds to arrive at the picture he has presented to the Committee would in itself suggest that rather than a surplus at the end of the financial year it could be that the Treasurer will find himself faced with either a record deficit in the State's history or near to it. I realise that on the eve of an election it is necessary for the Treasurer to make it appear that the handling of the State's finances has been so efficient that at the end of the current financial year the Government will have a surplus rather than a succession of deficits. In his Financial Statement presented last year the Treasurer quite frankly told the Committee that they were providing for the transfer of £5,211,000 or thereabouts from the various trust and special funds into the Consolidated Revenue account. Various other adjustments were made at the time to present what I would say would be the fullest financial picture. With the few trust funds the Treasurer has left he has been open enough to tell the Committee once again that he has raided the Succession and Stamp Duties Suspense Account. I am not asking hon. members to accept my word for this; all I ask them to do is to read the Treasurer's Financial Statement where he said that the Succession and Stamp Duties Suspense Account stood at a credit balance of £1,591,920, exclusive of stamp duties suspense items. He quite frankly said that £1,190,857 was going to be transferred into the Consolidated Revenue Account, the exact figure of the deficit.

Mr. Dewar: Is there anything wrong with that?

Mr. WALSH: All I am trying to do is point out that we never had to do things like that. Measures introduced to provide for the transfer of the Post-War Reconstruction Fund and various other funds into the Treasury Investment Fund were a matter of juggling that finally did not give the State one penny piece more capital, but it does allow in due course for the Government to hide many of the financial transactions that would be undertaken by the State. There is a difference of figures that I wish to point out. There is not a great difference but a difference. The Financial Statement at page 7 reads:—

"This capital account was in credit at 30th June last in the sum of £1,591,920, exclusive of Stamp Duties Suspense items. A study of the estimates will show that of this amount, the sum of £1,190,857 the exact amount of the deficit for the year, has been applied to extinguish that deficit."

On page 13 of his report the Auditor-General says that the balance of the Succession and Stamp Duties Suspense Account was £1,618,903. It may not amount to much but there is that difference between the figure presented by the Treasurer and the figure disclosed in the Auditor-General's report. I do not know the explanation but I draw the Treasurer's attention to it. Despite the suggestion made by the Treasurer in previous speeches that they were going to do away

with many of the trust funds because in effect they do not present the real financial picture, on page 13 of the Auditor-General's report I find that there are new trust and special funds. They are enumerated. Amongst them there is the Mt. Isa railway trust account which the Auditor-General says is for the purpose of relating the receipt of moneys provided from loan fund for expenditure on the reconstruction of the Townsville-Mt. Isa railway. The Treasurer will agree that the report shows that none of the money was expended last year. The Treasurer admits it. It appears in the Auditor-General's report that £1,400,000 listed for expenditure last year still remains in credit. In addition to that we find the Main Roads fund was in credit last year to the extent of £654,676, and at 30 June this year it was in credit £1,377,604. The point I want to stress to the Treasurer is irrespective of the departmental activity which may be responsible for it, the fact remains that there is an increase in the carryover of £700,000-odd when we have thousands out of work.

Mr. Wordsworth: That was because of the wet weather.

Mr. WALSH: I concede that in a particular part of the State there was continuous wet weather, but surely to goodness that would not stop the Government's transferring some of that amount to the other areas not affected by wet conditions. Did I not have to do exactly the same thing? When the northern mills closed down because of the short crushing and the workers of Tully and other areas found themselves out of a job the Government of the day did not hesitate, through myself, to earmark £1,000,000 for that area to provide for employment. It is not enough to say that that fund is in surplus to the extent mentioned here when we are faced with the position that prevails today. Take the Agricultural Bank fund. On 30 June, 1958, it showed a credit of £994,364 and on 30 June this year it showed a credit of £1,169,580. I suppose the Government have been telling applicants for financial assistance through the Rural Bank that they are short of money. If we are to be guided by the various credit balances shown in the report the Government still have a lot of money. I am not saying that it is necessarily available. I do not make the mistake which has been made by many of the Treasurer's colleagues who have been inclined to regard credit balances as sums available to the Government. The Auditor-General's report shows a substantial credit balance, and at the same time there are no doubt many people asking for financial assistance. There is scope for the Government to examine the different phases of their financial policy to see if they cannot direct some of the moneys available to them, whether from loan fund or revenue sources to provide more employment when things are getting tougher and tougher, not because of droughts but

because of extreme wet conditions in the North and the mechanisation of industry—which none of us would be foolish enough to complain about because it is something that has to be met as time goes on. The Treasurer said earlier in the session that if the Government had to accept a deficit for the purpose of providing employment, they would not hesitate to do so. Then he introduces a Budget which seeks to convey to the people that the Government have sufficient money to maintain full employment and to end the year with a surplus of £15,000.

The Treasurer also claimed that the Government made some headway in discussions with the Commonwealth Government. I cannot see that that is so, in view of his admission on the one hand that the State has lost to the extent of £1,400,000 under the new formula, and that the States have agreed with the Commonwealth to surrender for six years their claim to the abolition of pay roll tax, a tax that I have said on many occasions in this Chamber should be abolished in its application to State Government. I do not know whether the Treasurer has advice on the validity of this tax. There was an agreement between the Governments of the day that the States would pay payroll tax, to enable those engaged under Federal awards to be paid unemployment assurance benefits under the State law. That is why the agreement was arrived at in the first place, but on the aspect of validity, I should like to hear the opinion of learned counsel on the Government benches whether the Commonwealth has any legal right to impose payroll tax on State Governments.

Mr. Hiley: We do not think they have.

Mr. WALSH: Unlike the Minister for Labour and Industry who gives his legal opinion on the validity or otherwise of the Industrial Court's jurisdiction on shopping hours, I do not set myself up as an authority on legal matters.

Mr. Morris: I gave the opinion of somebody else, somebody who knows a lot about it.

Mr. WALSH: The hon. gentleman said he personally had no doubt that the decision was a matter for the Industrial Court. I am not setting myself up as an authority on law, but from the various reports on payroll tax I have been led to believe that at no time have the Commonwealth Government had power to levy payroll tax on State Governments. The Treasurer agrees that the right to test the validity of that tax has been surrendered for six years. In addition, the Treasurer and the Government have surrendered their right, unless very special circumstances arise to apply to the Grants Commission for financial assistance. I do not know how the Treasurer can claim that headway has been made. If we are to take any notice of the latest statement

by the Prime Minister that he has considerable doubt as to the wisdom of making payments to the States out of Federal revenue without having some say as to how it is to be expended, the States are in for a very rough time. The Commonwealth Government have for years tried to devise ways and means of getting control of expenditure by the States. I do not disagree if in their generosity they make so much available specifically for scientific research, say, in various fields of agriculture. I should not complain then about their having some say as to how the money should be expended, but when it comes to development of the resources of a State, whether by main roads or by other means. I do not yield to the Commonwealth Government the right to direct State policy. That was one of the results we feared in the judgment of the High Court on the validity of grants by the Commonwealth Government under the Tax Reimbursement Act. Under Section 96 of the Commonwealth Constitution the High Court held that they were valid.

Mr. Windsor interjected.

Mr. WALSH: I am afraid it is too deep for the hon. member, and I think he should keep to the blacksmith's hammer. Whilst the Commonwealth have no priority over taxation the High Court in effect ruled that the Commonwealth had power to lay down terms and conditions regarding the expenditure of grants made under the tax reimbursement scheme. One of the Treasurer's headaches, and this is usual to any Treasurer, is the Railway Department. I do not say that in any derogatory way because the railways render a very good service to the State and will continue to do so despite those who seek to decry the system in favour of any other important system of transport. Let us try to envisage what the position would have been in this country if we had not the use of the railways during the war. They rendered a valuable service in the transport of army personnel and equipment to remote parts of the State as well as help in the transport of personnel from other States. In introducing legislation in 1946 I made the observation that there was room for all forms of transport in this State, properly regulated. I shall not labour the question tonight other than to say I would be a bit perturbed at the reports appearing in the Press regarding certain prosecutions in our courts. When charges have been made that a privileged few are allowed to breach the Transport Act and no action is taken when a charge is made and that those breaches are more or less condoned by the Minister in charge, then the Government have to sit up and take notice. These charges have been made. Were we the Government in power the Press would have been whipping up something in the nature of a public scandal. My interest is to the extent that public reports regarding this matter suggest that there is discrimination regarding the issue of licences for the control of operators. It was stated in court by one of the counsel appearing for

those prosecuted that he was prepared to bring sworn evidence to the effect that the Minister was giving his approval to the breaches committed under the Transport Act. That is a serious charge. I do not care who the Minister is. If a charge is publicly made, it is the responsibility of the Government to take action. If it had been a member of the previous Government who was doing what is alleged the present Minister is doing, there would have been full justification for any member of the Opposition taking the stand I am taking. I made a statement in Bundaberg when I read from that distance, reports in the paper circulating throughout Queensland, and having had my attention drawn to the statement of a particular barrister made in the court that he desired to make some submission in mitigation of the penalty by virtue of the fact that the Minister was condoning these particular breaches. I hope the Government will take a hand. No matter under what heading you cannot allow any corrupt practices to creep into our administration.

I want to put on record some facts regarding the so-called gerrymandering of electorates.

I have here a Press cutting from way back in August, 1957, when one Elgin Reid, Canberra correspondent of "The Courier-Mail," sought to give the present Queensland Government some advice on how to handle the electoral laws of this State. Among other things, he said—

"To the Liberal-Country Parties"—which of course should be the Country-Liberal Parties—"the abolition of the existing zoning system and a redistribution of electorates is a necessity during the life of the present Parliament. The parties must look to such action to rectify the anomalies and injustices they have faced under an electoral jerrymander strongly slanted to favour Labour."

The article goes on to say—

"This redistribution introduced into Queensland by Act of Parliament the pernicious zoning system which created a number of seats with a small quota of voters and resulted in a complete inequality of the franchise in Queensland."

A further point made in the article is as follows:—

"In addition to the introduction of zoning in 1948-1949, there followed a redistribution of seats within the new zones which had the effect of further ensuring the governing party's position of privilege."

This is another point that he makes—

"In the first place there are no 'rotten borough' electorates, maintained under a zoning scheme, and on the excuse that some people need vastly greater representation than others."

That statement referred to the type of electoral redistribution that had been carried out by both the Chifley and Menzies-Fadden Governments.

The correspondent goes on to say—

"The Commonwealth Commissioners are called upon to have regard to community or diversity of interest, means of communication, physical features, existing boundaries, and State electoral boundaries."

He goes on to say—and this is the final point I wish to make—

"Under a fair electoral system there is no chance of Brisbane members dominating the State Parliament. Even if the position were reversed, decentralisation policies, rather than electorate manipulation, is the answer."

We all know that the advice tendered by "The Courier-Mail" correspondent has not been accepted. Later on, if I have the time, I propose to say something about the Prime Minister's observation immediately after the return of this Government.

It was not a Labour Government who introduced zoning into Queensland. That is where a good deal of loose thinking, loose talk, and loose reporting by Press correspondents, who are supposed to be experts in these matters, comes about. Let it be said here and now that the principle of one vote, one value, as envisaged by the Liberal Party, was in effect contained in the law throughout the period from 1910 to 1949. It was a Labour Government who legalised the system of zoning that had been given effect to by the various redistribution commissions appointed from time to time.

Let it be said again, too, that the only redistribution Act enacted by the Labour Government in Queensland was the one brought down in 1949. Every other redistribution since 1910 has been made under Acts passed by anti-Labour Governments. Lest there be any doubts about the points I am making I propose to quote something later on to show that the zoning system was actually brought into effect by previous commissions and it operated for the period I have stated.

To show the fairness of the redistribution carried out by the Labour Government in 1949—and I was not in Parliament then—let me say that fewer than 1,000 votes, as a matter of fact fewer than 800 votes, divided between five seats in Queensland at that time, could have meant the downfall of the Labour Government. Indeed, of eight Labour seats, or eight electorates that had returned Labour members, the majorities totalled 1,477 votes. The Committee will see how close the defeat of the Government was on a redistribution carried out by a Labour Government that have been persistently accused of gerrymandering the electorates.

Mr. Muller interjected.

Mr. WALSH: The Minister can have it that way; but, on the same redistribution, the Labour Government at the subsequent election got over 53 per cent. of the total vote of the State (and the Minister is not going to complain because we became the Govern-

ment with 53 per cent.) and in the following election the Government got 52 per cent. At the first election, in 1950, the Government, on their own 1949 redistribution, were almost defeated. Six seats, or fewer than 1,000 votes, could have meant a change of Government. Then the correspondents of "The Courier-Mail" and the Government Party of today have the hide to accuse Labour Governments of gerrymandering.

To follow that up, in the 1957 election what did we find? The combined Labour votes—the Q.L.P. and A.L.P.—totalled over 53 per cent. of the votes cast and the Government today are in office with less than 45 per cent. of the total vote of electors throughout the State. And this is the Government that so consistently squealed about minority government. They sit over there because of the tragic split in the Labour Party. They have introduced a Bill that may—and I say "may" advisedly—have the effect of retaining them in office for many years.

To remove any doubt in anybody's mind about previous commissions and the power under the Act to provide for one vote one value, let me quote from the report of the 1932 commission, one appointed by the Moore Government in 1931, with Mr. W. J. Gall as chairman. Referring to the reduction in the number of electorates from 72 to 62, he had this to say in his report—

"It was obvious that to give effect to the reduction provided for in the Act, the areas of the new electorates and the number of electors in such districts would have to be increased, and that, if the creation of unwieldy electoral districts was to be avoided, it would be necessary to take advantage of the marginal allowances above and below the quota. How best to make an equitable division of the State was the problem before us. After careful consideration we came to the conclusion that the requirements would be best attained by the formulation of a definite scheme, and in accordance with that conclusion we considered that the following scheme would provide the most equitable basis of division:—

1. Metropolitan electorates to range between 9,000 and 9,635 electors;

2. The more thickly populated centres outside the metropolitan area, such as Ipswich, Toowoomba, Rockhampton, Townsville, Maryborough, Bundaberg and Cairns and those districts comprising parts of the city area, such as Wynnum, Logan and Enoggera, to range between 8,000 and 9,000 electors.

3. The closely populated parts adjoining the greater cities and also the districts including the smaller cities and larger towns, to range between 7,000 and 8,000 electors;

4. The closely settled farm and pastoral districts, to range between 7,000 and 7,500 electors;

5. The districts of great distance and of sparse population to range from 6,423 to 7,000 electors."

Mr. Hiley interjected.

Mr. WALSH: Let us see how far the Commissioner gave effect to the law. That is the vital point. The law under which these Commissioners acted in 1931 said that the Commissioners were to ascertain a quota of electors by dividing the total number of electors in the State by 62, being the number of electorates to be established. This quota which worked out at 8,029 was to be the basis for the division of the State into electorates. Therefore there could be no other basis. How could there be if the law said that was to be the basis? But in making the division consideration was to be given to the community or diversity of interest, means of communication, physical features and the area of proposed districts which do not comprise any part of a city. Whenever any necessity arose from these considerations the Commission could adopt a margin of allowance but in no case was the quota to be departed from to a greater extent than one-fifth more or one-fifth less. Although bound to the one mathematical quota the Commissioners proceeded to assign representation in zones on the basis of five quotas. It was not from any necessity arising from the consideration of all or any of the four distribution factors that they had departed from the quota. The Commissioners said that they were more concerned with avoiding the creation of unwieldy electorates and procuring an equitable division rather than obtaining the approximate equality which the Act demanded. Under the quota of 8,029 the electorates produced ranged from 9,560 electors in Fortitude Valley to 6,565 electors in Warrego, and instead of equal values the representative worth of votes ranged from 0.84 to 1.22.

Mr. Hiley: They were within the margin of allowance. Twenty per cent. above is 9,635, 20 per cent. below is 6,423. Both those figures are inside the permitted margin.

Mr. WALSH: The Government in their desire to keep Labour out cut out 10 seats, eight of which had consistently returned Labour representatives over a period.

A somewhat similar distribution pattern had been followed by the 1910, 1921 and 1935 Commissions but as was to be expected there was variance in the number of zones and in their composition, but notice had to be taken of the fact that the Commissions unanimously did not accept as equitable and suitable to the population distribution and density in this State, the principle of "one vote one value" as was implied in the Acts of 1910 and 1931. The Treasurer will agree that the present method of approach in the re-distribution is the worst example of gerrymandering, if one may so describe it, as has ever been carried out under any electoral law of the State.

Mr. Hiley: That is your view. Would you suggest that the disparity of figures would even faintly approach the disparity between 13,000 in Logan and 4,000 at Charters Towers?

Mr. WALSH: Can the hon. gentleman tell me how a remote area like Cook is expected to have 1,000 or more voters than two more densely settled electorates like Mulgrave and Tablelands.

Mr. Hiley interjected.

Mr. WALSH: It was nothing of the sort. As a matter of fact the Government have retained the present tolerances of margins that has been provided for in the Acts over the years. In 1931-32 the Government deliberately reduced the number of seats from 72 to 62 and eight out of these 10 seats had consistently returned Labour representatives. Now we find two electorates amalgamated into one in three places therefore the Government have in effect destroyed Labour representation in three electorates. On the other hand they have increased the number of Country-Liberal Party electorates in the South-eastern division of the State. I am not referring to the metropolitan area. There are two Country Party electorates on the coast and two in the Redcliffe area. There are four now where there were only two previously. The Treasurer cannot wriggle out of it by saying the margin of tolerances is the same.

I refer to electorates such as Kurilpa, Merthyr, Cook and Condamine, and there are several others that have been adjusted on the basis that Labour cannot be returned. As I have said frequently there is only one thing that will keep the Labour Party out of office and that is the division that exists in the Party. It will depend on the extent if the Government have measured up to their obligations regarding full employment. More and more people are likely to be faced with the terrible scourge of unemployment, and in three years' time or less, irrespective of what boundaries the Government might have or where they may have their corner posts they will be defeated as they were defeated in 1932 on their own redistribution under which eight Labour seats were eliminated. They had that big start at that time, but on this occasion, apart from disaffection that exists in the Labour Parties, they have a start of three seats that will be abolished by the amalgamation of Barcoo and Belyando, Port Curtis and Fitzroy and, as the hon. member for Rockhampton reminds me, Charters Towers and Flinders. Those six electorates are represented by Labour members. Under the Government scheme of electoral redistribution there will in future be three electorates instead of six.

Mr. Hart: There has been a tremendous alteration in population.

Mr. WALSH: I wish the hon. member would study the figures. The increase in electorates in the western and northern zones is only a little behind the increase in the

metropolitan area. Strange as it may appear to the hon. member, that is the fact. That effectively answers the point Government members attempted to make while in Opposition that the previous Government did not try to implement decentralisation of industry. The enrolments in the various zones show an all-round increase in population. That is to the benefit of the State, and I hope the position is maintained, but as the Government in recent times have shown interest mainly in development work in the south-eastern portion of the State, I should imagine that the population will decrease in some of the northern areas. The tendency is for people to move to places where they have more security in employment. It would appear that the Government have embarked on a deliberate policy of hunting many workers away from certain electorates in order to make more secure the position of Government candidates at the next election.

I turn now to the statement of the Prime Minister on the return of this Government that he hoped they would take their cue from the Federal electoral laws. That again shows the hide of people who have engaged in blatant gerrymandering in Federal electorates. "The Courier-Mail" correspondent represented that the distribution effected by the Menzies-Fadden Government was something that would be well worthwhile for Queensland. Just imagine an electorate such as Macpherson, which goes right away from the pastoral areas, skirts the areas of denser population, and then goes to the South Coast! Just imagine an electorate such as Dawson, that starts at Proserpine, 85 miles from Mackay, skirts around Rockhampton and goes to a point 30 miles north of Bundaberg! Consider the breaches of the law by the Menzies-Fadden Government in the redistribution of the Petrie electorate and other electorates, which placed the boundaries of those electorates outside the city areas.

If the Australian Labour Party members care to look up the records, they will find that an objection was put in against the redistribution on that occasion. It stated very clearly the way in which the Commonwealth Government had acted in breach of the law, but who was to take any notice of the objection? I remind the Committee that Queensland and Western Australia are the only States where commissions have complete freedom in the final determination of boundaries. In other words a commission in Queensland and Western Australia is not expected to submit to Parliament for approval their suggested alterations to boundaries. In the Commonwealth and Victorian Parliaments the final say rests with the Parliament. Although they might object to the boundaries as submitted by the various commissions, appointed it is still left to the Commonwealth Parliament to manipulate boundaries. There is no provision for any reference back to the redistribution committee. Hon. members can well imagine what happened under the redistribution in

1954 or a little earlier. Although the Menzies Government had only been elected and were in power about 18 months, on that redistribution they thought it good business to go to the electors and get a bigger majority, which they did. If hon. members have any doubt about the effect of the under-representation of Labour in the Federal Parliament I invite their attention to the May issue of *The Australian Journal of Politics and History*, published twice yearly by the University of Queensland Press wherein there is a very interesting article by Joan Rydon. It sets out the percentage of votes and the representation of the respective parties in the Federal Parliament. As is the case with South Australia and Western Australia hon. members will find that the Commonwealth Government have continued to govern on a percentage vote of much less than 50 per cent. In South Australia there is to be found one of the greatest pieces of gerrymandering of all time because the Government have been returned on a vote as low as 36 per cent. It has been estimated that for the Labour Party to succeed on a redistribution it would have to get a 69 per cent. vote of the electors. Imagine a Country-Liberal Party Government having the hide to charge Labour Governments with gerrymandering electorates! Not more than 4 per cent. of the total population of South Australia would live outside a radius of 250 miles of the Adelaide Post Office. It has been proved that under the South Australian Act it is hopeless to expect Labour ever to be returned in that State. The same position operated in Victoria for many years until a pact was entered into between the Labour Party at that time and the Liberal Party to down the Country Party. That is what will happen here eventually. The Liberal Party is making considerable headway in that direction now.

Mr. Muller: It would not worry you.

Mr. WALSH: I can see it developing and the Liberal Party will take charge and will determine the number of Ministers the Country Party will have in Cabinet. It will be a bad day for Queensland when that comes about. The Country Party have some features in its policy to which the Labour Party does not object. At least, it has a rural outlook although it is pretty hungry in other respects. The Country Party would have an outlook far ahead of the die-hard Conservative policy that has been in operation for many years under Liberal Governments.

Mr. Muller: What about you joining us and keeping us together?

Mr. WALSH: Until the day I die I will not belong to any party which has any association with the Country Party, the Liberal Party or the Communist Party, particularly the Communist Party. I do not think anybody can have any doubt about that.

Mr. Muller: Which is the Communist Party?

Mr. WALSH: Hon. members who give "Hear, hears" to the Khrushchev Mission are identifying themselves with the Communist party. Rather than give the Q.L.P. a vote the Country-Liberal Party would advocate a vote for the Communist Party for sure.

Government Members interjected.

Mr. WALSH: How often have I seen it happen here! Communist votes were disbursed even in favour of Sir John Chandler when he stood for the Lord Mayoralty in the interests of the Queensland People's Party. On many other occasions I have seen Communist preferences going in that direction.

I draw the attention of hon. members generally to this publication. They will find in it some very informative reading on political matters.

Mr. HART (Mt. Gravatt) (9.31 p.m.): We have just had from the hon. member for Bundaberg a talk on redistribution. I represent 30,000 electors at the present time. I think that is the greatest number that any hon. member has represented in this Parliament. Quite a few at the present time represent only 4,000-odd electors, which is mainly the result of the last redistribution by Labour.

The hon. member for Bundaberg has told us that the Playford Government in South Australia was returned on a 35 per cent. vote. However, he has not dealt with the far more pertinent factor of how successful the last redistribution was to his Government. On one occasion at least they were returned as a minority Government. He has not told us on what percentage Labour could win under the present redistribution. They could probably win easily on 45 per cent. of the votes.

Mr. Walsh: Nearly every Government in Australia exists on a minority vote. What are you talking about?

Mr. HART: I am talking about the wonderful job that the hon. member made of his redistribution.

Mr. Houston: Who made it?

Mr. HART: The Labour Government, in 1949.

The hon. member for Bundaberg said during one part of his speech that the Labour Party had had only one redistribution since 1910. Later on, however, he said that they had had one in 1935 and another in 1949. It is a disgraceful state of affairs that there should be 30,000 electors in one electorate and only 4,000 in others. It cries out for a redistribution.

Hon. members opposite are complaining about the number of electors in some of the South Coast electorates, and about the number of electorates with only 4,000 or 5,000 voters. I shall say no more on the subject beyond asserting that their conduct is wholly irrational and illogical.

Hon. members opposite have cried a poor mouth. For example, the hon. member for Maryborough told us that a sad outlook faced the State for the next 12 months, while the hon. member for Bundaberg said that Queensland was heading for a financial shock. He gave no reason for his assertion. On the contrary, he pointed out that there were credit balances in various trust funds that he said the Government should have spent.

No Opposition member has dealt with the financial position of Australia, which should not cause any reasonable man any sorrow. On the contrary, there is a good deal in it to cause sorrow to the hon. member for Maryborough, who is continually searching in vain for portents of disaster. In seeking to learn the real state of Australia it is interesting to read what a distinguished American has to say about our economy. I refer to the address of the Hon. William J. Sebald, American Ambassador to Australia, delivered on 29 September, 1959, to the American-Australian Association at San Francisco in California.

Mr. Houston: He was here one week, wasn't he?

Mr. HART: He sets out in this document that he had been in Australia for 27 months when he returned to America. I propose to read a few extracts from his address. He said—

"At the outset, I should like to say that the conditions which now obtain in the Australian economy closely parallel our own industrial development and the gradual westward retreat of the American frontier."

He goes on—

"Australia now is virtually exploding into industrial strength. Consider, for example, that in 1958 income from the export of Australian wool declined by more than 40 per cent. A decade ago this drop would have served a disastrous blow upon the Australian economy. And yet, last year, in spite of this dip, there was no significant decline in the national income."

A little later he says—

"We have heard a great deal recently about the 'great leap forward' of Communist China. I submit that Australia's record is such as to make that leap look somewhat silly, the more so because it has been effected in a free economy so similar to our own and without the tragic dislocation of human beings to which the Chinese Communists have so ruthlessly resorted."

He sets out the various industries of Australia that have developed in such a remarkable

fashion and goes on to deal with the inflow of American capital into this country and he says—

“It seems obvious that bountiful opportunities for investment exist in this burgeoning economy. Indeed, the rate of inflow of capital in the second half of 1958 was reported to be almost twice as high as it was during the same period of the previous year. Total United States investment in Australia is estimated to exceed 750,000,000 dollars. This total represents a greater investment by Americans than that in any one country of Eastern Europe except the United Kingdom.”

Then he goes on to say—

“According to statistics recently released by the Australian Minister for Trade, the Hon. John McEwen, almost 900 American companies have established factories or acquired joint interests with local manufacturers in Australia. . . . The reasons why investors hold Australia in such favour are readily understandable. It is a rich and developing economy with an annual population increase of 2.5 per cent. Australia has the fifth highest per capita income in the world.”

This is what hon. members opposite should take particular note of. Talking of the reinvestment of American funds in this country, he says—

“I venture to suggest, further, that reinvestment of earnings should be a source of satisfaction and gratification. It means, in effect, that foreign investors consider the receiving country a sound field for further utilisation of capital. Capital is timid and will remain only where its primary function of investment growth can be exercised.”

It is that last statement of the Ambassador's to which I particularly wish to refer—the fact that capital is timid and that it can and will be driven out by wild and rash statements of policy by Labour politicians.

The recent report of the Tariff Board for the year ended 1958-1959, dated 28 August, 1959, has this to say—

Mr. Graham: Tell us something about Queensland's development.

Mr. HART: I am dealing at the outset with Australian matters. I am attempting to show that the reason for the great development of Australia lies in the sound economic policies adopted by the Federal Government and the very high regard in which that Government is held throughout the world. I have shown how the Federal Government are developing. I intend to quote Queensland reports to show how industry has developed in Queensland at a great rate. I intend to quote the remarks of a gentleman who supports the Socialist doctrine and show the Committee how capital can be frightened

away from the State by rash and foolish remarks. Hon. members opposite are doing their very best to escape but they will be unable to do so. This is what the Tariff Board has to say in its 1958-59 report on Australian industry:—

“Australian development is dependent on expansion of industry. Continued expansion requires a high and rising level of investment to increase industry's capacity to produce and to increase output by raising the productivity of the various factors of production. Maintenance of the current level of investment is not alone sufficient; continuance of prosperity requires an increasing increment of investment each year. Such an increase was recorded in 1958-1959.

“The Board has already remarked on the continued expansion during the year of overseas investment in Australia. Domestic investment also appears to have increased and total private investment was estimated at £1,141,000,000 in 1958-1959, an increase of £85,000,000 over the figure for 1957-1958. Government expenditure on public works has been higher during the past year and, compared with other recent years. Governments have been able to finance a greater proportion of expenditure out of the proceeds of Commonwealth loans.”

On the next page the Tariff Board report refers to a problem that will give the Governments and the people of Australia great concern in the next few years—the increased number of young people coming onto the labour market by reason of the greatly increased birth rate immediately after the war. It points out that they can be best absorbed into employment by the development of industry in this country.

I have quoted figures to show that industry has developed at a very rapid rate, to show that it has absorbed in employment the increasing population of our country. Now let me quote from a statement by Mr. Egerton on Friday last, 16 October.

Mr. Davies: Who is he?

Mr. HART: A member of the Labour Party's inner committee of the Q.C.E. He made the following statement to the trade union congress:—

“If I had my way I would ask all the candidates if they believe in socialism. If they propped, stuttered, and stammered at that I would tell them to join the Liberal Party.”

Mr. Davies interjected.

Mr. HART: You have been asking a lot of questions. Do you agree with Mr. Egerton?

The CHAIRMAN: Order!

Mr. HART: Will you answer or won't you?

The CHAIRMAN: Order!

Mr. HART: You are propping, stuttering and stammering.

Mr. Davies: Mr. Egerton has a perfect right to his own opinion.

Mr. HART: Do you agree with him, or don't you?

The CHAIRMAN: Order!

Mr. Davies: Send it over here while I read it. I cannot guarantee that you read it properly.

The CHAIRMAN: Order!

Mr. HART: That is a perfect example of the general stammering and stuttering. What Mr. Egerton is recommending is this: that we say to these people, "Put your capital in here in Queensland, and when you have it here we will take it away from you." Under such conditions would any sensible person invest money in this country? We have witnessed the spectacle this afternoon of the endeavour by the hon. member for Maryborough to get away from the socialist policy of Mr. Egerton, for the sake of the next election. No doubt the hon. member will deny it. He was not game to say whether he agreed with Mr. Egerton or not. He knows that the next elections are coming up. What I ask is, do hon. members think it matters what the opinion of the hon. member for Maryborough is? Does it matter what any hon. member opposite thinks? It does not, because they will be told what to do. The Leader of the Opposition has told us that rightly or wrongly, wisely or unwisely, whether he believes in what the Q.C.E. tell him to do or not, he will immediately do it.

Mr. Davies: You are supporting the Federal Government right or wrong.

Mr. HART: I ask the hon. member if he agrees with the Leader of the Opposition in that. The hon. member hangs his head in shame.

Mr. Burrows: We will accept the majority decision.

Mr. HART: You will do what you are told. I was asked by hon. members opposite to come on to some Queensland matter. I shall now deal with some Queensland reports to show how Queensland is going ahead under a Country-Liberal Government at a greater pace than it has ever gone ahead before. People now know that if they bring money here it will not be taken from them. We say to them, "You bring your money

here and we will help you to develop your industry." The Deputy Premier is doing his best up and down the country.

Mr. Davies: We agree.

Mr. HART: You say you are going to take away the money under socialism when they bring it here. I quote the following from the report of the Chief Inspector of Machinery, Scaffolding and Weights and Measures, for the period 1 July, 1958, to 30 June, 1959—

"The past twelve months under review show, by the constantly increasing volume of work carried out by this sub-department, as shown in the tables at the end of this report, that the population and industries of the State of Queensland are continuing to expand rapidly year by year."

Mr. Hanlon: In what?

Mr. HART: This report has just been presented. If the hon. member had read the report he would know.

Mr. Lloyd: I have read the report of the Secondary Industries Assistance Board.

Mr. HART: If the hon. member had read the report he would know the position.

I shall mention only two tables. The first shows the units of machinery inspected, for which the figures over the last two years of Labour Government and the last two years of Country-Liberal Government are—

1955-1956—112,069 units inspected;
1956-1957—118,993 units inspected;
1957-1958—119,628 units inspected;
1958-1959—127,541 units inspected;

The increase in 1958-1959, the first full year of Country-Liberal Government, is worthy of note.

Even more impressive, and indicative of the change that is now gathering momentum, is the table showing inspections of buildings upon which scaffolding or gear was erected and used. These figures are taken from the table at page 12 of the report—

Year	Scaffolding	
	Units inspected	Aggregate Cost £
1955-1956	7,466	26,131,445
1956-1957	7,315	28,251,016
1957-1958	7,967	35,111,895
1958-1959	9,226	42,700,851

It will be seen that the aggregate cost of the type of buildings using scaffolding or gear increased by 50 per cent. from the last full year of Labour Government, 1956-1957, to the first full year of Country-Liberal Government. These are the type of buildings used by industry and commerce, reported on by a man who would have had no thought of political bias when he made this factual report. He has no political interest whatsoever and is completely impartial.

The next document to which I refer hon. members is the report of the Chief Inspector of Factories and Shops, and I point out that these reports indicate that the theme is development of this great State by the Country-Liberal Government. The position is precisely the opposite to that depicted by the hon. members for Maryborough and Bundaberg who have cried and wailed about the position.

Mr. Windsor interjected.

Mr. HART: The hon. member for Fortitude Valley has put his finger on the spot. It is no good crying poor mouth. That is the theme of the hon. member for Bundaberg. He is merely interested in belittling the State, and I think his attitude is very wrong. I should not think that anyone would take any notice of the hon. member for Bundaberg, but if anyone did take notice of his statements the shipbuilding industry in Maryborough could be affected. Fortunately the industries of this State are safe, because the statements of the hon. member for Bundaberg are not taken seriously.

I refer hon. members to Table 4 on page 18 of the report of the Chief Inspector of Factories and Shops. That table shows the number of registered factories in Queensland as at 31 January in the past four years. As at 31 January, 1956, there were 5,688 registered factories in Queensland, 5,825 for 1957, 5,972 for 1958, and 6,081 for 1959. That increase is most encouraging. As the Tariff Board said in its report if we are desirous of increasing the number of people in this country we can only do that by encouraging industries and allowing them to develop. We will not do that by adopting the measures advocated by Mr. Egerton, whom hon. members opposite seem willing to follow.

I turn to page 19 of the report to quote the numbers of factory employees as at 31 January, 1956, 1957, 1958, and 1959 as 84,208, 84,510, 82,416, and 86,799.

Mr. Lloyd: The Morris statistical review.

Mr. HART: The hon. member for Kedron should have more sense. I told him that I was quoting the report of the Chief Inspector of Factories and Shops, an officer who has no reason whatever to tell anything but the truth.

Mr. Morris: I hope the hon. member for Kedron is not casting a doubt on the correctness of the report as given by officers of the department. I would not expect it from him.

Mr. Lloyd: What about the secondary industries report?

Mr. HART: I shall give the hon. member the report of the Director of Secondary Industries, and he will not like what I have

to say. The average monthly figures for the last four years of clay-brick production are—

1955-1956		4,030,000
1956-1957		4,357,000
1957-1958		4,755,000
1958-1959		5,022,000

I shall now read from the early pages of this report since the hon. member for Kedron has asked for it. On page 4 he will find after referring to the upsurge of interest as a result of the contacts made by the Overseas Delegation, the report says—

“The contacts made by the Overseas Delegation have resulted in an upsurge of interest in this State and negotiations are continuing with many manufacturers. A number of representatives of these companies with whom discussions are being carried on have visited Queensland to make personal investigations on behalf of their companies. In addition, arrangements have been made for some local industries to manufacture articles under licence for overseas manufacturers and this will increase the variety of the State's production.”

(Leave to continue speech tomorrow granted.)

Progress reported.

The House adjourned at 10.2 p.m.