

Queensland



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Legislative Assembly

THURSDAY, 24 AUGUST 1961

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Mr. SPEAKER (Hon. D. E. Nicholson, Murrumba) took the chair at 11 a.m.

QUESTIONS

COST OF TRANSPORT WEIGHBRIDGE AT GAILES

Mr. DUGGAN (Toowoomba West—Leader of the Opposition) asked the Minister for Development, Mines, Main Roads and Electricity—

“(1) What was the total cost of buildings, installations, and other construction work associated with the establishment of the transport weighbridge and checkpoint at Gailes?”

“(2) What staff are employed?”

“(3) What is the estimated annual cost of operating the weighbridge, inclusive of wages and maintenance?”

“(4) Has a decision been made on the siting of the second weighbridge and checkpoint on the South Coast and, if so, what progress has been made in respect of this installation?”

Hon. E. EVANS (Mirani) replied—

"(1) The total cost to date has been £88,190 18s. 5d."

"(2) Twenty-six."

"(3) £38,200."

"(4) A weighbridge will be located at Coomera. All access roads and roadways, hardstandings, &c., within the weighbridge area have been constructed and sealed. Inspection pits have been excavated and concreted. The weighbridge metal frames are on the site. The weighbridge dials have been delivered. The erection of the buildings by contract has been commenced."

UNEMPLOYMENT IN TOWNSVILLE

Mr. AIKENS (Townsville South) asked the Minister for Labour and Industry—

"As it is conservatively anticipated that there will be 1,000 men and women unemployed in Townsville before Christmas, what steps, if any, does he propose to take to find work for as many of these as possible?"

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

"I refer the Honourable Gentleman to the reply furnished by the Honourable the Premier to a question on unemployment yesterday. This matter will, however, be fully dealt with in debate in this Chamber next week."

SUGGESTED INQUIRY INTO TOBACCO INDUSTRY

Hon. P. J. R. HILTON (Carnarvon) asked the Premier—

"In view of the parlous and distressed state of the tobacco growing industry in this State as a result of the large quantity of leaf remaining unsold at this year's tobacco sales and the low average prices received by the growers for that portion of the crop that was sold, also because of the disastrous effect this slump is having on this important primary industry and the economic welfare of so many provincial towns, will he take urgent action to appoint a Royal Commission or other appropriate tribunal to inquire fully into (a) the reasons for such a sudden decline in the prices and demand for Australian-grown leaf, (b) the efficiency of the present method of disposal of such leaf, and (c) all other factors that may be operating to the detriment of this industry?"

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

"My Government realises that the present problems associated with the sale of tobacco leaf are not confined to Queensland alone, as the other producing States of New South Wales, Victoria and Western Australia are

also affected. Because of the Australia-wide nature of the problem and of the fact that the marketing of tobacco leaf is closely interwoven with questions of tariff policy and imports, which are Commonwealth functions, it is felt that the present problem can only be dealt with effectively on a Commonwealth basis. The Rt. Hon. J. McEwen, the Commonwealth Minister for Trade, recently indicated in a press statement that the Federal Government intended to ensure there was a payable market for locally grown tobacco that was suitable for Australian smokers. In his statement on August 17, Mr. McEwen intimated that the Commonwealth Government had been in close and continuous contact with growers' organisations and manufacturers and that it was unanimously agreed even by the growers that some of the unsold leaf was not useable. However, he stated that there was also a quantity of leaf which was useable and for which manufacturers had made offers at prices which were not satisfactory to the growers. Mr. McEwen stated that the matter has again been discussed by himself and the Ministers for Primary Industry and Customs and Excise with a committee of the Australian Tobacco Growers' Council and the Council had asked the Commonwealth Government to lend the assistance of some of its skilled officers. It was expected that State Governments would be asked to help in a similar manner. In this way, it should be possible to make a full examination not only of auction results but of the general problems associated with the industry. A committee consisting of technical representatives of manufacturers, growers' organisations, State Departments, selling brokers and the Department of Primary Industry has been set up to examine the question of No Bid leaf. In the circumstances, it would appear that the suggestion made by the Honourable Member for a Royal Commission is somewhat premature. The Honourable Gentleman can be assured that my Government will give every possible assistance and support to these moves at the Commonwealth level in order to arrive at a solution of the present tobacco leaf problem."

UNEMPLOYMENT AMONG TEENAGERS

Mr. HOUSTON (Bulimba) asked the Minister for Labour and Industry—

"Concerning the Committee appointed by him to examine unemployment among teenagers—

(1) How many times has the Committee met?

(2) Have they taken any oral or written evidence from any person or organisation?

(3) Have they made any report? If so, what was the report, and, if not, when will they make one?"

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

“(1 to 3) I have not appointed a Committee to examine unemployment among teenagers. The Committee the Honourable Member refers to was the Committee of Departmental heads announced by the Honourable the Premier early in April, 1961.”

QUEENSLAND EXHIBIT AT WORLD TRADE FAIR, SYDNEY

Mr. MANN (Brisbane) asked the Minister for Labour and Industry—

“In respect of the Queensland Exhibit at the World Trade Fair in Sydney early in the month—

(1) Who was responsible for the form and nature of the exhibit, the determination of the area and its acquisition?

(2) What rental was paid for the area?

(3) What Government officers were in charge of the exhibit and what was the total cost of their salaries, accommodation, travelling and other expenses?

(4) What was the total cost of the exhibit, inclusive of all factors?

(5) Has he seen the adverse criticism of the exhibit by George Blaikie in ‘The Sunday Mail’ of August 6 last, and, if so, is he in a position to say whether this was a fair appreciation of Queensland’s effort at the Trade Fair?”

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

“(1 to 5) During the latter part of 1960, I considered proposals submitted by my Department for a combined Queensland display to represent the State and its secondary industries.

“It was obvious, however, that these proposals demanded the support of the industrial and commercial leaders of the State, consequently a meeting was arranged and held in my office, at which representatives of the Chambers of Manufactures and Commerce and industrial leaders, numbering nearly twenty, discussed with me the details of the proposals submitted by my Department.

“The advice received from this advisory group was to the effect that participation in the Trade Fair was not warranted.

“As a result of this advice, my Department’s proposals were not proceeded with. However, in order to ensure that opportunities to contact visiting industrialists would not be lost, it was arranged to decorate and staff an office at the Fair for this purpose. In addition, an officer of the Sydney branch of the Queensland Government Tourist Bureau was attached to the project.

“The arrangements for establishing the office were made the responsibility of Mr. V. C. Gair, Industries Establishment and Expansion Officer, who was in attendance at the Fair for its full duration.

“The following are extracts from the very helpful and interesting report, which has been submitted by Mr. Gair:—

‘Queensland’s Information Bureau, as I elect to call it, was bright and attractive.’”

Opposition Members interjected.

Mr. SPEAKER: Order! I want to warn the hon. member for South Brisbane again. I have already cautioned hon. members about interjections during question time. If hon. members ask questions I consider they should have the decency to listen to the answers.

Mr. MORRIS: I am still quoting Mr. Gair. He goes on—

“It was constructed of Queensland timbers, appropriately branded, and decorated with a beautiful map of Queensland, made up of Queensland cabinet woods, with the industries carried on in the various parts of the State indicated by an inlaid motif. This map attracted much attention and admiration. On one side wall, there were eight beautifully coloured and framed pictures of Queensland tourist attractions. On the other side wall, there were eight large and excellent industrial pictures.

‘All these pictures attracted a great deal of interest, and invited many questions on our tourist attractions and industrial potential.

‘On the front of the counter was a large painted photograph of Surfers Paradise Beach, illuminated with a fluorescent tube. On the top front of the stand was a large plastic sign, bearing the Maltese Cross and the word ‘Queensland’ in coloured lettering, which also was illuminated by a fluorescent tube behind it.

‘From the ceiling, fluorescent tubes were hung, which lighted up the office and shone on the pictures on the side walls. The parquet floor also made of Queensland timbers received much favourable comment.

‘I repeat, Queensland’s display, while indisputably small, was bright and attractive, and won much commendation.

‘It was the opinion of most people that we had done much in a small area.

‘In addition to the innumerable inquiries regarding tourism, many questions were asked concerning industrial activities, employment, housing, &c. At least, it can certainly be claimed that a greater number of people know more about our State than they formerly did.

‘Our purpose for being represented at the Fair was to make contact with the

thousands of people who attended, and to inform them of what Queensland had to offer in the field of tourism and industry.

'I say, unhesitatingly, this purpose to a great measure was achieved.

'With the exception of three evenings, I was at the Fair until 10 p.m. when it closed each day. During the time I was not in attendance at the information bureau, I endeavoured to contact and interest representatives of overseas and Australian manufacturers in Queensland.

'It became apparent to me early that the chief concern of the companies represented was to obtain orders for their goods, and distributors in Australia in the case of overseas companies for their commodities. In most cases, the persons in charge of the various displays were salesmen attached to the companies or, in the case of overseas' manufacturers, a representative of some Australian importer of their products. None of these people was in a position to discuss with me the matter of establishing a factory in Queensland. Managing directors, general managers, or anyone else with authority to speak for the companies, were not to be found at their respective display.

'A perusal of the list of Australian exhibitors showed that this field did not offer great scope for an approach for the extension of manufacture to Queensland. Eliminate from the list Government, semi-Government, banks and insurance companies' displays, and those of constructing engineers, the balance of companies represented at the Fair did not provide a very fertile field in which to sow our seed. Many of them are small, and are engaged in the production of goods, which are already being produced in Queensland in ample supply, whilst the engineering, machine and foundry companies represented are doing work similar to that already being undertaken in this State.

'I suppose I should report, for record purposes, that West Australia, Queensland and Sydney were the only States represented at the Fair.

'The West Australia display was very nice, in which large black and white photographs of scenic and industrial projects, such as the oil refinery, predominated. A collection of West Australian wild flowers, and large pictures of Herb Elliott and other Australian athletes, who hail from West Australia, were prominent, together with much publicity for the Empire Games to be held in Perth next year.

'I consider our participation in the Fair was justified, and for the comparatively small amount expended Queensland

gained much good publicity, excepting of course from the "knockers" in our own State."

Mr. Duggan: You had to knock to get into the place.

Honourable Members interjected.

Mr. Burrows: Selling unity tickets between the Liberal Party and the Q.L.P.

Mr. Hilton: You will get all you want.

Mr. SPEAKER: Order! I must warn hon. members that under Standing Order 123A they are liable to suspension from the Chamber after having been warned for grossly disorderly conduct. I shall have no hesitation in warning the hon. member and dealing with him if he continues to disobey my previous rulings.

Mr. Burrows: Thank you, Mr. Speaker. I just wanted to draw your attention to the fact that—

Mr. SPEAKER: Order! I take the opportunity of warning the hon. member for Port Curtis now that I will deal with him under Standing Order 123A if he interrupts once more.

Mr. MORRIS: The answer to this question has been made full deliberately because I want all hon. members to understand the situation clearly. The answer continues—

"The area of 120 square feet was made available to the Queensland Government, free of any rental charge. The total cost of the exhibit, inclusive of all factors, is not yet available, but the Honourable Member may be assured that it is not extensive, compared with the valuable publicity which this State gained.

"I emphasise that neither Victoria, South Australia, Tasmania, or even any area of New South Wales outside Sydney was represented at all.

"The cost of an elaborate display would have been great, and, in my opinion, we are using that money more effectively elsewhere."

ILLEGAL PARKING BY MR. BRIAN KEHOE

Mr. MANN (Brisbane) asked the Minister for Labour and Industry—

"(1) Is he aware of a report in the 'Sunday Mail' of April 9 last, stating that on the previous day the Queensland Labour Party Candidate for South Brisbane in the Brisbane City Council elections, Mr. Brian Kehoe, was 'almost given a "ticket" for illegal parking' while speaking at a meeting attended by the Q.L.P. President, Mr. V. C. Gair?"

"(2) If the said candidate's car was parked in a prohibited area, as alleged, will he explain why he was not booked for this breach?"

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

“(1 and 2) The report in the ‘Sunday Mail’ of April 9, had not come under my notice, until the Honourable Member gave notice of his question, but now having read the report, I am amazed at the pettiness of this approach to such a matter. Any reasonable person reading the report would at once see that the Police Officer concerned was in doubt as to whether the permit for the open air meeting entitled the car to be parked where it was, and it was not until he contacted his Inspector that the position was determined. Apparently, the candidate in question was of the opinion that the permit enabled him to place his car, with the loud-speaker equipment, where he did in Gibbon Street, but when informed to the contrary, the car was driven away. It would seem that the Honourable Member wants the Police Force to be used to persecute the public, irrespective of any circumstances, but if this particular matter had been referred to me, I would have unhesitatingly approved of the manner in which it was handled by the Police Officer concerned.”

GOVERNMENT CONTRACTS OUTSIDE QUEENSLAND FOR STRUCTURAL AND PREFABRICATION WORK

Mr. SHERRINGTON (Salisbury) asked the Minister for Transport—

“(1) What is the number of contracts for structural and prefabrication work in connection with the Mount Isa Railway and other Government projects allocated to firms outside Queensland during the past twelve months?”

“(2) What is the saving to the Government by the acceptance of inter-State tenders as against tenders by Queensland firms?”

“(3) Does he agree that this work should have been given to Queensland firms to help to alleviate the present unemployment in this State?”

Hon. G. W. W. CHALK (Lockyer) replied—

“(1) Advice furnished to me by the Mount Isa Project Consultants, Messrs. Ford, Bacon and Davis, states that the only Mount Isa Railway Contracts which have been awarded to other than Queensland firms are Project Contracts Nos. 6 and 7. The former is for bridges between Hughenden and Duchess. These bridges have precast prestressed concrete superstructures and cast in place concrete substructures. Contract No. 7 is for earthworks. All of the construction work, including prefabrication for both contracts is being performed in Queensland by Queensland labour. In relation to the contract let to a Queensland firm for

construction of a new bridge over the Burdekin River at Macrossan, I am informed that the cutting of certain steel which comprises the minor portion of the work of fabrication for this bridge was subcontracted to a southern firm equipped with machinery specially suited for the purpose, which machinery is not available in North Queensland where the balance of the fabrication work is being carried out.”

“(2) The approximate saving resulting to the aforementioned contracts is approximately £430,000.”

“(3) It is, and always has been, the policy of the present Government to provide the utmost possible employment within the State.”

MOTOR TRANSPORT FOR POLICE STATION, COEN

Mr. ADAIR (Cook) asked the Minister for Labour and Industry—

“Owing to the urgent necessity for motor transport for Police stationed at Coen and the inconvenience now experienced having to travel long distances on horseback, will he have a Land Rover allocated to the area as soon as possible?”

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

As the Honourable Gentleman knows, much of the Police work at Coen requires travelling in areas inaccessible to any vehicle. However, the matter will be reconsidered and re-examined.

CLOSURE OF POLICE STATION AT MOUNT MOLLOY

Mr. ADAIR (Cook) asked the Minister for Labour and Industry—

“Has it been decided to close the Police Station at Mount Molloy? If so, when will it be closed?”

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

The closure of Mount Molloy Police Station has not been considered.

LEASE OF LAND TO AMAGRAZE COMPANY, WALKAMIN AREA

Mr. WALLACE (Cairns) asked the Minister for Public Lands and Irrigation—

“(1) Is it a fact that the Amagraze Company has been granted a lease of certain land in the Walkamin Area of the Tinaroo irrigation project for the purpose of cattle-fattening?”

“(2) If so, will he advise the House the terms and conditions of the lease and whether the Company or the Irrigation Department was responsible for the cost of clearing?”

“(3) If the Department was responsible, what was the actual cost?”

Hon. A. R. FLETCHER (Cunningham) replied—

“(1) Amagrazee Limited, who desire to explore the potentialities of cattle fattening on irrigated pastures, were, by Cabinet direction, granted a priority Special Lease for this purpose for ten years over about 680 acres of land between Granite and Maud Creeks in the Mareeba-Dimbulah Irrigation Area. The results achieved could be of great importance in respect to the future use of non-tobacco soils served by the project, and to the development of North Queensland in general. The Company's work will be a commercial extension of the Department of Agriculture and Stock's experimental work at Kairi, Walkamin and Parada.”

“(2) The main conditions of the lease are—(a) Special Lease for 10 years. The Company may apply for conversion to more permanent tenure at a later date. (b) The Company is to establish within three years and maintain for the duration of the lease, at least 200 acres of irrigated foddors of which half is to be as recommended by the Department of Agriculture and Stock. (c) The Irrigation Commission to—(i) Clear and prepare for irrigation, up to 200 acres, (ii) Provide a house, barracks, implement shed and materials for external fencing. (d) The Company to pay an annual rental of £105 for the land plus eight per cent. per annum of the Land Administration Commission's valuation of the buildings and fencing materials. (e) The Company to pay for water used monthly at the prevailing charges in the Irrigation Area. (f) The Company to be responsible for all corrective grading and the maintenance of the Crown's assets. (g) Should the Company convert the Special Lease to a permanent tenure, the Company would pay for all Crown improvements on the property including the cost of clearing and land preparation at a valuation.”

“(3) The Irrigation Commission, as indicated above, was responsible for the clearing and costs to date are—Clearing and grubbing, £3,154; Rock raking, £2,071; Picking up and stacking of rocks, £1,550; Total, £6,675.”

QUEENSLAND EXHIBIT AT WORLD TRADE FAIR, SYDNEY

Mr. BROMLEY (Norman): I ask the Minister for Labour and Industry question No. 11 standing in my name—the one about the “dumpty-do.”

Mr. SPEAKER: Order! I doubt whether I should allow this question because contrary to Standing Orders it contains an expression of opinion. In view of the hon. member's statement I feel that I should now disallow it.

I have already warned hon. members that they must abide by the provisions regarding questions in this House. Mainly because of

the noise in the Chamber at the time I did not observe the subject matter of the question when notice of it was given, and as the last section of it is an expression of opinion I consider it out of order.

Mr. BROMLEY: That opinion has already been expressed by many other people in Australia.

Mr. SPEAKER: Order! I am leaving it entirely to the Minister. I think he has already adequately answered a similar question this morning. Therefore this one is superfluous but if the Minister wishes to answer it he may. I hold that the question is not in order.

Hon. K. J. MORRIS (Mt. Coot-tha): I agree completely with you, Mr. Speaker, and I dislike the term that has been used. I was prepared to tell the hon. member that he would get his answer in my reply to the question asked by the hon. member for Brisbane.

DEVELOPMENT OF THE NORTH QUEENSLAND BEEF-CATTLE INDUSTRY

Mr. TUCKER (Townsville North) asked the Minister for Public Lands and Irrigation—

“(1) Has his attention been drawn to the statement by the Federal Liberal Member for Herbert to the Townsville Chamber of Commerce as published in ‘The Townsville Daily Bulletin’ of Friday, June 23, 1961, wherein he declared amongst other things that the failure of the State to put a proposition to the Commonwealth was holding up vitally needed development of the North Queensland beef-cattle industry and that unfortunately the State appears to be doing nothing about it?”

“(2) Is this statement in fact correct and, if not, then is it his intention to repudiate it?”

Hon. A. R. FLETCHER (Cunningham) replied—

“(1) I am aware of the statement made by the Federal Member for Herbert to the Townsville Chamber of Commerce to the effect that the State had not put a proposition to the Commonwealth in the matter of cattle fattening in the wet tropics.”

“(2) The statements made by the Federal Member for Herbert are not correct and my lengthy reply, emphasising that further consideration of this matter awaits the outcome of inquiries by a Committee of Commonwealth officers, was made available to the various newspapers which are normally circulated in North Queensland. I have made arrangements for a copy of that detailed reply to be made available to the Honourable Member for Townsville North. I explained, in effect, that we were pressing on with all the resources at our disposal with the proposition to open any available areas in the wet tropics for cattle

fattening. Personally I have pursued the matter with enthusiasm and it was on my recommendation that an expert Committee was despatched to the North for the express purpose of classifying lands suitable for settlement bearing in mind the necessity to preserve the rich timber bearing rain forests of the north. The Committee has now completed its investigations and its report is in process of preparation. I am not in a position at this stage to indicate the complete result of this investigation but preliminary advice gives me to understand that we will be able to make a number of new blocks available. I regret to have to admit that it would appear the area available will not be as great as I had hoped. The Honourable Member for Townsville North may rest assured that the matter is receiving urgent attention by my officers and myself. Commonwealth-State relationship in this regard has been most encouraging. I anticipate being able to publicly announce the extent of land available for new settlement for cattle fattening at a reasonably early date."

SHORT MEAT KILLING SEASON AND
UNEMPLOYMENT, NORTH QUEENSLAND

Mr. TUCKER (Townsville North) asked the Minister for Labour and Industry—

"(1) Is he aware that the meat season in the North this year could be the shortest on record and that this allied with the persistent effects of the Federal Government's credit-squeeze will create greater unemployment than last year in Townsville?"

"(2) What steps other than the recent cut in Local Authority subsidies have been taken or are to be taken to combat this northern scourge?"

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

"I refer the Honourable Gentleman to the reply furnished by the Honourable the Premier to a question on Unemployment yesterday. This matter will, however, be fully dealt with in debate in this Chamber next week."

STATE REPRESENTATIONS TO COMMON-
WEALTH GOVERNMENT FOR SHIP-BUILD-
ING ORDERS FOR WALKERS LTD.,
MARYBOROUGH

Mr. DAVIES (Maryborough) asked the Minister for Labour and Industry—

"(1) What representations has he or his Government made during the last twelve months to the Commonwealth Government on behalf of Walkers Ltd. Shipyards, Maryborough, in order to secure orders for that firm and, if any, when were they made?"

"(2) Is he aware that (a) Walkers Ltd. Shipyards can build ships up to 6,000 tons,

(b) the last ship under construction has been launched, and (c) the Menzies-McEwen Liberal-Country Party Government has permitted orders for several ships under 6,000 tons to go to overseas shipyards? If so, has he protested to the Commonwealth Government and, if not, will he do so, vigorously and publicly?"

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

"(1 and 2) I am extremely interested in the possibility of building ships in our Queensland ship yards, and I am well aware of the capacity of them. I most certainly have taken very active steps on the matter of our ship-building industry, an example being as follows:—A group of people for whom a ship was being built in Queensland expressed to me, earlier this year, very grave disquiet at the inordinate delay being forced upon one of our Queensland shipping yards by the refusal of certain tradesmen to work overtime. It must be remembered that much work on shipbuilding will only permit a certain number of men to work on a particular operation, and therefore overtime is frequently a vital necessity. As a result of this, I made enquiries in other quarters, and was advised that some interested people were seriously considering refraining from using any Queensland yard because of this long term delay. I then wrote to the Chairman of the Australian Shipping Board to obtain the full background of this matter. This I obtained in a confidential letter forwarded to me, and which I am unable to submit, and every effort is being made by my Department and myself, in conjunction with our colleagues, to assist this industry. I must, however, add that any further grave delays of a similar nature to that referred to above, will finally kill this industry, as industrial trouble had injured our coastal shipping industry itself."

NUMBER OF EMPLOYEES IN RAILWAY
DEPARTMENT

Mr. DUGGAN (Toowoomba West—Leader of the Opposition) asked the Minister for Transport—

"What were the numbers of employees in each of the South-eastern, South-western, Central and Northern Divisions of the Railways Department as at June 30, 1957, and June 30, 1961?"

Hon. G. W. W. CHALK (Lockyer) replied—

| Division | At June 30, 1957 | At June 30, 1961 |
|---------------------|---------------------|---------------------|
| South-Eastern | 14,680 | 13,192 |
| South-western | 3,706 | 3,285 |
| Central | 6,106 | 5,365 |
| Northern | 6,370 | 6,315 |

CLOSURE OF COUNTRY POLICE STATIONS

Mr. DUGGAN (Toowoomba West—Leader of the Opposition) asked the Minister for Labour and Industry—

“(1) What country police stations have been closed down in the period from June 30, 1960, to the current date?”

“(2) What has become of the personnel policing these stations?”

“(3) Is the closure of any further stations proposed or being considered and, if so, where are they situated?”

“(4) Has there been any increase or decrease in the active strength of the Police Department in the past year?”

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

“(1) Nocundra; Koombooloomba; East Bundaberg, North Bundaberg, South Bundaberg, Cordalba; Tinana, Granville, Newtown (Maryborough); Newtown (Toowoomba); West Ipswich; Archer Park and Allenstown; Ewan, Brandon, Railway Estate, West End (Townsville), Ravenswood.”

“(2) With the following exceptions, all personnel were transferred to their District Headquarters stations as additions to strength. The exceptions were: Koombooloomba—member transferred to South Johnstone as a replacement for another member transferred from South Johnstone. Nocundra—member transferred to Goombungee as replacement for member transferred from Goombungee. Brandon—member transferred to Ayr as an addition to strength at the Ayr Police Stations. Cordalba—member transferred to Childers as an addition to Childers strength.”

“(3) No.”

“(4) An increase of 20.”

TOURIST BUREAU STAFF AND SALARIES

Mr. DUGGAN (Toowoomba West—Leader of the Opposition) asked the Minister for Labour and Industry—

“How many officers have been appointed to the Brisbane headquarters and interstate staffs of the Queensland Tourist Bureau since August, 1957, how are they classified, specifying new classifications, and what are the respective salaries?”

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

“Broadly speaking, this information will be found in the forthcoming Estimates of my Department when they are presented shortly, and I cannot think that the Honourable Gentleman desires these details for each staff member. However, the total numbers engaged as at 30th June each year 1957 to 1961 in the Queensland Government Tourist Bureau organisation are as follows:—1957, 137; 1958, 136; 1959, 140; 1960, 157; 1961, 165.”

DEVELOPMENT OF WEIPA BY COMALCO

Mr. MANN (Brisbane) asked the Minister for Development, Mines, Main Roads and Electricity—

“(1) What is the number of employees engaged at Weipa by Comalco other than those engaged in exploration or preparatory work?”

“(2) Has any real production been commenced? If so, at what date?”

“(3) How many men have been employed since December 31, 1960?”

“(4) When is it anticipated that full scale production will commence?”

Hon. E. EVANS (Mirani) replied—

“(1) The total number now employed by Comalco at Weipa, including contractors, is 139 persons.”

“(2) 40,000 tons of bauxite have been mined and exported for trial purposes.”

“(3) Since December 31, 1960, the number employed at Weipa has increased by 80.”

“(4) Full scale production of bauxite is not likely until the alumina plant to be erected at Weipa is nearing completion. This alumina plant is expected to be commissioned late in 1965 or early 1966 to co-ordinate with commencement of aluminium metal production in New Zealand in mid-1966. A contract for the necessary dredging has been let and this work is proceeding.”

APPOINTMENT OF CHAIRMEN OF HARBOUR BOARDS

Mr. AIKENS (Townsville South) asked the Treasurer and Minister for Housing—

“(1) When the Government representatives were appointed to the various Harbour Boards in Queensland following the Local Authority elections three years ago, did he specify that no such Government nominee was to accept the position of Chairman of the Harbour Board to which he was thus appointed?”

“(2) If so, did such provision, insisted upon by the Treasurer, have any legal basis in any law or Act and, if so, which?”

“(3) Upon the appointment of Government representatives on Harbour Boards this year, did he again insist on such nominees declining the position of Chairman and, if not, why not?”

Hon. T. A. HILEY (Chatsworth) replied—

“(1) Yes.”

“(2) It had no legal basis in law or Act but it did not require it. When the Government is given the right to appoint representatives, it can, at the same time,

indicate its wishes. I want to say that my concern was that Harbour Boards should not present any appearance of being under Government direction, and I felt that it was wiser to avoid having a Government nominee in the chair."

"(3) With the appointments that were made this year, that restraint was relaxed. I did so for many reasons. In the first place, I had widespread representations from many Members of this House. I was also fortified by expressions from the Harbour Boards' Association. I was assured that the fact that a Government nominee might occupy the chair would not be interpreted as savouring of Government direction. On further considering the matter, I recommended to Cabinet that we should accept the many representations that had been made and relax the restraint on a Government representative in the chair. Cabinet accepted my recommendation and hence the change."

DEFICIT IN PUBLIC ACCOUNTS

Mr. HANLON (Baroona) asked the Premier—

"(1) Did he tell the Loan Council on June 14, 1961, as reported in 'The Courier-Mail' of June 15, 1961, 'It will mean in spite of all the restraint we can practice that our deficit for the year will approximate £1,250,000.'?"

"(2) In view of the subsequent release by the Treasurer of the deficit for the year ended June 30, 1961, as £618,243, which is approximately half the figure given by the Premier to the Loan Council, and the Premier's later explanation of this variation as substantial economies effected in the closing weeks of the year (a) did the Treasurer supply him with the estimate he gave to the Loan Council or, if not, who did (b) were the substantial economies, which reportedly cut in half the deficit in a matter of weeks, carried out without the knowledge of the Treasurer and himself, (c) what are the details of these remarkable economies which produced a saving of over £600,000 in a matter of weeks over and above "all the restraint we can practice" and (d) does he realise that failure to adequately explain this matter will make his statements at Loan Council suspect, to the disadvantage of the State, and the deficit shown by the Treasurer suspect to Parliament and Public?"

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

"(1) Yes."

"(2) The estimate referred to was supplied by the Honourable the Treasurer and accorded to advice received from his Treasury officers, based on collation of the

estimated receipts and expenditure, respectively, by each Department for the month of June. As reported to the Treasurer, on July 4, by his officers 'the improved position, compared with forecasts, is due to an improvement in receipts of £365,000 and a saving in expenditure of £284,000.

Receipts were generally more buoyant than anticipated in the June forecast by Departments, whereas, on the other hand, all Departments, other than the Department of Public Lands and Irrigation (through heavy survey expenditure) effected savings in June, as compared with their forecast for that month'. The advice was accompanied by statements comparing June forecasts with the actual result. I select the major variations from such comprehensive statements"

| Receipts | Increase Over Forecast |
|--|------------------------------------|
| | £ |
| Commonwealth | 23,000 |
| Licenses and Permits (mainly due to a payment in respect of arrears of liquor fees) | 49,000 |
| Land Tax | 15,000 |
| Succession and Probate Duties | 72,000 |
| Miscellaneous Receipts (including an adjustment of £152,000 consequent on winding-up of the Workers' Homes Fund) | 213,000 |
| Expenditure | Savings, as Compared with Forecast |
| | £ |
| Department of Health and Home Affairs | 143,000 |
| Department of Education | 51,000 |
| Department of Railways | 50,000 |

"In addition, of the provision of £80,000 towards losses on the standard gauge railway only £4,703 was required, resulting in a saving under that Vote of £75,000. I am confident that the forecasts supplied by the officers of the respective Departments were based on the best available information, and I feel that responsible persons will not suspect such estimates in future."

INCIDENCE OF TRAFFIC OFFENCES

Mr. LLOYD (Kedron) asked the Minister for Labour and Industry—

"What were (a) the amount received by way of fines levied in the Traffic Court, (b) the number of convictions and (c) the number of fatalities as a result of traffic accidents for the years 1958-1959, 1959-1960 and 1960-1961?"

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

"(a) £139,306 18s. 8d.; £168,818 1s. 6d.; £203,766 19s. 6d., respectively. (b) 16,134; 21,094 and 27,277, respectively. (c) 333; 359 and 353, respectively."

SUBSIDIES PAID TO LOCAL BODIES

Mr. LLOYD (Kedron) asked the Treasurer and Minister for Housing—

“(1) What was the rate of subsidy paid to local bodies for (a) water supply, (b) sewerage, (c) mosquito eradication and (d) swimming pools and Harbour Boards and Hospital Boards at as June 30, 1957?”

“(2) What is the rate proposed to be paid in accordance with the announcement made by him?”

“(3) What subsidies were paid to all local bodies for the financial years 1956-1957 and 1960-1961?”

Hon. T. A. HILEY (Chatsworth) replied—

“(1 and 2) I table a statement setting forth the information sought by the Honourable Member.”

“(3) Year 1956-1957, £3,977,725; Year 1960-1961, £6,322,894.”

Whereupon the hon. gentleman laid the statement on the table.

Mr. BROMLEY (Norman) asked the Treasurer and Minister for Housing—

“What will be the total amount saved by the Government per year through its curtailment of subsidies to Local Government authorities and what does the Government intend to do with this saving?”

Hon. T. A. HILEY (Chatsworth) replied—

“It is estimated that the review of the rates of subsidies payable to Local Authorities will ultimately result in a saving in the vicinity of £1 million per annum. The review became necessary because these subsidies were absorbing an ever-increasing proportion of the State's Loan Raisings. Any recoveries resulting from the review of the rates of subsidies will be utilised to restore other essential governmental works and services to the highest possible level.”

HOUSES CONSTRUCTED BY HOUSING COMMISSION

Mr. LLOYD (Kedron) asked the Treasurer and Minister for Housing—

“(1) How many houses were built during the year 1960-1961 (a) by day labour and (b) by contract under the Commonwealth-State Housing Agreement?”

“(2) How many day labour employees (a) tradesmen and (b) labourers, were in the employ of the Queensland Housing Commission as at June 30, 1958, 1959, 1960 and 1961?”

“(3) What is the most recent contract price accepted by the Commission for houses erected of 1,000 square feet and 1,200 square feet respectively?”

Hon. T. A. HILEY (Chatsworth) replied—

“(1) (a) 163; (b) 780.”

“(2) June 30, 1958, 278 tradesmen, 37 labourers; June 30, 1959, 246 tradesmen,

29 labourers; June 30, 1960, 223 tradesmen, 29 labourers; June 30, 1961, 228 tradesmen, 27 labourers.”

“(3) The most recent contract prices accepted by the Commission for houses were £3,123 for a timber house of 1,011 sq. ft. and £2,850 for a timber house of 1,014 sq. ft., which prices were accepted on August 17, 1961, and £3,230 for a timber house of 1,163 sq. ft. on August 3, 1961. The Honourable Member realises that prices for houses vary on account of the inclusion or omission of septic systems, internal painting, drainage, fencing, and type of foundations, fixtures and fittings and roof sheeting.”

LOAN MONEY FOR HOUSES AND FLATS

Mr. NEWTON (Belmont) asked the Treasurer and Minister for Housing—

“Owing to the serious position that has affected the building and allied industries in this State, will he make extra housing loan money available immediately to the Queensland Housing Commission and the Building Societies to catch up with the lag of houses and flats and at the same time stimulate employment in these industries?”

Hon. T. A. HILEY (Chatsworth) replied—

“The honourable gentleman's question presents a classic example of the sectional approach to a problem. It is so easy to call for expanded effort in this industry or extra allocation in that locality. What is overlooked is that there is a limited amount of loan money. To use more here or for this purpose inevitably means less somewhere else on some other purpose. It is the duty of the Government to hold in reasonable balance all the varied needs which arise in such infinite variety over such a huge State. I do not intend to anticipate the release of the Budget but I can say in general terms that the loan money which will be available to the Commission for 1961-1962 will be greater than that allocated in the five previous years and will be approximately £½ million above that which was made available in 1956-1957. In addition there will be a further progressive increase in the funds made available to building societies from the Treasury Home Builders' Account and this year the figure will be over £1 million in excess of 1956-1957. On top of that the level of guaranteed advances extended to co-operative housing societies is increasing each year and already, with less than two months of the financial year elapsed there is £1,155,000 in sight. So it is already certain that last year's record figure of £1,850,000 will be broken. These figures establish convincingly that the Government has taken steps to stimulate the building industry. I am not prepared to seek a solution to the problem of the home builder at the expense of increasing unemployment in other sections of industry.”

PUBLIC WORKS TO RELIEVE UNEMPLOYMENT

Mr. NEWTON (Belmont) asked the Minister for Public Works and Local Government—

“With reference to the unemployment debate before the House in February of this year when an appeal was made to the Government to bring down an accelerated public works programme to relieve unemployment in the seasonal and other industries in the State, will he indicate if this important proposition has been given any consideration by his Department?”

Hon. H. RICHTER (Somerset) replied—

“Prior to the unemployment debate in the House in February of this year the Government had examined its financial position to ascertain if further funds could be made available to stimulate employment in Queensland. At that time it was unable to allocate further funds for expenditure by the Department of Public Works. An additional amount of £100,000 was, however, allocated in June last for expenditure by the Department. The Department of Public Works made the fullest contribution possible towards promotion of employment, by expending during the last financial year the whole of the amount appropriated to it by Parliament and the additional amount of £100,000 allocated.”

EMPLOYMENT OF CHILDREN LEAVING SCHOOL

Mr. HOUSTON (Bulimba) asked the Minister for Education and Migration—

“What is the estimated number of (a) boys and (b) girls, who will be seeking full-time employment at the end of this school year with under-Scholarship standard, Scholarship standard, Junior standard and Senior standard?”

Hon. J. C. A. PIZZEY (Isis) replied—

“No precise figures are available on the number of children who seek full-time employment at the end of any year. The estimates below give an indication of the numbers who will enter employment from the various educational levels during the twelve month period August, 1961-July, 1962.

| | Boys | Girls |
|---------------------|-------|-------|
| Below Grade VIII .. | 1,800 | 1,200 |
| Grade VIII .. | 2,700 | 2,600 |
| Sub-Junior .. | 2,100 | 2,300 |
| Junior .. | 5,600 | 6,200 |
| Senior .. | 700 | 500” |

OVERSEAS TRIP BY MINISTER FOR TRANSPORT

Mr. BROMLEY (Norman) asked the Minister for Transport—

“In view of his recent trip aboard, ostensibly to study railway systems overseas, would he be prepared to move for the suspension of Standing Orders so that

he may then be able to report fully the results of that trip overseas for the edification of all Members of the House and the people of Queensland in particular?”

Hon. G. W. W. CHALK (Lockyer) replied—

“Railway Estimates are listed for discussion in this Chamber later this year. It is my intention to then deal fully with a report which I have already submitted to Cabinet on my overseas observations.”

DEATH OF MRS. REITHMULLER

Mr. BROMLEY (Norman) asked the Minister for Justice—

“In view of the unfortunate and tragic death in prison of Mrs. Reithmuller, has the Government endeavoured to assist in any way to secure the future of her three now motherless children?”

Hon. A. W. MUNRO (Toowong) replied—

“As the Honourable Member will be aware a Public Inquest has been held into the circumstances surrounding the death of Selma Joyce Reithmuller. The findings of the Coroner have been widely publicised in the Brisbane Press of 9th and 10th August, 1961. If the Honourable Member will examine the findings he will note that the findings do not cast any responsibility upon the Government in respect of this unfortunate death. The question of whether any action may be taken to assist to secure the future of the three children of the late Mrs. Reithmuller is not one coming within the scope of the administration of the Justice Department. I may, however, mention that, so far as I am aware, no request has been made for assistance and in this connection it may be pointed out that the late Mrs. Reithmuller was not the breadwinner of the family. I have no precise information as regards the financial circumstances of the father of the children.”

SALE OF MACHINERY, MT. MULLIGAN, TINAROO AND KOOMBOOLOOMBA

Mr. WALLACE (Cairns) asked the Premier—

“In relation to the disposal sales of surplus plant and machinery at Mount Mulligan, Tinaroo and Koombooloomba will he advise the procedure adopted by his Government in the appointment of auctioneers and whether he believes his Government has been completely fair in not making known to all tendering auctioneers the rate of commission received by the successful tenderer?”

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

“The present and past practice has been to call tenders or quotations for the auctioning of Government property and equipment, the lowest satisfactory tender or quoter being accepted. I can see no

reason why unsuccessful tenderers may not be informed of the rate of Commission of the successful tenderer. I should like to add that representatives of the Real Estate Institute of Queensland saw me this year with a view to the State adopting an agreed scale of Commission rates in the disposal of Government property and equipment. The Commonwealth Government, I am informed, operates under such an arrangement. The Institute's proposal seemed to me, on the surface, to have quite a deal of merit and that body's representations are at present receiving the consideration of the Government."

**BUILDING OF EAST BARRON MAIN CHANNEL,
TINAROO IRRIGATION PROJECT**

Mr. WALLACE (Cairns) asked the Minister for Public Lands and Irrigation—

"(1) Have tenders been called for the building of the East Barron Main Channel of the Tinaroo irrigation project? If so, how many tenders were received?"

"(2) Was the successful tender the lowest?"

"(3) Did the Irrigation Department submit a tender? If so, how did the Department's tender compare with the successful tender?"

Hon. A. R. FLETCHER (Cunningham) replied—

"(1 to 3) The East Barron Main Channel will have a total length of approximately 11 miles consisting of—(a) six miles of reinforced concrete pipeline; (b) one and a-half miles of steel concrete lined pipeline; (c) three and a-half miles of earth channel. The individual sections are dealt with separately in regard to questions (1), (2), and (3).

(a) Reinforced concrete pipeline—

(1) Tenders were called for supply of pipes for this work and the following tenders (adjusted to Free on Rails Walkamin) were received:—Rocla Limited (ex Mareeba factory), £122,922; Humes Limited (ex Townsville), £131,059.

(2) The contract for this work was let to Rocla Limited, the lowest tenderer, the Commission having no facilities for pipe manufacture.

(3) Construction of the six miles of line is being carried out by day labour.

(b) One and a-half miles steel concrete lined pipe—

(1) Alternative tenders were called for this work on the basis of—(a) Supply of pipes only; (b) Supply of pipes and construction of the complete pipeline.

(2) (a) Tenders for supply of pipes were received from the following:—Humes Limited (Townsville) f.o.r. Mareeba, £58,302; T. J. Watkins Pty. Ltd., £60,958 (on site).

(b) For the complete construction of the line including supply of pipes, the following tenders were received:—Davis Construction Ltd., £258,405; T. J. Watkins Pty. Ltd., £183,490.

The lowest tender of T. J. Watkins Pty. Ltd. was considerably above the Commission's estimate for construction by day labour, and the following action was taken. A contract was let to Humes Limited of Townsville for supply of the steel concrete lined pipes, their tender being slightly the lower after allowing for cartage to the site from Mareeba. Negotiations were entered into with the lowest tenderer, T. J. Watkins, for the balance of the work involved in the construction of the pipeline. After protracted negotiations in which various alternative arrangements were examined and a decision taken for certain sections of the steel pipe line to be constructed by day labour, T. J. Watkins Pty. Ltd. have submitted a tender for £79,000 for the balance of the work in the 1½ miles of steel concrete lined pipeline.

"(3) When this tender is added to the cost of supply of pipes and the estimated cost of sections of work to be carried out by the Commission the total price is comparable with the Commission's estimates carrying out the work by day labour.

(c) Three and a-half miles of earth channel:—It is not expected that construction will commence on this section during the current financial year. Arrangements for the construction of this section will be decided at a later date."

PETROL TAX

Mr. BENNETT (South Brisbane) asked the Treasurer and Minister for Housing—

"(1) What was the total sum collected by way of petrol tax from Queensland by the Commonwealth Government for the financial year ending June 30, 1961?"

"(2) Of this amount how much has been refunded to the Queensland Government to be spent in Queensland?"

"(3) Does he consider this refund to be a fair and just proportion of the tax collected? If not, what action does he intend to take to insist on and demand a fair allocation for this State?"

"(4) Of the total amount of petrol tax reimbursement granted to this State, how much is handed on for road construction to Local Authorities who are responsible for the upkeep of roadways?"

Hon. T. A. HILEY (Chatsworth) replied—

"(1) I am unable to obtain a figure for the year ended June 30, 1961. Enquiries disclose that Customs and Excise Duty collected in 1959-1960, including certain aviation spirit and solvents, was £8,224,551."

"(2) Commonwealth Aid Roads Grants are no longer related to Petrol Tax. Following a special conference on roads convened by the Commonwealth in February, 1959, and attended by representatives of private organisations, Local Government bodies, and the Commonwealth and State Governments, the Commonwealth proposed a new Scheme for a period of five years from July 1, 1959. Over the five-year period a total sum of £250 million is being made available by the Commonwealth to the States for roads. Of this amount, £220 million represents basic grants and the remaining sum of up to £30 million is, subject to certain annual limits, payable to the States on the basis of £ for each £ allocated by the State Governments from their own resources for expenditure on roads over and above the amounts allocated by them for roads expenditure in 1958-1959. The amount received by Queensland in 1960-1961 was £8,427,577."

"(3) I draw the Honourable Member's attention to the fact that the Commonwealth proposals have been adopted and operate until June 30, 1964."

"(4) The amount allocated to Local Authorities from the Commonwealth Aid Roads Grant in 1960-1961 was £1,828,500. In addition, an amount of £475,575 was paid to Local Authorities in 1960-1961 from Road Maintenance collections by the State."

AGENT-GENERAL'S REPORT ON PROFESSIONAL AND TECHNICAL MEN

Mr. BENNETT (South Brisbane) asked the Premier—

"(1) Has he read the Agent-General's Report tabled yesterday complaining about delays and procrastination in the appointment of valuable professional and technical men essential to the State's needs?"

"(2) If so, what has he done to correct this inexcusable inertia of his Government?"

"(3) Is it true that these positions are being kept for broken-down political hacks, who although obsequious to this Government are an embarrassment to Queensland in the carrying out of their duties, as was the case recently with Mr. Morris' Industrial Liaison Officer in relation to the inglorious exhibition of ineptitude displayed at Sydney's industrial fair?"

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

"(1 and 2) The section of the Report concerned deals with services rendered to a variety of employing authorities (including non-Governmental ones), and could refer to one or two instances in which comparisons of qualifications and experience of persons overseas and those of Australian applicants had to be made. In the

circumstances, where such action is not necessary, State Governmental appointments are made expeditiously."

"(3) No."

GRADING OF MEAT

Mr. SHERRINGTON (Salisbury) asked the Minister for Agriculture and Forestry—

"In view of the relaxation of price control in connection with the sale of meat, has the Government given any consideration to the re-introduction of grading to ensure that consumers receive meat of a quality commensurate with prices paid?"

Hon. O. O. MADSEN (Warwick) replied—

"The Government has considered the matter and the Department of Agriculture and Stock has been conducting an experimental voluntary scheme at Cannon Hill abattoir whereby all operators desiring to have their beef identified as "prime," submit such to classifying and marking with a ribbon roller brand. The letters "PRIME" are applied to oxen and heifers meeting the desired standard of prime beef. The letters "PRIME" and "YLING", on alternate plates, are applied to yearlings meeting the desired standard of prime yearling beef. An increasing number of operators, including the majority of the large wholesalers, are now availing themselves of this scheme. For the month of July, out of the total domestic kill of 7,407 cattle at Cannon Hill, the greater percentage of carcasses was submitted to classification. In addition to prime marking of beef, all yearling beef (irrespective of whether prime or not), lambs and hoggets are classified as such and marked with ribbon brands bearing the letters "YLING", "LAMB" and "H-GET" respectively. This allows the consumers to select meat from young animals which is usually of high quality."

BONUS PAYMENTS

Mr. TUCKER (Townsville North) asked the Minister for Labour and Industry—

"In view of his statement on bonus payments to this House as recorded in 'Hansard' of March 21, 1961, page 2898, wherein he said 'I have every reason to believe—indeed I know—that employers will be encouraged to negotiate such arrangements on the passing of this measure,' does not the present industrial trouble at Mount Isa regarding bonus payments prove that his belief was based on false premises?"

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

"Most certainly I do not. Does the Honourable Member not know that there are to be at Mt. Isa further discussions on this matter with the A.W.U. in the near future."

CONNECTION OF BELGIAN GARDENS STATE
SCHOOL TO SEWERAGE SYSTEM

Mr. TUCKER (Townsville North) asked the Minister for Education and Migration—

“Will he advise when it is intended to connect the Belgian Gardens State School to the existing sewerage system?”

Hon. J. C. A. PIZZEY (Isis) replied—

“It is not proposed to connect the Belgian Gardens School to the sewerage system before the completion of new toilet accommodation, plans for which have been prepared and are now being considered in the Department of Public Works.”

INCIDENCE OF LUNG CANCER

Mr. MELLOY (Nudgee) asked the Minister for Health and Home Affairs—

“In view of the statement by the Director of the Queensland Radium Institute, Dr. Cooper, calling for a big increase in research into the production of safer cigarettes and his statement that lung cancer cases had shown an increase from 20 cases per year to 250 cases per year over the past 20 years, will he make provision for increased assistance for research into the incidence of lung cancer?”

Hon. H. W. NOBLE (Yeronga) replied—

“The Honourable Member will no doubt have read in ‘The Courier-Mail’ of July 21, of the formation of a committee to launch an appeal for £500,000, one object of which is to establish a special cancer research centre in Queensland. The inaugural meeting of the Queensland Cancer Campaign will be held on Friday and I have every confidence the target will be reached.”

GARDENS AND LAWNS AT BANYO RAILWAY
WORKSHOPS

Mr. MELLOY (Nudgee) asked the Minister for Transport—

“What was the cost of recently constructed gardens and lawns adjacent to the signals and telegraph section at Banyo Railway Workshops?”

Hon. G. W. W. CHALK (Lockyer) replied—

“Banyo is the home depot of many tradesmen and labourers attached to the Signal and Telegraph Engineers Section of the Queensland Railways and I personally, and the Department generally, appreciate the interest shown and the work performed by many such employees in assisting in the making of the gardens and lawns referred to. There has been no interference with the general working of the section in consequence. The approximate cost to the Department is £200. It is to be regretted that apparently the Honourable Member does not subscribe to the Department’s

policy and that of many Railway employees of endeavouring to provide a little beautification to the surroundings of Railway premises.”

LOTTERY CONDUCTED BY MACKAY A.L.P.

Hon. P. J. R. HILTON (Carnarvon) asked the Minister for Justice—

“(1) Apropos of the allegation regarding illegal lotteries being conducted in Mackay, made in this House by the Honourable Member for Mackay in his notice of question yesterday, has his attention been drawn to the illegal lottery which I am reliably informed, is conducted regularly by the Mackay Branch of the A.L.P. wherein each ticket buyer is issued a ticket with two figures printed thereon and, if these figures correspond with the last two figures of the winning ticket of a designated Golden Casket Art Union, the holder of the lottery ticket receives a monetary prize?”

“(2) Will he have this matter fully investigated?”

Hon. A. W. MUNRO (Toowong) replied—

“(1) My attention has not been drawn to this matter other than by this question and by the Honourable Member’s notice yesterday of his intention to ask the question.”

“(2) This matter will be investigated in a manner similar to the case brought under my notice by the Honourable Member for Mackay. Both Honourable Members may be assured that, if, after investigation, any further action is found to be called for, then action appropriate to the case will be taken.”

SEALING OF MULLIGAN HIGHWAY, BIBOOHRA
TO MT. CARBINE

Mr. ADAIR (Cook) asked the Minister for Development, Mines, Main Roads and Electricity—

“Owing to the bad condition of the Mulligan Highway between Biboohra and Mount Carbine which is causing considerable inconvenience to the heavy motor traffic using this road, including Pioneer Tour buses and motor transport used by the Mary River tobacco farmers, will he have a responsible officer of the Main Roads Department inspect this section with a view to having this section sealed with bitumen at an early date?”

Hon. E. EVANS (Mirani) replied—

“The problem is already under study with a view to making necessary improvements when the priority of the work makes it possible to set aside the finance required for the work.”

TRANSPORT OF CATTLE BY CLAUSONS
SHIPPING COMPANY

Mr. ADAIR (Cook) asked the Minister for Labour and Industry—

“(1) Will he inform the House if there is any truth in the reports circulating amongst graziers in Cape York Peninsula that the Government, assisted by the Commonwealth Government by way of subsidy, has entered into a contract with Clausons Shipping Company for the transport of cattle from the Northern Territory, Gulf and Cape York Peninsula areas?”

“(2) If the answer is ‘yes,’ will he advise when Clausons Shipping Company will commence operation and also the amount of subsidy to be paid and term of contract?”

Hon. K. J. MORRIS (Mt. Coot-tha) replied—

“(1 and 2) The State Government is negotiating with the Commonwealth Government with reference to this matter. The negotiations have not yet been finalised and consequently details of the proposals cannot be supplied at this stage.”

EXTENSION OF WATER CHANNELLING TO
AERODROME TOBACCO AREA, TINAROO

Mr. ADAIR (Cook) asked the Minister for Public Lands and Irrigation—

“(1) Is he aware that in what is known as the Aerodrome tobacco area within the Tinaroo water scheme thirty-one tobacco growers have petitioned for the extension of the channelling to enable their properties to be irrigated?”

“(2) As the original proposal to extend the channelling appears to have been postponed indefinitely and as the tobacco growers in the Aerodrome area are prepared to find the necessary finance themselves, will he direct the Irrigation Commission to proceed immediately with the work so as to enable the tobacco growers to substantially reduce their cost of production and provide additional employment in the district?”

Hon. A. R. FLETCHER (Cunningham) replied—

“(1) Yes.”

“(2) Two petitions have been received regarding extension of channelling to the Aerodrome area, but no indication was given in these petitions that the tobacco growers were prepared to find the necessary finance for the work. The farms in this area are already obtaining water supply by private pumping from the Barron River and the petitioners were advised that the extension of the Mareeba Main Channel to serve their area could not be undertaken at the present time, and that the position would be re-examined when irrigation supply for full development of farms has been extended to

areas which cannot obtain an assured water supply from streams supplemented by releases from Tinaroo Falls Dam. If the petitioners are now willing to meet the cost of the work, which is estimated to be £140,000, the matter would be re-considered and it is suggested the matter be again taken up with the Irrigation and Water Supply Commission by the farmers indicating their proposals regarding provision of finance.”

REFUSAL OF EMPLOYMENT TO COLLINSVILLE
MINE WORKERS AT STYX COAL MINE

Mr. DONALD (Ipswich East) asked the Minister for Development, Mines, Main Roads and Electricity—

“Is it a fact that five unemployed mine-workers from Collinsville were refused employment at the State Mine at Styx where there were three vacancies? If so, what was the reason?”

Hon. E. EVANS (Mirani) replied—

“The unemployed mineworkers were known to the Management and none of them was suitable for the existing vacancies.”

ALBERT STATE SCHOOL, MARYBOROUGH

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

“Will he give some indication as to when he expects resumption of two additions to the playing area of the Albert State School, Maryborough, to be finalised?”

Hon. T. A. HILEY (Chatsworth—Treasurer and Minister for Housing), for **Hon. J. C. A. PIZZHEY** (Isis), replied—

“Two areas for the enlargement of the Albert State School site by 1 acre 0 roods 15.82 perches were taken by the Crown on June 18, 1960, and notice to this effect appeared in the Government Gazette (pages 1122 and 1123). The Department of Public Works has been requested to sell for removal the improvements on one of these areas.”

SHARK PROOF ENCLOSURE AT SHORNCLIFFE

Mr. DEAN (Sandgate) asked the Treasurer and Minister for Housing—

“(1) Is the foreshore of the Sandgate bayside resort which is within the Greater Brisbane Area under the control of the Department of Harbours and Marine or the Brisbane City Council?”

“(2) Will it be the responsibility of the State Government to construct the proposed shark-proof enclosure at Shorncliffe? If not, is it the intention of the Government to pay a subsidy to the Brisbane City Council for this purpose?”

Hon. T. A. HILEY (Chatsworth) replied—

“(1) Brisbane City Council.”

“(2) The matter is one for the Council. If the Council submits a proposal on the matter, its eligibility for subsidy will be determined.”

REVENUE RECEIVED UNDER ROADS (CONTRIBUTION TO MAINTENANCE) ACTS

Mr. ANDERSON (Toowoomba East) asked the Minister for Transport—

“How much revenue was received under the Roads (Contribution to Maintenance) Acts for the years 1957-1958, 1958-1959, 1959-1960 and 1960-1961, from border-hopper operators?”

Hon. G. W. W. CHALK (Lockyer) replied—

“Statistics under ‘The Roads (Contribution to Maintenance) Acts’ are prepared from the information shown in the returns of journeys furnished by transport operators and the classification of revenue under the headings of General Carriers, Inter-city Carriers, Inter-state Carriers, etc., is compiled from this source. I am informed that there is not one transport operator who, in the returns received, has described himself as a ‘Border Hopper’ and, therefore, a revenue classification under such heading cannot be taken out. The reluctance of persons engaged in this class of operation to formally accept the tag of ‘Border Hopper’ makes it unlikely that this class of revenue will ever be segregated.”

PAPERS

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

Report of the Auditor-General under the Supreme Court Funds Acts, 1895 to 1958 for the year 1960-1961.

Report of the Chief Inspector of Explosives for the year 1960-1961.

The following paper was laid on the table:—

Seventy-sixth Annual Report and Balance Sheet of the Union Trustee Company of Australia Limited.

SUPPLY

VOTE OF CREDIT—£56,000,000

MESSAGE FROM THE GOVERNOR

Mr. SPEAKER read a message from His Excellency the Governor recommending that the following provision be made on account of the services for the year ending 30 June, 1962—

“From the Consolidated Revenue Fund of Queensland (exclusive of the moneys standing to the credit of the Loan Fund Account) the sum of £26,000,000;

“From the Trust and Special Funds the sum of £20,000,000; and

“From the moneys standing to the credit of the Loan Fund Account the sum of £10,000,000.”

COMMITTEE

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

Hon. T. A. HILEY (Chatsworth—Treasurer and Minister for Housing) (12.23 p.m.): I move—

“That there be granted to Her Majesty, on account, for the service of the year 1961-1962, a further sum not exceeding £56,000,000 towards defraying the expenses of the various departments and services of the State.”

As hon. members are aware, the final Appropriation Act for 1960-1961 also included a Vote on account for 1961-1962. This Vote on account was designed to enable the Government to carry on from 1 July, 1961, until the end of this month pending the meeting of Parliament and the granting of further Supply. The Supply granted was as follows:—

| | £ |
|----------------------------|------------|
| Consolidated Revenue Fund | 18,000,000 |
| Trust and Special Funds .. | 13,000,000 |
| Loan Fund Account .. | 4,000,000 |

It is now necessary, in accordance with the adopted procedure, to appropriate further moneys to cover expenditure on State services until the passing of the Estimates and the final Appropriation Bill for 1961-1962.

Approval is accordingly sought in the Bill for a further £56,000,000, made up as follows:—

| | £ |
|----------------------------|------------|
| Consolidated Revenue Fund | 26,000,000 |
| Trust and Special Funds .. | 20,000,000 |
| Loan Fund Account .. | 10,000,000 |

Thus, the total amount made available in respect of 1961-1962 up to the stage when Parliament will be asked to carry the final Appropriation Bill, probably in late November, will be—

| | £ |
|----------------------------|------------|
| Consolidated Revenue Fund | 44,000,000 |
| Trust and Special Funds .. | 33,000,000 |
| Loan Fund Account .. | 14,000,000 |

The aggregate is £91,000,000 compared with a total of £85,000,000 granted for the corresponding period in 1960-61. The increase is due to increased costs that are likely to be incurred by the Government through higher salaries and wages, increased prices, expanded services and the increased tempo of expenditure on the rehabilitation of the Mt. Isa railway.

The increases were allocated as follows:—

| | £ |
|----------------------------|-----------|
| Consolidated Revenue Fund | 3,000,000 |
| Trust and Special Funds .. | 3,000,000 |

This is the first of three traditional opportunities presented to Parliament to exercise a direct control over the Government through the finances of the State. First we have this Supply Bill, which is presented traditionally almost immediately on the resumption of Parliament. Then we have the Budget debate, followed by the third testing opportunity in which detailed estimates are submitted, culminating in an Appropriation Bill.

The attitude of the Government is to welcome each of these opportunities, and to consider them as a perfectly proper opportunity for Parliament to review, and for the Government to explain, and defend, any of their financial policies.

The pattern of accounting has changed a little and has become more orderly as years have gone by. Some of this improvement occurred when I was in Opposition. Older hon. members will remember the treatment of Estimates in the old days, when no limit was placed on the time that could be consumed in discussing a particular department, and there are instances on record when day after weary day was spent in harrowing the affairs of one department, with the inevitable result that no attention at all was possible to other important departments. In those days there was no settled roster so that the affairs of all departments would come up at least at biennial intervals. Because of lack of notice of what was coming up, the path was not facilitated to the extent it now is. My Government continue to extend the improvements that took place in the closing years of the administration of our predecessors. We have maintained the time limit on the discussion of the Estimates and we have followed a rhythmical roster in terms of which half the departments are dealt with in one year, and the excluded half, in the following year.

I have the Premier's permission and authority to inform the Committee that the Estimates that will come up, probably in the order in which I state them, will be—

Works and Local Government
Justice
Railways
Labour and Industry
Education

Finally, for a limited time only, the Estimates of Agriculture and Stock and Forestry will be considered.

That is the probable order, although I cannot predict with absolute certainty that some spasm of ministerial difficulty or the fact that a Minister has to be in a certain place at a certain time will not alter the position.

Mr. Duggan: You are not envisaging a change in the personnel of the Ministry?

Mr. HILEY: No, merely that a man cannot be in two places at once. Something may happen in terms of which the Minister on the day on which he should present his Estimates is required elsewhere. Unless something like that happens the list I have given is the order in which they will be dealt with.

I take this opportunity of saying something on the very important question of subsidies. It is obvious from questions that have already come from the Opposition that this is a very lively subject in the minds of hon. members opposite, and I think hon. members are entitled to a brief history of the subsidy movement, the trend it has

taken, the problems posed by it and the changes the Government have made. Looking back on it, I find that the history of the State subsidy scheme, as we understand it today, shows that it has its roots back in the days of the depression when it was devised as a special encouragement to the provision of employment in times of economic difficulty. But, through the years, it completely changed its character. Here was no emergency tap to be turned on or off as the economy demanded—rather the subsidy scheme developed like a steadily flowing stream affording help on a nearly standard basis to the largest and to the smallest, to the nearest and to the most distant, and to the wealthiest and to the poorest authority alike.

Under that new approach, what had commenced as a trifling and irregular charge, swelled to a really impressive level. Here I should like to quote to the Committee the trend of figures for the last 10 years.

In 1951-1952 the payment for subsidies was £2,372,095. It rose for the next two years. The amount for 1952-1953 was £3,066,157, and for 1953-1954 it was £3,779,156. The payment eased a little for 1954-1955 when it totalled £3,589,404, but then it rose again for 1955-1956 to £3,601,082. The next year, which was the final year in office of our predecessors, it rose to £3,977,725. Since then it has really galloped.

Mr. Hilton: The inflationary trend has helped that a great deal.

Mr. HILEY: Plus the fact that we raised the money and hon. members opposite never did.

Mr. Lloyd: Can you give us those figures as a percentage of the total loan borrowings?

Mr. HILEY: That is what I am going to do. That is even more convincing than the amounts.

In our first year in office the subsidies totalled £4,488,242. The next year the figure was up about £500,000, to £4,952,950. For 1959-1960 it rose again to £5,554,607, and last year it swelled to the colossal sum of £6,322,894. Hon. members will see from those figures that over the 10-year period there was a slight downward trend in 1954-1955, but there was a steady and progressive lift otherwise, accelerating over recent years.

I now wish to draw the attention of the Committee to the point raised by the Deputy Leader of the Opposition. In the first year, 1951-1952, the subsidies paid, represented 10.54 per cent. of the State Loan programme. After that the percentage figures jumped rapidly to 16.55, 20.48, 19.97, 18.95—the last two figures being for years in which it eased back a little—and then it rose again to 20.66, 22.44, 23.31, 24.42, and in the latest year the subsidies swallowed no less than 25.81 per cent. of the total loan resources of the State. In other words, what

started 10 years ago swallowing 10 per cent. of our loan resources swelled to the stage where it was swallowing over a quarter of our total loan resources.

Mr. Houston: Were you passing any more work over to local authorities to carry out on behalf of the State?

Mr. HILEY: I should not think so. I should think the traditional pattern of local authority responsibility over that period continued unchanged. The Main Roads Department played its traditional part, with the smaller and access service roads being Council responsibility. I do not think there was any important change on roads.

Mr. Hilton: Would harbour boards and State electricity boards have received a greater proportion of subsidy in recent years?

Mr. HILEY: No. If anything, they would have received less, because I remind the hon. member that three years ago we took harbour boards out of subsidy. They obviously took relatively less. They went right out, and steps were taken to taper back on electricity subsidies the first year we were in office and there has been further tapering since.

So I would say that the great move has been that the local authorities have taken rich advantage of the high subsidy rates offered for sewerage and water. There has been a movement over the pattern of local authority spending away from the smaller subsidy items, the general works rate and the 10 per cent. and the 12½ per cent. They have swung much more of their programme over into the water supply and the sewerage field where the rates of subsidy were very high. That is evidenced by the fact that in 1951-1952 the subsidies paid represented 20.39 per cent. of the local bodies' debenture loan programme. In effect the average subsidy paid was 20.39 per cent.

Again, ever since then there has been a steady rise in costs. The percentage of subsidies to the local bodies debenture loan programme stayed in the twenties for the first three years—that is to say, 20.39, 20.93 and 20.87—and in the fourth year went up to 22.27, then 27.41, 25.53, 24.13, 24.31, 25.68, and last year 28.94 per cent. In other words, there has been a changeover in the pattern of local authority spending. The local authorities have been getting away from the low-subsidy items and choosing to put much more money into the high-subsidy items, thereby pushing up the demand and taking a much bigger share of the State's loan programme. That, I think, gives hon. members a picture of the historical trend over the period.

I remind the Committee that the 10-year period I quoted was a period of very good years for Australia. Perhaps they were not all so good as the peak of the wool boom on which the decade opened but, broadly speaking, the period covered years of

developing industry and production and surging land values, and, in spite of some local and seasonal contradictions, they were generally years of very high employment, and in some cases over-employment. In spite of that, the subsidy scheme continued with only minor reductions in rates through that whole 10-year period with the result that the subsidy requirement jumped from just under £2,500,000 in the first year to almost £6½ million in the last year. What had been bred as a depression minnow had grown during the boom period and proved to be a gigantic whale. In the last year it had the effect of over-shooting all our budget predictions. When the Estimates are presented hon. members will find that our loan-and-subsidy Vote was exceeded by almost £700,000, which meant that we had to hold back in various directions of loan activity because all this extra money was being swallowed in subsidies.

Mr. Burrows: Did not that come about in part from the desire of local authorities to spend the moneys in order to relieve unemployment?

Mr. HILEY: That would certainly be a factor, but the biggest factor—and this is where the real reward of the State lay—was that the local authorities gained a grander concept of what they could do in development in their areas. Those 10 years were 10 of the finest years for public development that we have ever known. Go round to any local authority area in the State and you can find magnificent works that were carried out. As long as we could keep with it, we wanted to do so. It was not until the pace got harder than we could afford that we felt we had to ease off the rate—not stop subsidies but ease off the rate. We helped to forge this rod for our own backs. When I took office I found that local authorities, broadly, were not raising their approved debenture loan allocations. The result was that for many councils the subsidy rate was completely illusory. It is true that the high rate of subsidy was technically available. But what is the good of a high rate of subsidy if you cannot raise the money and cannot draw the subsidy? When it forfeited its allocation because it could not raise the money, it lost the subsidy.

Mr. Hilton: Many councils did raise their full allocations.

Mr. HILEY: They did, and they received their subsidy. It is a matter of history that the position has changed. I remind hon. members that in 1951-1952 the percentage of approved debenture borrowing programme that was raised by all local bodies was 61.8 per cent. Nearly 40 per cent. of the money made available by the Loan Council went down the drain and was lost. The next year it improved to 68.9 per cent.

Mr. Hilton: They did not actually make the money available. They authorised the raising of it.

Mr. HILEY: That is right.

Mr. Burrows: They still gave them the job of raising the money.

Mr. HILEY: They do now. There has been no change in that. The ratios in the years following were—

| | Per cent. |
|-------------------|-----------|
| 1953-1954 | 74.3 |
| 1954-1955 | 84.1 |
| 1955-1956 | 80.1 |

In 1956-1957 they improved to almost 100 per cent., reaching 99.7 per cent., and it is also a matter of history that for the last four years we have raised 100 per cent. By raising the full amount we helped to make a bigger rod for our own backs, because when the councils raised 100 per cent. we had to live with them and march with them on their rates of subsidy.

Mr. Hilton: It is a good thing you did, too, because that shows progress in the local authority areas.

Mr. HILEY: That is one of the things that has to be taken into account.

Mr. Hilton: Would you mind telling us again the percentage that was raised in 1956-1957?

Mr. HILEY: 99.7 per cent. Only .3 per cent. was not raised. In the early years, when the main pattern was established, the average not raised was 20 per cent. Had that pattern continued, we should not have had to pay so much in subsidies. It is perfectly obvious that you can keep the high rate if it is effective on only four-fifths of the money, one-fifth being lost because it cannot be used. But when, year after year, 100 per cent. of an ever-increasing amount was raised, the whip was really on our own backs. I make no apology for that, because we were determined to see that none of the local authorities lost any of these precious loan raisings. I wanted the development to be brought about, and I did not want to run the slightest risk that we would lose any of our precious coupons round the Loan Council table. If we had gone to a meeting of the Loan Council, the Commonwealth Government would have been able to say to us, "What is the good of asking for extra money? You could not raise what we gave you last year." If one looks at the records, one sees that that taunt was frequently raised, and I was determined that, whatever happened, we would raise 100 per cent.

Mr. Burrows: It relieved the employment position to some extent, because councils were able to provide work for the unemployed.

Mr. HILEY: I think one can go round the State and see plenty of the benefits of it.

Mr. Hilton: Can you tell us the modus operandi of the local authorities when they were able to raise the full 100 per cent.?

Mr. HILEY: I cannot tell the hon. member all of it. It would be very interesting

to the Treasurers of some of the other States that are not raising their full allocations, and that is why I am not going to tell the hon. member.

We have directed all possible assistance to the programme from sources where we have an influence. In the year that has just ended the total amount of the debenture programme was £21,847,000. The State Government Insurance Office, which has been a magnificent supporter of the fund right through the period, was able to help with over £3,500,000, and support also came from the Pensions Tribunal, £170,000, the Police Superannuation Board, £284,000, the Public Service Superannuation Additional Benefits Fund, £472,000, the Public Curator, £385,000, Native Affairs, £14,700, the Sickness, Medical and Funeral Benefits Fund, £50,500, and the State Electricity Commission Debt Redemption Fund, £252,000. In addition I was able to contribute £864,000 from what we describe as Treasury floating cash, that is, the hard core of general Trust Fund balances available at the Treasury.

Thus we helped or influenced directly from State sources to the extent of no less than £6,063,030, equal to 28 per cent of the total programme. I have no hesitation in saying that unless we had so handled the affairs and the investments of the Treasury to give help in that majestic order I doubt whether the full programme would have been raised. The hard facts are that last year we found the first half of the year very abundant for loan raising, indeed, there was every indication up to Christmas that we would meet the target without effort, but from December on the financial times were entirely different. I explained it to the Premier the other day in language I know he understood. I said, "Mr. Premier, from January on when it came to money raising we had to bat on a sticky wicket." It was an entirely different proposition then. It was hard going.

Mr. Sherrington: Bob Menzies was bowling.

Mr. HILEY: That may be, but I am telling hon. members that it would not have been possible for a 100 per cent. performance last year had we not organised it that way.

Mr. Coburn: The important fact is that it was raised.

Mr. HILEY: Yes, it was raised. At a later stage I shall tell hon. members how I feel about the prospects for this year.

I was forced to tell the Government that the cost of subsidies had climbed to a point beyond what we could afford and that the local authorities were taking such a share of our total loan resources that they were holding back and stopping that which was traditionally the responsibility of the State's Loan Funds. I told them that if we were to keep a balance in things we would have to ease back the rates of subsidy to permit more money to be spent on irrigation, forestry,

school buildings, university development and expenditure of that nature, which is the traditional responsibility of the State through its loan programme. I told the Government that in my judgment the corrective measure that should be taken should not be to attempt to cut down the borrowing programme but rather we should reduce the rates of subsidy, and command our performance in that way.

The Local Government Association gave deep consideration to this matter. I received a deputation from the president of that association, Mr. Behan, at which they presented a resolution carried by the association asking the Government to preserve the old rates of subsidies but to cut the programme. They all recognised the justice of our contention that subsidies were taking more than we could afford and a bigger share of our resources than we could justify. But they said, "Mr Treasurer, will not the Government overcome this problem which we fairly recognise by cutting down on the programme but leaving the rates of subsidy where they are?" I had to say, "I do not think you realise what you are asking us to do. You are asking us in a time when there is a bad spasm of unemployment, when you are still crying for plenty of developmental works to be carried out, to put a brake on Queensland's development, and to provide less employment. We do not think that is the wise course." After I had explained it to them they said to me, "Look, you have convinced us. We represent numerous bodies. Will you come and place these facts before the conference in August?" Consequently I had to repeat the whole performance before a Local Government conference held in the Albert Hall earlier this month. If I can judge, not by the reception I got but by the farewell, I think I can safely say that the general body of local authority people are convinced that the Government's action in all the circumstances, was the wise course to follow.

Mr. Duggan: You had better watch out or some of the vending-machine companies will be asking you to sell their machines.

Mr. HILEY: I am a bit fussy what I sell! If hon. members remember, in this House I was openly critical of vending machines long before the first of them failed.

Mr. Lloyd: That shows what a good salesman you are.

Mr. HILEY: No, I was sound in my judgment. If I had had my way most of them would have been shut down 12 months earlier.

Mr. Walsh: I think many delegates went away from the Local Government Conference with the impression that you were going to cut subsidies out.

Mr. Coburn: Have you given consideration to giving a specified annual grant similar

to the Commonwealth Aid, Local Authority Roads, Fund to the local authorities and to dispensing with subsidies altogether?

Mr. HILEY: No, I do not think so.

Mr. Coburn: You would know better where you stood and so would they.

Mr. HILEY: That may be. It is very easy to say that but I think it would be extremely unpalatable to the town of Ayr which has hung back on water supply and sewerage and is now about to face up to them. One cannot, in a State as large as Queensland, simultaneously supply water and sewerage to every town. On the proposal the hon. member puts up, I venture to say that the Council of the Ayr shire would cut his throat. On that argument, the hon. member from the South Coast has his water supply and has had his subsidy and he will get the same relative allocation, after getting a water supply, as would Ayr which has to get it.

Mr. Coburn: They would still be better off if you are going to do away with subsidies altogether. Then they will get nothing.

Mr. HILEY: I will say something about the future of subsidies. I said it at the local authorities conference and I will say it again. First of all, no Government in Queensland has been able to pay subsidies out of current revenue. They have had to be paid from loans. That means that the cost to the State is not merely the subsidy cheque one writes at the time; it is for the subsidy cheque plus interest for the period during which that loan is being redeemed.

Mr. Burrows: You are living on borrowed money.

Mr. HILEY: That is right.

An Opposition Member: Do not forget you are keeping people employed also.

Mr. HILEY: That is true. Things have happened to interest rates that have been extremely unpalatable to me, and extremely inconvenient. In 1951-1952 the average interest rate was £2 9s. 7d. per cent. It has gone up steadily ever since. It went to £3 18s. 3d., to £3 19s. 5d., and in 1955-1956 to £4 0s. 1d. per cent. By 1960-1961 it was up to £4 18s. 6d. per cent. and at the moment it will be running, on the average cost to the State, at somewhere between £5 5s. 0d. and 5½ per cent.

Mr. Houston: What did it start at?

Mr. HILEY: £2 9s. 7d. Some of the subsidies paid in 1952 were paid out of loans that have come up for conversion in this year, so that we have already an interest burden of £2 9s. 7d. and when that loan comes up for conversion now it has to be converted at perhaps £5 8s. 6d. Not only are we paying this high rate of interest on our current borrowing but each loan that comes up for conversion has to be renewed at current market rates. In effect, we are

being shot, so far as interest rates are concerned, by both barrels—the barrel of present requirements and repeatedly by the barrel of renewal of earlier loans. The result is that the drain on the State's consolidated revenue fund, in interest and debt charges, has in this period of high interest, risen considerably and that is another factor that drove us to reducing the amount.

I had certain things to say at the local authority conference that are important enough to repeat here. I said that the question naturally arose whether the subsidy scheme should be continued or whether it should revert to its original concept of emergency aid to be turned on in periods of difficulty and turned off when conditions were booming again. This is my statement—

"All my conviction is that we should strive to retain subsidies as a steady regular feature of our public finance. From the point of view of Local Government, there are practical limits to the burden that can be placed directly on the shoulders of the property owner even if, indirectly, some of that burden is reflected in various charges and thus spread more widely through the community. The effect of subsidies is to ease the direct burden on the property owner and to transfer that burden to the shoulders of the general taxpayer."

That is the plain effect of it.

Mr. Lloyd: On the re-introduction of the subsidy scheme after the last war, was it not a basic feature that the State would save a lot on works that are normally carried out by Governments in the other States?

Mr. HILEY: They never had been in Queensland. Local authorities in this State since the beginning of time have been responsible for local roads, water and sewerage. No change has taken place in the settled pattern of division of responsibility of local government and State Government in Queensland that would justify a change in the approach.

Mr. Lloyd: Yes, but the interest burden in the other States would be carried by the taxpayers, whereas in this State it is carried by the ratepayers.

Mr. Walsh: They do not get subsidies in the other States. They were introduced here as part of Labour policy.

Mr. HILEY: The local authorities quite fairly recognise that the Queensland Government pay more in subsidies than every other State put together, and that the Queensland Government will still be doing so after the cut. That is recognised by experienced local-authority representatives, who pay tribute to the Government for their policy. They have investigated the position in other States. They came to us and quite fairly told us that relatively speaking they do fairly well in Queensland.

I went on to tell the conference—

"There are two accounts on which the present subsidy scheme could, over the next ten years, wither or even totally perish. The first is the effect of high interest rates and, if they persist, then I warn you quite plainly, that the State will be compelled to proportionately reduce its acceptance of new subsidy obligations so that the drain of the related interest on its revenues will not become excessive."

I went on to say that if high interest rates continue for any length of time they will cause a further tapering in the rate of subsidy.

The second great peril I see is in the field of transport. I do not have to remind hon. members of it. We will be hearing a great deal about transport before the session finishes. As I told the conference—

"There is a steady and continuous clamour for road transport to be completely cleared, leaving the State's Railways to get along as best they can, which would clearly mean, in that case, as badly as could be.

"Quite plainly, the State's capacity to continue the payment of subsidies is dependent entirely on its revenues, revenues which must bear the interest and redemption on the loans out of which subsidies are paid.

"If an open road policy were adopted tomorrow, the pattern of consequence is quite clear in my mind. A good percentage of the people of the State might hope for cheaper, and, in many cases, certainly more convenient transport."

I do not think there is any doubt about that, but, as I told the conference,—

"The combination of the loss of Railway earnings and the added cost of maintaining the roads would totally destroy the capacity of the State to pay any subsidy at all. That would be a bleak day for Local Authority development. From the point of view of the land owner, he would very quickly find that what he saved in transport costs and convenience was more than offset by higher rates that he would be called upon to pay."

That, as I see it, is the arithmetical problem that confronts all of us. That is what I told the local authority conference and I have repeated it this morning.

I propose to give hon. members a brief picture of some of the elements that are now apparent concerning the year that lies ahead. As has been indicated in the motion that is now before the Committee there is envisaged a heavier rate of spending from loan funds in the period covered by this intermediate appropriation. We are in a position to inform the Committee of the new loan moneys available to the State. Last year there were £27,600,000 in loan money and the figure this year will be £28,800,000. That is only a small improvement, but it is

something that should be known. The debenture programme shows an increase following on the extra £5,000,000 for Australia announced in the Federal Budget. Last year the debenture programme was £21,847,000 and this year it appears that it will be £23,908,000. Although I do not propose to anticipate any of the details of the Budget, I can say that there will be heavier spending from the consolidated revenue fund. In addition to that, this will be a year of really heavy expenditure on the Mount Isa railway and it should see the start of real expenditure on the two new industry giants, that is, Comalco in the far North and Amoco in the deep South.

This year promises to be the best year for finance for co-operative housing. I remind the Committee that no fewer than 17 Orders in Council were tabled on Tuesday, and the figure is growing rapidly each year. The first year of operation of that scheme was the year ended June 1959. The scheme had operated for only nine months out of the 12, but the guarantees extended totalled £1,150,000. The year after that the total increased to £1,350,000, and last year it moved up to £1,850,000. Already this year, with only a few weeks of the year gone the figure is £1,155,000. I have no doubt that the total for co-operative housing this year will surpass last year's total and will comfortably pass £2,000,000.

Mr. Lloyd: Will there be any increase in interest charges at all?

Mr. HILEY: No, this is co-operative housing. It depends on the bank rate. We will not guarantee it over and above the rate fixed by the bank. I have had plenty of offers of money from overseas people if I guarantee 6 per cent., 7 per cent. or 8 per cent. We could have all the money we want, but I will not do that. Hon. members know my view on high interest rates and they know how reluctant I am to do anything that will lift the purchase price of houses. I have resisted every temptation to guarantee an amount higher than the rate laid down by the Central Bank for housing funds.

Mr. Lloyd: Will there be any increase in the State schemes?

Mr. HILEY: Yes. That follows on the increased rate in the Commonwealth-State housing agreement.

Those signs are good, but I say quite soberly to the Committee that in my judgment they will all be fully needed, because it is perfectly clear that in many of our most important industries the ravages of drought have been really severe. I think most hon. members receive the periodical bulletins that we circulate which give, in as short a compass as possible, a review of what is happening in the main industries of the State. This year the number of bales of wool will drop—not much—from 250 million

lbs. to 243 million lbs.—but the value of wool will drop by no less than £5,500,000. The combination of fewer bales of wool and a lower average price is quite a substantial blow to the State's economy. With butter, where the effect of season is always so marked, the quantity produced fell from 87,209,000 lb. to 69,620,000 lb. The value of butter production for the year ended 30 June last was down slightly over £4,000,000. For cattle slaughterings—that is, cattle and calves—the figure as at end of May shows that not only did the numbers fall but also the value dropped considerably. Cattle slaughterings were down £5,613,000, and that was only slightly offset by the rise in the value of sheep and lamb slaughterings. That increased by £1,344,000. On the other hand, there have been some, where improvement showed out. The value of tobacco has been steadily gaining. The value of the tobacco crop for the year was £2,243,000 ahead of last year. Mineral production is continuing to expand and the improvement in its value for the year was approximately £5,000,000.

Mr. Hilton: The increase in value of tobacco production is nothing to what it really should have been if all the good, salable leaf had been sold.

Mr. HILEY: That is right.

I observe soberly that these massive effects of the drought loss of production are something we all have to take into account, and the effect of drought is often greater than the mere production loss. Drought has a secondary psychological effect on the primary producer. Most of us know that a primary producer tends to spend freely in a good season, but he buttons up in a bad one. Until rain gives him some assurance of good pastures he says to his wife, "Now, you keep away from the hat shop and the frock shop" and so on. He hunts the machinery salesman away. He just will not spend until seasonal conditions give him a hope of carrying the liability he incurs.

The other matter I think might be soberly referred to the Committee is the problem of raising the State debenture programme. I repeat that the raising of the loan in full last year was not easy. It was very easy till December but very difficult from December on. This year the need is greater; we have to raise £23,908,000 as against last year's £21,847,000. On top of that new money requirement, every year finds a bigger conversion factor to face. There has been some small improvement in liquidity but not back to that of the early 1960's. On top of that, we must recognise that the pattern of investment by life companies and provident funds has altered. Hon. members are familiar with the power of direction given some few months ago in the Commonwealth Parliament, which directs that 20 per cent. of their current funds must go into gilt-edged and, while there is a permissive up to a further 10 per cent. that can be

available to the semi-governmentals, I feel that the whole pattern and history of investment by life companies and provident funds may be altered and that we may not show any net benefit out of it. The best we can do is come out about as we were before. I do not look for any great improvement.

Mr. Hilton: That 20 per cent. must be invested in Commonwealth bonds.

Mr. HILEY: Yes, at least 20 per cent. must be Commonwealth and there must be 30 per cent. on a combination of Commonwealth and semi-governmentals, which means that our share of it can be from nothing to 10 per cent.; the Commonwealth must be 20 and indeed may be as high as 30. There is no direction above 30 per cent.

Mr. Davies: If the Labour Party had done that they would be calling it dictatorship.

Mr. HILEY: That may be.

I just want to summarise in this way: if I face the task with no sense of despair, I am conscious of its magnitude. I will be indeed relieved if the year on which we have just embarked finds the splendid record of full loan raising over the last few years fully maintained.

Mr. DUGGAN (Toowoomba West—Leader of the Opposition) (2.25 p.m.): Each year this Bill gives us an opportunity of electing to do one or several things. We can either mount some general criticism of the Government or take the opportunity afforded by the provisions of the Standing Orders to develop some ideas on pet subjects that we may have. On other occasions hon. members have elected to give the Chamber the benefit of their views on some specialised subjects, and that has been the pattern followed by the Treasurer in recent years. Today he has elected to use the time available to him largely to give us a recital of his views on the Government's policy in regard to subsidies to local authorities. Last year he elected to deal with the question of decimal currency. Generally speaking, debates have followed that pattern.

Although one is tempted to do so, I do not propose to take this opportunity of engaging in further criticism of important aspects of policy. There will be abundant opportunities to members on this side of the Chamber to do that during the debate on the Address in Reply and, later on, in the Budget debate. So I should like to deal more particularly with an analysis of some of the observations made by the Treasurer and to make one or two other observations that I think are perhaps relevant to the economy of the State at present.

I find it necessary to say at this stage, however, that, despite four years in office, the present Government have done very little to justify their 1957 pledge to the people that they would do better in their

dealings with the Commonwealth Government than Labour had done prior to their election and would have done had we been elected. I suppose we have heard no more doleful predictions from a Liberal Cabinet Minister, and periodically more criticism levelled at Commonwealth authorities, than we have heard from the present Treasurer. He has drawn attention on more than one occasion to the failure of the Commonwealth Government to meet himself and the Premier in regard to the financial problems of Queensland. That criticism has not been restricted to the Treasurer and the Premier, but they have confined their criticism to more temperate language than some other hon. members. The Minister for Development, Mines, Main Roads and Electricity went so far as to say that the parsimonious treatment would justify Queensland's seceding from the Commonwealth. That is very strong language from a man holding the portfolio of Development, Mines, Main Roads and Electricity, because, if the title means anything, one would expect the whole tempo of government to revolve round development. If he felt constrained to say that about the state of affairs in Queensland, we can realise how bad the position is.

In his policy speech, the Deputy Premier spoke about rewarding relations with "our friends in Canberra." Subsequent experience has shown how inaccurate that prophecy was. I think he might try his hand at the Weather Bureau with a little more success. He seems to be a particularly disappointing prophet having regard to the predictions in his policy speech.

In 1958, the Treasurer said—

"The policy of the Government will be to exhaust the remaining reserves, and to budget for an additional deficit. It will then apply to become an aided State."

In this he has not succeeded to any material extent, except that he raided every trust fund and made no apology for it. He said quite openly that he believed that the wrong policy had been pursued in previous years and that he did not mind being known as the Treasurer of a mendicant State. I have no quarrel with those words. I would not mind being known as the Treasurer of a mendicant State if I had been able to get more money, but all he did was use up, as he said, every available trust fund that contained substantial reserves. There we have a general confession of failure to achieve by conventional means the Budget equilibrium and finance necessary to enable the State to continue its programme of development.

I shall not weary the Chamber by dealing with these particular matters in any more detail, other than to say that the Treasurer was able to convince members of the Loan Council, or the Premiers' Conference, of the desirability of establishing a committee, of which he was a member, to examine the question of interest rates, taxation or convertible notes, and other related matters.

I should like to hear the Treasurer indicate what progress, if any, has been made in that direction. Although that committee might engage in some useful research work, unless I am gravely mistaken, whatever its recommendations are, I think the Commonwealth Treasurer will be dictating the financial policy to be followed by the State.

I suppose no-one is more adroit than the Treasurer in presenting an unpalatable series of facts to a body of people that he wishes to convince in his favour. He has followed the lead of a famous Labour politician, the late Hon. W. Forgan Smith. I was not a member of his ministry, but it was said of him that he first of all practised on his Under Secretary, then on his Cabinet, then on the Caucus, and then on Parliament. No doubt the Treasurer has followed that general pattern because I am certain he has had some very amiable discussions with his financial advisers in the Treasury, then moved from that sphere to the Cabinet room, and although I do not know whether it went to Caucus, at least it did go to the local authority conference recently, and today we are regaled with his views. By this time he should have been able to plug all the little gaps in his case because he has had an opportunity to repair any weaknesses that his original submissions may have contained.

What in general are his submissions about these subsidy matters? His first submission was that it was becoming unmanageable. He gave us a series of figures to show how the total percentage of the State's loan resources had been diverted, from something in the order of 10 per cent. originally to a figure now approaching 26 per cent. He said that it was beyond the capacity of the State to do that. We shall examine those figures further in due course.

The Treasurer, whatever the reason for it may be, has now cut down on the percentage rate of subsidy. That is admitted quite frankly, the avowed purpose of it being to reduce the indebtedness of the Crown in that direction. In order to cut across any criticism that might emanate from the local authorities that this Government had done something that the Labour Government did not do or were obliged to do, irrespective of what the circumstances may have been if we were in power, he said, "In addition to these things, of course, we succeeded where the Labour Government failed in getting all our loans fully subscribed. Because of that, we consequently had greater demands upon our resources than Labour Governments had." Let us examine that more closely. Interest rates are one of the determining factors that influence subscriptions to the various loans. I think it can be said quite frankly that the Federal Labour Government were able to establish during their term of office that they could attract successfully investors to the Commonwealth loans at figures half the existing rate, down to only $3\frac{1}{2}$ per cent. on long-term loans and something like $2\frac{1}{2}$ per

cent. on short-term loans. The response to their loans was adequate in that period. That was at a time when money was relatively tight. The Treasurer might retort by saying that money could not flow to private enterprise because of the control exercised by the then Government. That is true; I have to admit that. We see from this record from which the Treasurer has been kind enough to read that in the periods when he said there had been a full subscription to these loans the interest rates would have some influence. During the period when he said there was only a 61.8 per cent. response, in 1951-1952, the interest rate was £2 9s. 7d. per cent., so that would be one factor influencing the subscription rate.

Secondly, I think we should recall that at that time it was not easy for local authorities to secure the professional men necessary to draw up these plans and preparations and to have them executed, because the Government of the day was obliged to utilise the services of the Agent-General to secure architects and engineers from overseas. During that time there was a tremendous acceleration of development by the Commonwealth and they, as the Premier well knows, took from the various State Governments key specialised officers, which decreased the capacity of State Governments and municipalities to find skilled personnel necessary for the drawing up of these particular plans and schemes. Additionally there was even at that time an acute shortage of many of the items necessary for the prosecution of these schemes—steel in particular.

Mention was made today of our going overseas for steel for the Burdekin Bridge but there was nobody else from whom it could be got. At that time the Government of the day placed a requisition with Broken Hill—this was at the time Italian companies were utilised on the construction of the Indooroopilly Bridge—but Broken Hill were obtaining steel for their own requirements from overseas producers at that period.

Those were factors that were responsible for local authorities wishing to embark upon schemes not being able to prosecute them to a stage enabling their completion, and therefore to utilise the funds that had technically been made available to them.

In the following year, when interest rates went up to £3 18s. 3d. per cent., the percentage response was 68.9, and so the pattern generally followed with one variation in 1958-1959, when the interest rate was 1.10d. per cent. less than in 1957-1958. Those were the factors that influenced these things as well as other considerations.

In 1951 the Federal Labour Government were primarily responsible for laying down a policy for the industrialisation of this country. I do not think anyone can take that credit away. I have listened to speeches by various trade commissioners and trade representatives, not many years ago, when

they pleaded and urged that Australia should be predominantly a primary-producing nation, selling her goods to the United Kingdom, and in return that we should take her manufactured goods. I heard many people advocate that not too many years ago, but Mr. Chifley and those with him decided that we could not afford, in the light of the second world war to place ourselves in the position of depending for our security on the rewards we receive as a primary-producing nation.

No-one who is a student of the political history of this country would deny that credit for attracting large-scale industries to this country, and these people had priority. Because of the access these men had to financial institutions, they could attract funds away from local government and Commonwealth loans that fell short of the more remunerative investments in private industry.

This programme continued, and during this period the Treasurer has been able to reap the benefit of that because with the increased tempo of investment in actual amounts of money and in the increase in the capital of firms and the expanding population, there has been a progressively less demand to satisfy. That was the case some years ago and today, many of our secondary industries are in the position about which we read some time ago when the Chamber of Manufactures said that with the existing plant capacity in Australia we could increase our production by £450,000,000. Without one additional pound being invested in secondary industry we could produce extra goods to the order of £450,000,000. There may be a desirable need but not the same essential need for capital equipment as there is for an expansion in the reticulation of electricity, water supply and sewerage by local authorities. These are continuing obligations. We will have a continuance of this factor. Because of the fact that there has been competition in some industries, the security for investment in private enterprise now is not as great as it was some time ago. We have seen a catastrophic drop in share prices in the last year, and yields have increased. Low yields, of course, are received on first-class stock, a return of 2 per cent. and 1.9 per cent., but, comparing the position today with the position seven or eight years ago, the yield from private industry is higher today. The risk factor has compelled many people to withdraw their investments from equity shares and to channel them into local government borrowing and Commonwealth loans, with the taxation advantages that accrue from that policy. Those are points that have to be borne in mind. The Treasurer dealt with the matter in a very plausible way, and I give him credit for doing so. He does not rebuke previous administrations; he accepts his share of the blame, but there is another side to it. As he said, if subsidies are withdrawn and obligations are thrown on local authorities they have to do one of two things, either

they have to restrict their local programmes or impose a greater burden on their rate-payers. According to his own statement, the burden on the property-owner is getting too high, and so we cannot expect it to be increased. In this State I think a revolt is growing against this tendency of local authorities to keep on increasing rates. It has not manifested itself to date, but I think it will. In my own case rates have gone up over a period of years, without any noticeable advantages to me. I happen to be in a street that was bituminised when I went there, but the rates have increased by £13 a year to £42 and will go up to £47 with the new increase, or in other words £1 a week in rates in a place like Toowoomba. I think the Toogoolawah water scheme, which misses out on the proposed subsidy, works out at something like £30 a year. That amount for the proposed sewerage scheme is beyond the capacity of the ratepayers. The Treasurer has tried to shift criticism from the Government to other places and, not trying to incur the displeasure of the ratepayers in the local authority areas, he has drawn attention to transport costs. But his Government were going to cure those things. They said in 1957 that they were going to run the Railway Department like a business, that there would not be all these deficits or all these charges on Consolidated Revenue. As I pointed out yesterday, in a period of four years, railway deficits have been £10,000,000 more than they were in a similar period under Labour Governments. If that £10,000,000, savings that the Minister for Transport said he was going to effect, was available in Consolidated Revenue, the Treasurer's task of dealing with applications from local authorities for assistance would be much easier.

The Government were not elected to impose additional taxation, but no doubt they will, probably in the form of liquor licenses, and fees. Undoubtedly they will examine every means of increasing their revenue but, apart from increases in rates, local authorities have not the same legislative power, encompassing the general field of taxation, as the State Government have. I think if the policy of curtailment of subsidies is applied it must have a concertina effect. In due course it will affect employment somewhere along the line. The people of Toogoolawah, for instance, were able to finance the scheme under the previous subsidy rate, but now, I understand, the subsidy is related only to the main trunk mains and not to reticulation to individual householders. It follows that employment that reasonably could be expected to be available will not now be available. The cumulative effect of the policy will be reflected in due course in schemes not being proceeded with.

There are two sides to the subject. I am not speaking in any spirit of animosity or in an acrimonious manner in raising this matter. With the Treasurer I am merely

pointing out these things. I hope he will accept my statements in that manner. I am putting forward these points for examination. There are several things about which I should like to have spoken, but it is not possible to go into great detail in a matter of a quarter of an hour. The Treasurer has drawn attention to seasonal prospects and so on for next year. I think a most important matter at the moment is our general attitude to this question of the European Common Market. I should be interested to hear what the hon. member has to say who has this subject listed on the business paper. I am not going to canvass it in great detail at this stage but I must say I am disappointed with the high-pressure tactics that were used by no less a person than the Lord Mayor of London who said quite openly that he had no politics, and that no politician was answerable to him, or he to any politician. On the eve of his departure from Mascot he said he wanted to pay a tribute to the magnificent speech made by Mr. Menzies about the Common Market and Mr. Macmillan would do so-and-so and something else. If Sir Bernard Waley-Cohen has no charter to come here and speak as a politician I do not think he should come here and tell us what we should do about the Common Market, and our obligations, and the consequences to this country.

I have attacked the Federal Government on many occasions, but I would not be ashamed to face a Labour audience and say that the only man in whom I have any confidence in the Federal Parliament is the Minister for Trade, Mr. McEwen. I think he is putting up a genuine and sincere fight on this problem. I pay him this tribute: I think he is a most knowledgeable man and I am very sorry that they sacked Sir Jack Crawford who has a deeper knowledge of these matters.

We are conscious of the great difficulties confronting England at the present time. We are all aware of the tremendous financial sacrifices England made during the war. She was compelled to sell her assets so that she could pay for the war material she was obtaining from America. She was compelled to station troops in Europe when Germany and the other countries like Italy were not obliged to do the same. Because of the menace of Communism, American capital was poured into Germany for the building and equipment of modern factories, and now Britain has the lowest increase in national production among any of the continental powers. She is in a very difficult position. I am very sorry for her, and without any qualification I say that she is entitled to take whatever course she thinks best in her own interests. I have no quarrel with that nor has the Queensland branch of the Australian Labour Party. However, I must point out to the Committee that we will not be sold down the line of patriotism because patriotism begins at home. I want to see a quick, vigorous and intelligent approach to the dangers of this proposed arrangement

so that there will be adequate protection for the Australian economy and the people living in the country. That is all I ask for, and I think we should press for that. As Queensland is a predominantly primary-producing State she will be affected by the Common Market. England will do exactly what she thinks best in her own interests. We should do everything possible to encourage the people of Australia to gain the widest possible knowledge of all the implications of the Common Market. On the question of looking for markets elsewhere, when I raised the matter here 18 months ago there was not much interest displayed. When I suggested developing trade with Asia my remarks were received with one or two sneers and there was talk about following the Commo line. In Moscow recently, 624 British firms attended a trade display to sell to the Russians. The Italians sell to the Russians, and so do the Germans and the French. But here, when it was suggested that we should sell to the tremendous Asian potential market we had these people sneering at us or crying out to us, saying, "You are following the Commo line." Even the wheat-growers are going out of their way to extend terms of credit to Red China so that they can sell wheat, and Mr. Vines, the director of the Wool Promotion Scheme, said that he would sell to a Chinaman or anyone else as long as he could make suitable financial arrangements for the purchase of Australian wool. We have to be realistic in our approach to see that we get the best possible price for our primary producers so that we may maintain our high standard of living. Hon. members on the Government side of the House, as well as hon. members on this side of the House—whom I know will do so—will have to bring very strong pressure to bear on Federal members of Parliament so that the Australian interest is preserved and protected every inch of the way. This is a fascinating subject to all of us and many interesting matters could be raised in support of the proposal but time prevents me from doing so. We have demonstrated already that we are in a very difficult financial position. The Treasurer has indicated it, and a combination of what I have suggested, with amplification and elaboration, will be a useful field for discussion and I hope it will be beneficial to the Queensland economy and to the economy of the Australian nation as a whole.

Hon. P. J. R. HILTON (Carnarvon) (2.51 p.m.): The Bill gives us an opportunity to refer to the really urgent financial problems that confront us. Obviously the time allowed does not permit us to engage in a full-scale debate on all those problems but I was very interested today to hear the Treasurer giving his apology, logical though it may be, for reducing the subsidies to local authorities. One thought that occurred to me while he was speaking was that for many years local authorities in Queensland have been treated much better than those in any other State of the Commonwealth. When

the Treasurer and his colleagues were in Opposition they would never concede that. On the contrary, at election time they always charged the State Government with not giving a due measure of assistance to local authorities throughout the State. The Treasurer has admitted today that all their arguments in bygone days were not valid in that respect and now, as he is forced to reduce the subsidy because of the financial policy that he himself pursued in recent years, and which of course has been likewise pursued by his colleagues in the Commonwealth sphere, local authorities in Queensland are faced with a really serious situation.

I concede that the Treasurer put forward a logical case on the position facing the State Government at present—he always argues logically on financial matters—but he did not go back to the real root of the trouble. He did not inform the Committee that, because of the financial mismanagement of the affairs of the Commonwealth by his Federal colleagues and because of the reckless financial policy that he himself pursued in his early years of office, Queensland is now forced to withdraw a great measure of this very valuable assistance to local government. While I concede that the Government are forced to do it because of past mismanagement, I think that in carrying out the scheme they have been unfair to many local authorities. Some local authorities embarked on sewerage and water supply schemes and, after they had all the engineering carried out and their plans prepared, they found they could not proceed with the works immediately. They had to wait until funds were available to them. I will instance sewerage in a particular manner. They embarked on schemes on the assumption, of course, that the current 50 per cent. subsidy would apply to them. They engaged engineers and had the plans drawn. They obtained loans for the financing of all their detailed surveys and engineering. They awaited the commencement of this financial year to get the necessary loan moneys to proceed with their works when, like a bolt out of the blue, the Government decided to reduce the subsidy for those schemes to 40 per cent. It is obvious that some local authorities will not be able to proceed with this important and useful work, which would provide a great deal of employment if it were commenced at an early date. In all fairness, as the Government are budgeting for a deficit, I think they should have considered the position of those local authorities that were waiting to get the necessary loan moneys to proceed with their works, and not chopped them down by 10 per cent. without prior warning, thus making the works impossible. I appeal to the Treasurer and the Premier, even at this late stage, to give consideration to those local authorities that have been affected so badly by this drastic cut in subsidy.

Mr. Hiley: All that argument is based on the fact that there was no warning.

Mr. HILTON: There was no official warning. The Treasurer may have intimated in the House that subsidies would be reduced.

Mr. Hiley: I told the local authorities two years ago that it was coming, and I told the House in my Budget speech last year that the cut was inevitable.

Mr. HILTON: The Treasury have not seen fit to advise local authorities to that effect. The fact that somebody may stand up in the Chamber and visualise something happening does not provide a valid excuse. The economics of any local authority scheme are reviewed by the Treasury, and the local authorities were not warned, "Don't bank on a 50 per cent. subsidy. It may be only 40 per cent." If they were warned, that is news to me, and I do not think that advice was ever given to them. Although there might have been a vague and general warning that, because of the financial position that was developing, subsidies may have to be cut, no official advice was sent to them, and when their schemes were submitted to the Co-ordinator-General, the Treasury and the Local Government Department they were not told, "Don't bank on 50 per cent. It may be 40 per cent. or 30 per cent." If they had received that advice, many local authorities would not have undertaken the very substantial expenditure necessary for the planning of those particular schemes. I think the decision should be reviewed in cases where local authorities have raised substantial loans to cover preliminary expenses and now, because of this cut in subsidy, they have been forced to foist the scheme onto the ratepayers who may not be able to stand up to it, or they may have to pay interest and redemption on a planning loan and get no benefit from it.

Mr. Hiley: I will lay you a shade of odds that every one of those schemes will go ahead.

Mr. HILTON: I am not a betting man. The Treasurer may be. I saw him at the races recently with a smile on his face. If they do go ahead, I think it will be found that in a few years' time many local authorities will have a number of properties on their hands for sale because the people owning them are unable to meet their commitments to the local authorities. If the Treasurer is prepared to bet that they will go ahead with the schemes, I am prepared to bet that in a few years' time many local authorities will be almost insolvent because their ratepayers will not be able to pay their dues.

I suggest that the Queensland Government and other State Governments should take a realistic view of the position facing local authorities and endeavour, in association with the Commonwealth Government, to reintroduce a scheme somewhat comparable to that prevailing during the depression to

assist local authorities and assist in alleviating unemployment. I have read many worthwhile publications prepared by local authorities throughout Australia in which they have sought additional avenues of finance. Anybody who has studied local government, as I have tried to make a study of it in Queensland, will realise that there is an unanswerable case for an extra measure of assistance. With all sincerity I urge that at the next Premier's conference or at the next meeting of the Loan Council all State Governments make a firm approach to the Commonwealth Government to shoulder with them some portion of the increasing cost of local government. It could be done without the Commonwealth Government's committing themselves to any great annual expenditure. I recall the scheme in the days of the depression when the Commonwealth Government met one-third of the interest and redemption payments, the State Government one-third, and local government one-third. A vast amount of work was put under way immediately. Only a limited amount of money was made available under that scheme, but it was taken up readily by all local authorities. My argument is that local government throughout Australia has now reached the stage where it will be necessary for local authorities to receive some assistance if they are to continue to perform their all-important function. If such a scheme were implemented immediately it would be an important factor in helping to relieve the unemployment that sorrowfully and undoubtedly is growing throughout the length and breadth of Australia.

There is another angle to it. In Queensland there has been a great deal of comment about the very vexed question of local authority valuations. I see the hon. member for South Coast lift his eyebrows immediately. This is a matter that undoubtedly concerns local authorities. The Valuer-General, of course, fixes his value on the only yardstick available to him, one that is recognised by all competent valuers and indeed by the High Court of Australia. The argument is advanced that when valuations are increased, local authorities reduce their rates accordingly, but with the reduction of subsidies the local authorities will not be able to effect anything like comparable reductions.

Mr. Gaven. They never ever did.

Mr. HILTON: I concede that—except in a few cases where they did make some attempt. I foresee that when the valuations for the City of Brisbane are released next year, there will be such a hue and cry that some action will have to be taken either to eliminate altogether the Valuer-General's Department or make for some measure of assistance for the Brisbane City Council. The same will apply in every provincial city and town. At the present level of the State's economy ratepayers will not be able to meet their commitments to local authorities because they will be faced with an extra burden of rates once the higher valuations

are released. Let us be realistic. Let us give serious consideration to the matter now while there is still time, because there will be confusion worse confounded in local government finance. It will have an adverse effect on the whole of the State's economy if something practical is not done in this direction immediately.

Although the Treasurer gave some logical reasons why the State Government are compelled to reduce subsidies, he did not elect to give the Committee any reasons that the Commonwealth Government advanced to him and the Premier why they are consistently refusing to recognise Queensland's need for extra money for the development of the State, particularly North Queensland. Perhaps he may tell us that in the Budget debate. I am not going to debate this subject at length today but I think the people of Queensland want to know what reasons the Commonwealth Government have for refusing to give a reasonable measure of assistance to Queensland, as they have given to South Australia, Western Australia and other States. I am not referring to grants made by the Commonwealth Grants Commission.

Western Australia has received extra financial assistance for years past. I have not seen the tables in the Federal Budget recently delivered in Federal Parliament, but I am quite certain it would be found that again this year a special grant is being made to Western Australia to develop the northern part of that State.

In Queensland, there has been much headline publicity about assistance in building beef roads, but such assistance is conditional. The State Government are forced to meet that assistance pound for pound, which means, of course, that main roads money that would be available in other centres has to be directed to these particular roads. The people in this State want to know has the Commonwealth Government given any specific reason to the Premier or the Treasurer as to why they have refused this necessary measure of financial assistance to Queensland to enable us to carry out that developmental work in the North. I should like the Treasurer to inform us on that point because I recall that, in the past when he was in Opposition, he had the courage to stand over here and make a critical analysis of the financial administration of the Commonwealth Government in those days. I should like to hear the arguments adduced by the Commonwealth Government at loan council meetings as to why they are holding out on Queensland. We know that the Premier and the Treasurer promised this State that they had the right technique and were full of hope on what they would achieve in this direction. Why have their hopes and those of the people of Queensland been dashed and why has no logical explanation been forthcoming?

Another important aspect that comes to my mind today in regard to the reduction of

subsidies—the Leader of the Opposition referred to it—is the increased cost of money. Interest rates have gone up tremendously as the Treasurer revealed and no-one can deny the fact that hire purchase has been responsible for that great increase in recent years. It is passing strange that, when the Commonwealth Government did elect to take some measures to stop the out-of-proportion trend of hire purchase, intense pressure was put on them and, within a few months' time, they backed down from the restraint they had put on hire-purchase activities. Now we find that, because of this lack of restraint on hire-purchase interest rates, the consequential inflationary trend is one of the factors affecting local authority subsidies.

I hope the time will arrive in Australia when there will be some legislation enacted, some legal authority given to the Commonwealth Government if they do not now possess it—and that is a moot point—whereby these inflationary rates of interest can be curtailed and the disaster they are bringing in their wake eliminated.

I think the Treasurer would concede that the high rates of interest paid by hire-purchase companies to investors has been the major cause of the increase in interest rates in recent years.

Mr. Hiley: I have never had any doubt about it.

Mr. HILTON: No doubt about it whatever. Our economy is being placed in jeopardy because of these continued rises in interest rates, local government is suffering and unemployment has been created because of them.

Mr. Burrows: The Government gave hire-purchase companies a license to charge 20 per cent. Although they could under the Hire Purchase Bill have fixed hire-purchase interest rates, they did not do so.

Mr. HILTON: I agree, but the time has arrived when the people demand action on a Federal level to curtail interest rates.

I listened with interest to the Treasurer's reference to the direction to insurance companies to invest at least 20 per cent. of their available moneys in Commonwealth loans. I cannot for the life of me understand why the Commonwealth Government as a gesture to the States in their financial difficulties did not make it mandatory for the companies to invest another 10 per cent. in gilt-edged securities of local government. Such a direction would have been of tremendous benefit. The Commonwealth Government are ensuring that they get an investment of 20 per cent. in their loans, so why would they not insist that the other 10 per cent. be invested in local government loans? Local Government loans are gilt-edged security and in the final analysis have the backing of the State Treasury. I repeat that even at this late stage every effort

should be made to see that 10 per cent. is invested in local government loans. The Treasurer laid claim to credit—I do not doubt the fact—that local government allocations in recent years have been subscribed in full. I asked for information as I wanted to be clear on the point. In the last year of the Labour Government in Queensland only 0.3 per cent. of local government raisings were not realised. That percentage is negligible. The figure indicates quite clearly that before the Treasurer took office local authorities were getting all possible assistance from the State Government in raising their allocations of loan money.

The State Government Insurance Office has always been to the fore in that respect. I speak from memory, and do not claim to know the facts and figures for other super-annuation funds, but I think the State Government always made sure that local government got its fair share of the cash resources of the Government available for investment. The magnificent role of the State Government Insurance Office and its assistance to local authorities in the raising of their loan quotas have been mentioned time and time again in this Chamber.

Mr. Hiley: Every year its help has dwarfed the total help from all other components in the life insurance field.

Mr. HILTON: That would be quite true. But I thought the Treasurer had some magic wand or some secret formula. I tried to elicit from him whether he had something up his sleeve in that regard, but I have come to the conclusion, on the record in loan raisings in the last year of the Labour Government, that the ground had been set for the Treasurer, that he has no secret formula at all but was merely in the happy position of being able to build on very good foundations. I do not think he can claim any credit in that direction.

Mr. Hanlon: He put up his umbrella when it started to rain; that is all he did.

Mr. HILTON: That is quite so.

Other matters of great concern to us arise from Great Britain's proposed entry into the European Common Market, to which the Leader of the Opposition referred. At a later stage I hope to make many observations about consequential problems that confront us, but at this stage I content myself in saying that it is useless to rely only on the Commonwealth Government to face these problems. I think each and every State should take immediate action so that we will be in a position to meet these problems when they arise. We must have the factual information so that we can go direct to the Commonwealth Government, and not merely rely on the efforts of their officers to collate this information. I strongly urge that all State instrumentalities be directed to make a correct appreciation of those problems, and that activity in that direction be set in train

at once, so that we will be in a position to place the factual position before the Commonwealth Government. We should not allow them to take complete charge of the situation.

Mr. LLOYD (Kedron) (3.15 p.m.): The Treasurer has raised the matter of subsidies to local authorities. This is a very important subject and I believe it will control the whole level of employment in Queensland. For many years a great contribution has been made by local bodies to the level of employment in the State. Queensland is in a vastly different position from the other Australian States. We have the greatest decentralisation of population, the greatest number of towns and the greatest diversity of industry. The whole of our employment in the local authority areas depends on decentralisation of development. South Australia, in particular, has only one small portion of the State arable, populated or developed. They could concentrate the whole of their development within 100 miles of Adelaide. Victoria is in a similar position; New South Wales is slightly different. From the picture I have given I think we can get an idea of exactly how the money is spent in Queensland, whether it is spent by the State Government, local authorities, or semi-governmental bodies.

If we make an examination of the figures which were given in the Co-ordinator-General's last report we will get some idea of the importance of the subsidy system to the local authorities. On page 21 of that report we find, "Approved borrowing programmes per head of population, governmental, semi-governmental, and local bodies. 1958-1959 to 1960-1961," for each State of the Commonwealth. The table shows—

| | Total | Semi-Governmental and Local Bodies |
|-------------------|---------|------------------------------------|
| | £000 | £000 |
| New South Wales | 105,577 | 31,883 |
| Victoria | 97,845 | 38,740 |
| Queensland | 49,447 | 21,847 |
| South Australia | 37,028 | 5,261 |
| Western Australia | 26,260 | 4,620 |
| Tasmania | 19,843 | 3,649 |

On a percentage basis the figures disclose the serious impact that semi-government and local-government borrowings had in Queensland on our employment situation. The percentage of semi-governmental and local authority borrowings in New South Wales is 32 per cent. of which no more than 10 per cent. is local authority borrowing. In Victoria it is 39 per cent. Of that amount I think no more than about 2 per cent. is local authority borrowing. It is mostly semi-governmental. In Queensland it is 64 per cent., and almost 60 per cent. of that is the borrowing programme of the local authorities of Queensland. In South Australia I believe the semi-governmental and local authority borrowing is no more than 13 per cent.; in Western Australia it is 17 per cent. and in

Tasmania it is 18 per cent. That gives us a clear indication of how the subsidy system has had to develop in Queensland. It has developed from a depression measure, as the Treasurer said. It was almost abolished during the war years and was revived as a general assistance programme after the war mainly because of the realisation at that time that local authorities in Queensland were undertaking most of the developmental work. Local authority expenditure is so much higher than State Government expenditure. So in all these cases the work has been transferred through necessity because of the decentralisation policy from State Government activity to semi-governmental or local-authority activity. It was appreciated in the past that there would be an ever-increasing interest burden on the people living in those local-authority areas.

In South Australia the whole of the water supply is undertaken by the Government and the taxpayers meet the full impact of the interest burden.

In Victoria a great deal of the work is carried out by semi-governmental bodies which, in all probability, are independent. Their activities are a business proposition. In other words, they are supposed to be able to meet from the charges they levy the full interest burden and capital redemption payments.

We can get a further picture if we examine carefully the percentage figures the Treasurer gave. I do not intend to attempt to rebut them. I believe they are accurate. But when he outlined the development of the percentage basis of the payment of subsidy he did so only on the new loan raisings and the subsidy was taken on the proportion of those loan raisings. Whether that is the correct basis I am not prepared to say at the moment, but I think the Committee is entitled to have a different basis on which to judge the need for maintaining the level of subsidy payments.

In 1956 the previous Treasurer set out in his Financial Statement a table showing the percentage of expenditure from the loan fund that each item represented. On page 545 of "Hansard", Vol. 214, we find the figure is slightly higher than that for subsidies. It includes a small proportion of loans over and above the subsidies themselves. It is—

| | Per-centage |
|---|-------------|
| £ | age |
| "Loans and subsidies to Local Bodies and Hospitals Boards 5,548,568 | 25.62" |

That is the percentage of the total loan expenditure during the year 1955-1956.

Mr. Hiley: That would include Treasury loans that had to be paid back by the borrower.

Mr. LLOYD: That is of the total expenditure on works.

Mr. Hiley: Yes, but that figure you are quoting covers loans and subsidies.

Mr. LLOYD: That is right.

Mr. Hiley: That is a mixture of subsidies granted, not repayable, and treasury loans.

Mr. LLOYD: There is a difference of some £200,000 or £300,000. In one year it went up to some £700,000 above the level of the subsidies paid, but I think the figure can be used as a further basis of comparison. That came to 25.62 per cent. of the total expenditure on works.

Take the loan fund expenditure on works for the year 1960-1961, £29,685,875. The comparable figure with that shown in the table for 1955-1956 for loans and subsidies to local bodies and hospitals boards is £6,690,880, which amounts to only 22 per cent. Whether or not that is an accurate basis of comparison, I think we can take it as one basis on which we can compare the expenditure by the State on loans and subsidies granted to local bodies in two different years. Those figures show a decrease in the actual percentage of subsidy given when compared with the total works programme of the State Government.

Mr. Hiley: That total works programme includes a conglomeration of all sorts of things. For example, when we reclaim Bulwer Island, that comes under the works programme.

Mr. LLOYD: Yes. It also includes other Loan funds which I have no doubt come back to the Government each year.

Mr. Hiley: Not much in respect of Treasury loans. There are not many of them. We cannot float any more.

Mr. LLOYD: I think we should give this matter a great deal of consideration. We have levelled some criticism at the Government in the past few years because, although they have managed to ensure that local authorities raise 100 per cent. of their borrowing programme, at times money has been pushed into areas at a certain time of the year to enable that amount of money to be spent when there is a carry-over in the works programme of the local authorities.

Mr. Hiley: It is less than it was.

Mr. LLOYD: It is sounder than it was. At one time local authorities were forced to spend a great deal of their money outside the periods when there was a good deal of unemployment. Endeavouring to spread it over the whole period may have had some disadvantages, but it also had considerable benefits.

Mr. Hiley: What we set out to correct was this: previously items would come onto the loan programme without a plan being drawn. The money would be unused for

the whole 12 months and no work would be done. We will not put them onto the programme until the plans are ready.

Mr. LLOYD: To a great extent that was the fault of the local authorities, too.

Mr. Hiley: That could be so. They are the ones who did it.

Mr. LLOYD: In many instances local authorities were refusing to go into debt to carry out works programmes, and I think some would still do that. The tendency had grown to divert money from minor work to the work which was subject to the subsidy granted by the Government. I disagree with the hon. member for Carnarvon on this point to a certain extent. I think it will be found that the work will still go into the channels where the subsidy is payable. Where water supply and sewerage schemes are undertaken, the local authority has an equity in them because it charges a rate over and above the ordinary rate. There is a danger that a greater part of the authorised loan programme of the local authorities would be absorbed in those works.

Mr. Hiley: That has happened already.

Mr. LLOYD: Well, I do not think that any reduction of 10 per cent. in the subsidy granted on any major works such as water supply and sewerage will have any effect on that tendency.

Mr. Hiley: Why waste time talking about it, then?

Mr. LLOYD: Because any reduction in subsidy means less work by the local authorities.

Mr. Hiley: The total amount available, a combination of loan allocation and subsidy, will be greater than in past years.

Mr. LLOYD: I realise that there is only a certain amount of money available for local authorities. At the same time that money has to be distributed over the greatest possible amount of work. If the local authority has to bear a greater interest burden they are more likely to carry out a reduced amount of work. If they have to pay £1,000,000 this year in interest charges on loan indebtedness, in several years' time because of the reduction in subsidy on works the interest charges will be increased, say, to £1,200,000, so that £200,000 less work will be carried out by them.

Mr. Hiley: They do not pay interest out of their loan fund, but out of their revenue fund.

Mr. LLOYD: If it comes out of their revenue account their rate charges in that year will have to be increased, but there is still that factor involved. The local authorities of Queensland are carrying out work which in any other State is carried out by either semi-government authorities or

by the State Governments themselves. If it comes from their revenue account the cost of water supply and sewerage would be passed on to the ratepayers instead of the taxpayers of the whole of the State as occurs in other States. I believe that there is some basis for the original intention at the end of the last war to grant subsidies to local authorities because of the realisation that they were undertaking a great deal of the work which in other States was undertaken by the State Governments or some semi-governmental authorities.

A table appearing in the report of the Commonwealth Grants Commission shows the percentage of expenditure on works in each State of the Commonwealth. On railways, at 30 June, 1960, New South Wales spent 34 per cent. of its net loan expenditure. The figures for the other States are as follows—

| | Per cent. |
|-----------------------------|-----------|
| Victoria | 25 |
| Queensland | 37 |
| South Australia | 20 |
| Western Australia | 26 |
| Tasmania | 9 |

Some of these figures are very significant.

Mr. Hiley: What are you reading from?

Mr. LLOYD: The report of the Commonwealth Grants Commission.

Mr. Hiley: What page?

Mr. LLOYD: I could not give the page number but it is in the chapter dealing with the differences between the States. Here are the figures for the expenditure on roads and harbours—

| | Per cent. |
|-----------------------------|-----------|
| New South Wales | 7 |
| Victoria | 4 |
| Queensland | 4 |
| South Australia | 6 |
| Western Australia | 8 |
| Tasmania | 9 |

The figures give a fair indication of the impact of railway expenditure in Queensland on the State's loan fund expenditure. I think this is a matter that the Treasurer himself has raised from time to time. This year we find that there has been quite a reduction in the loan fund expenditure on the railways, somewhere in the vicinity of £1,500,000 less. In Victoria a net loan expenditure of 4 per cent. on roads and harbours is exactly the same as the expenditure in Queensland. Although Victoria has no more than one or two ports, or three at the most, and is so small in area compared with Queensland, their expenditure on roads and harbours could be expected to be much less than the expenditure required in Queensland, yet Queensland spent only the same percentage as Victoria, the lowest figure in the Commonwealth. Every other State spent far in excess of Queensland where we have decentralised ports and a vast network of

roads. It brings to mind the disadvantages of the new formula in 1959 under which Queensland loses £1,500,000 over five years, while Victoria has gained at our expense. Whereas for the past four years we have had a series of deficits, Victoria has gone from a deficit of £4,000,000 to a small surplus in the last financial year.

In relation to water supply 15 per cent. of the net loan expenditure was used in New South Wales, 19 per cent. in Victoria, 8 per cent. in Queensland, 26 per cent. in South Australia, 19 per cent. in Western Australia, and 1 per cent. in Tasmania.

The figures for public buildings are 15 per cent. in New South Wales, 19 per cent. in Victoria, 12 per cent. in Queensland, 11 per cent. in South Australia, 10 per cent. in Western Australia, and 13 per cent. in Tasmania.

Land settlement is a very important feature so far as Queensland is concerned. In this connection expenditure in New South Wales was 5 per cent., in Victoria 12 per cent., in Queensland 4 per cent., in South Australia 3 per cent.—a State of which very little would be arable or capable of being more closely settled—6 per cent. in Western Australia, and 2 per cent. in Tasmania. Again we find a very small percentage of expenditure on this work which is so important in a developing State. Queensland is of such importance to the nation that it should receive a greater proportion of this expenditure.

Expenditure on electricity in Queensland is, of course, contained in "all other expenditure" but the actual expenditure on this item during the year, I understand amounted to 17 per cent. of the net loan expenditure. That compares with 15 per cent. in New South Wales, 9 per cent. in Victoria, 14 per cent. in South Australia, 8 per cent. in Western Australia, and 49 per cent. in Tasmania.

The picture drawn by those figures is that in those States there has been an urge to develop the production of electricity. In Tasmania, where there is a vast potential for hydro-electric power development, and in South Australia where vast sums have been spent on water supply, those things have been taken into consideration in Loan Council deliberations to enable those two States to receive favourable treatment compared with that meted out to Queensland. Forty-nine per cent. of loan expenditure has been made on electrical undertakings in Tasmania and only 9 per cent. on railways. Expenditure on railways in Tasmania is naturally small. Expenditure on water supply in Tasmania is 26 per cent. and I believe it is only in the last few years that it has been reduced to that figure. In previous years there has been a diversion of large sums of money into South Australia, more than there has been in the past two or three years, when there has been a slight reduction of the allocation of borrowing to South Australia, enabling Queensland to advance to something in the

order of 1 per cent. and Tasmania to be increased to 2 or 3 per cent. of the allocation of loan money.

Mr. Hiley: Your argument is that we should spend less on railways and more on these other projects?

Mr. LLOYD: No, I am arguing more against the Loan Council than against the Government at the present time. For the information of the hon. member for Townsville South, I said at Dalby—

Mr. Aikens: I will tell you what you said at Dalby.

Mr. LLOYD: It was because of my efforts at the Dalby meeting that a certain resolution that was aimed directly at the Railway Department was defeated. My case was that the men in the railways in Queensland have achieved a great deal in its development and have much responsibility for the future development of this State.

Mr. Aikens: You said that railwaymen were loafing on the job.

Mr. LLOYD: Wrong again! Just briefly on that matter, it is essential for any government when framing common policy to give consideration to the welfare of railwaymen and of all employees in the State.

(Time expired.)

Mr. AIKENS (Townsville South) (3.40 p.m.): I should consider that any government, irrespective of their political complexion, would be deeply concerned at the growth of unemployment not only in the State but also throughout the Commonwealth. I am going to deal in particular with the unemployment position in my area, that is, the Townsville area.

Within a couple of weeks both meatworks there are going to close. I understand that Merinda also is going to close, and by the end of the sugar season, in November or thereabouts, we are going to have at least 1,000 or 1,200 unemployed people in Townsville alone. In addition a large number will be unemployed in Ingham, Ayr, and the Bowen district.

I shall not adopt the role of an Empire builder during my speech. I think there are quite enough Empire builders in the Parliaments of Australia. What we need are a few more parish-pumpers, because, if every member of Parliament pushed the pump for his own area and saw that his own area was being developed, that the people in it were fully employed, we would not have to deal with the national aspect of it.

I am certain the Treasurer is deeply concerned about the unemployment position. He would be a political idiot if he were not, because nothing can bring down a government quicker than a large and ever-growing army of unemployed—and no-one would know it better than the Treasurer.

In the remarks I am going to make I want it to be clearly understood that I am speaking as a layman. I do not pose as an expert on the subjects on which I shall speak but I think I know something about them. At least it could be claimed for me by my worst enemy that I am fairly observant. It is true that in Townsville quite a few new industries have been established. We have been very happy to get them, because the more new industries we get in Townsville, and in the area, the more prosperous the place will be and the less prospect there will be of a huge army of unemployed at the end of every year.

Mr. Hiley: I think it is right to say that proportionately Townsville has grown faster than any other part of Queensland.

Mr. AIKENS: That may be so. I am glad the Treasurer made the point as it will drive home to other hon. members the statement I am going to make.

Unfortunately the great basic industry that has been established there for years and to which all the other industries established recently are merely ancillary, that is, the export meat industry, has been allowed to languish. Consequently, if we do not get a very good wet season and if we do not have a good turnoff of cattle from the natural pastures in the West and North, we have a short meatworks season and a huge army of unemployed meatworkers at the end of the year. The meatworks, when they close, naturally throw out of work quite a number of men and women. The railways go more or less into a decline towards the end of the year with the end of the meatworks season. During the busy meatworks season, when overtime is being worked and cattle are being killed at both works at their top capacity, there is a great scramble for trucks and railway trucks cannot be obtained for cattle. For eight months of the year, and this must be reflected in railway finances, great strings of cattle wagons stand rusting in the sidings throughout North Queensland, because no traffic is available for them.

The obvious thing to do is to build up the meat industry in Townsville, and other areas, so that the meatworks will operate all the year round or as close as possible to all the year round.

Mr. Wallace: Tell us what you meant when you said the meat industry has been allowed to languish.

Mr. AIKENS: I am going to tell in a moment why the meat industry has been allowed to languish. If the meatworks worked all the year round we would have the curse of seasonal unemployment removed from us. To do that we want more cattle. That is the answer. We have to devote all our energies and all our thoughts to getting more cattle. I doubt if there are any more cattle in North Queensland today than there were 20 or 30 years ago.

Mr. Wallace: Less.

Mr. AIKENS: In Queensland probably less, as the hon. member for Cairns so correctly interjected. In England, a country about as large as the Dalrymple Shire, there are more cattle than in the whole of Queensland. We must examine the reasons for it to see if we can do as well, if not better in our own State.

When the meatworks close down next month in Townsville it will cost, on a conservative basis, £6,000 a week to keep them closed, because certain maintenance has to be done and employees retained. That £6,000 a week for maintenance and upkeep for the eight months of the slack season has to be borne by the industry during the four months when the works are in operation. That is a simple economic fact. In addition, during the long lay-off, about 1,000 men in Townsville get £6 a week unemployment insurance, on the average, which is a pitiful allowance and quite inadequate to enable them to live decently. That £6,000 a week has to come out of the taxpayers' pockets. So, if we can have the meatworks operating all the year round by the simple expedient of producing more cattle, then we relieve the meatworks of the £6,000 a week in the slack season and we also relieve the taxpayers of the burden of £6,000 a week in order to keep the unemployed in a pitiful state of mere existence.

Mr. Müller: That is very nice. How are you going to do it?

Mr. AIKENS: I am going to tell the hon. member if he will listen, and if he has the ability to absorb it.

We have heard a great deal about the wet coastal scrub lands and I am fully in accord with it. I am very pleased to hear that in recent months, now that the Federal election is coming on, men who have slandered, abused, and vilified me for supporting it are now supporting the idea of cattle fattening in the wet tropical scrub lands and are behind the scheme until after the election. I am not going to talk about the cattle-fattening proposition in our coastal scrub lands because I have dealt with it very adequately in other addresses in this Chamber. I am going to point out that it is a matter again of simple economics, that if we can get more in cash in beef from a beast than the cost of feeding it on artificial pastures, or even by stall feeding, then it is an economic proposition to do so.

I have gone to the trouble of reading up all I possibly can about it and listening to men competent to advise me. I read only the other day about the Vacuum Oil Company in Sumatra, of all places, one of the most backward countries in the world. They are called upon to feed an army of employees and they have found that by taking the poor underfed cattle—virtually skin and bone—and stall-feeding them, they can put more onto a beast in meat, in terms of money, than the feed they put into the beast in terms

of money. Consequently it is an economic proposition to take these underfed cattle, stall-feed them until they are fat and then kill them. If it can be done in Sumatra why cannot it be done here?

Mr. Müller interjected.

Mr. AIKENS: The hon. member for Fassifern might know something about a few old speyed Jersey cows that he tries to milk on his property, but I am talking about the big grazing lands of the State about which he knows virtually nothing.

Opposition members interjected.

Mr. AIKENS: Of course, if hon. members opposite, the city slickers, are going to deal with this matter flippantly and facetiously, I am not responsible for that. I am trying to put forward a plan that many men in the North are talking about at present. They did not get the idea from me. I am honest enough to say that I got most of my ideas from them. Let me tell the Committee what the position is on an ordinary cattle station today. I will give the figures as they have been given to me so that hon. members will know that I at least have done something about it. On an ordinary cattle property today they have their No. 1's that is, this year's cattle. They have their No. 0's; that is, last year's. They have their No. 9's; that is the 1959 branding. They have their No. 8's, which is the 1958 branding. Those will probably be sold as fats in 1962 as long as 1962 is not a drought year and they can be sold as fats. Consequently, it is taking four and five years to fatten a beast under the present set-up in North Queensland.

Mr. Wallace: No, that is not right.

Mr. AIKENS: The graziers tell me that. They fatten a beast up to a yearling and he starts to lose condition about July and continues to do so until the end of the year. They fatten him again the next year and he loses condition from July to Christmas. They fatten him the third year and again the fourth year, and about the fifth year, if he is fat, they will sell him as a heavy bullock. And I will quote the prices at Cannon Hill only last week for heavy bullocks—four to five years old, 700 lb. weight, £8 10s. to £8 15s. a 100 lb. Yearlings, average weight about 350 lb., £10 10s. to £11 a 100 lb. But if you can turn off four yearlings while you are turning off one heavy bullock, you will get £144 for your yearling beasts. If you could turn off only three yearling in the same period as that in which you turned off one heavy bullock you would clear £115 10s. instead of the £59 10s. that you would clear for the heavy bullock.

Let us face up to this fact: the day of the big heavy bullock is on the way out and the day of the frozen beef is on the way out. So we have to cater for the growing demand of our home market and the growing demand of our overseas market

for prime yearling beef, beasts no older than three years and weighing perhaps from 300 lb. to 450 lb. That is what the public wants and that is what the public will pay for.

Mr. Newton: Have you given any consideration to the cost of stall feeding as against natural feeding?

Mr. AIKENS: This is about the only country in the world—and we say it is an advanced country—where we adopt the attitude that we have abundant land, that we are going to rely only on our natural grasses and on our natural rainfall. If it happens to rain we will have fat cattle. If it does not, we will not have fat cattle. And if the *Harrisia cactus* or any other pest starts to encroach on any particular part of our land we just shrug our shoulders and say, "What does it matter? We have plenty more land. We won't bother to root out the *Harrisia cactus* or deal with the weed pest. We will shift the cattle to where we have plenty more land and grass. As long as it rains and as long as we get a decent drop of calves we will be all right." The curse of this country in the past has been that we have had far too much land and it has been wasted. We have grown up in an atmosphere of *laissez faire*; "what does it matter?" It was good enough for our grandfathers and good enough for our fathers and it is good enough for us. We have got to face up to the fact that we have a growing population in Australia and a growing demand for meat throughout the world as the standard of living of other countries improves. If we want to survive, particularly in towns like Townsville and Cairns, we have to meet the growing demand for meat.

The hon. member for Belmont asks if we know how much it costs to feed a beast. I know it is uneconomic to grow lucerne here or grain crops—sorghum, maize, or whatever you want—and cart it 1,000 miles or 700 miles, even at starving-stock rates, to feed cattle. It is certainly uneconomic to cart it 700, 800 or 1,000 miles to feed stock to fatten them. But in other countries you do not take the feed to the stock, you bring the stock to the feed, and that is what we have to do here.

Mr. Wallace: You did not tell us that a minute ago.

Mr. AIKENS: The hon. member did not listen. He is like the Minister for Labour and Industry. He talks first and thinks afterwards, and sometimes he does not think at all.

Mr. Wallace interjected.

Mr. AIKENS: I am unlike the hon. member for Cairns who spent all his time learning to cut up shin beef and pass it off on the unsuspecting housewife as fillet and because of that he claims to know all about the cattle industry. I do not know everything

about the industry, consequently when I want to know anything, I go to the people who do know and I ask them.

Sticking strictly to the area that I know, from the Herbert River to the Don River, we have hundreds of thousands of acres of arable land between those rivers, and wherever one looks at the countries of the world one finds that the population is along the river systems. We also have hundreds of thousands of acres on the Burdekin. Sugar, which has been our main crop, is static. It will not expand any more. As a matter of fact, it is causing grave concern amongst heads of the sugar industry as to whether it will be able to hold its own at the present rate. All the land to the west, between Charters Towers and the Belyando, is arable land, and between the Belyando and Clermont there are hundreds of thousands of acres that could be converted to grow better types of grasses and legumes, or even to grow grain for stock, if the stock are brought to it.

There again we strike the economic problem—how is it going to be done?. The graziers say, "We cannot afford to put our land under pasture. We cannot afford to put our land under grain crops," although many graziers in the North are doing it. For example, my old mate Joe Salatina outside Hughenden is doing it, and at other places they are growing it on the river flats. They are gradually beginning to realise that they cannot rely on the natural rainfall and the natural grasses.

Mr. Müller: You are on very sound ground now.

Mr. AIKENS: If the hon. member had kept quiet long enough I should have been on sound ground earlier. Whenever one goes to them, some raise the parrot cry that was raised by the hon. member for Belmont a moment ago—"It is not an economic proposition." We have to show them how it can become an economic proposition.

I think the whole grazing set-up in Queensland should be completely reoriented. Sometimes I think we have been too proud and too vain to learn from countries that we consider backward. In every other country in the world there is the closest possible liaison between the pastoral industry and the agricultural industry. Here they are two entirely separate and distinct departments.

Mr. Hiley: They are growing together now.

Mr. AIKENS: If they are growing together, they are not growing together fast enough, and my appeal to this Chamber is to accelerate the co-operation that must exist between the farmers and the graziers, if I might put it that way and put it plainly, if this country is to survive as a beef-producing country. I know that some people say it is not economical to stall feed, but it can be economically done here too. This could be done, and this is purely my own suggestion: let the State Government and the Commonwealth Government draw up a plan for the

best utilisation of our coastal land. We have heard of course, that it is quite possible, with the use of trace elements and so on, to utilise the Wallum country, but I am talking about the readily available arable land between the Herbert River and the Don River and out as far as the Belyando, almost to Clermont. Artificial grasses can be planted there, grain can be grown, and we can overcome the financial or economic problem that presents itself by co-ordination between the Commonwealth Government and the State Government. What is the matter with this plan: by Christmas 1,000 men in Townsville will be drawing unemployment relief at £6 a week.

An Opposition Member: After next week.

Mr. AIKENS: By Christmas, when the sugar industry finishes, they will be there. Some, of course, will be drawing £49 a week, and they will be unemployed, they will not be in Townsville, but round about Brisbane. Let the State Government say to the Commonwealth Government, "Give us that £6,000 a week. We will put in the rest of the money to make up the wages under the award applicable for this particular job. We will go to the graziers in all of these areas after the whole scheme has been planned out. We will say to the lessees, if they are holding leases of the land, and to the freeholders holding freehold land, We are going to enter your land, plough it up, and do what we think is necessary to be done to it in order to root out the natural grasses, and then plant fresh grasses and legumes. If necessary we will plant grain. We are going to improve that land, not to produce one beast to 15 acres, the present average, but perhaps one beast to 1 acre or one beast to 1½ acres."

Mr. Müller: Good business.

Mr. AIKENS: It is good business. Once the lessees see that their natural grassland is going to be transformed into pasture land and grain-growing land, they will be quite content to pay the extra rental commensurate with the extra cattle they will carry and turn off. The freeholders will be prepared to pay the cost of these improvements over a long period and recoup it as a result of the extra cattle they will turn off. Consequently in the long run the State will be able to recoup itself for all the money it will have to spend on transforming all this natural grassland into pasture land or grain-growing land. The national wealth of the country will have been added to, to the tune of several millions of pounds a year by reason of the extra cattle grown and turned off fat every year. The unemployed will not be unemployed—if I may use an Iricism—but they shall be found work during the slack seasons until the plan is complete. They will have been found work at award rates and conditions and some of them will work right through the year on the transformation of this land. It will provide relief for the temporary unemployment problem.

With the improved pasture land and the grassland that has been turned into grain-growing land, in a few years' time we shall have to build up our breeders and store cattle, but all of this can be arranged on a broad plan. It is something that needs a little bit of vision and courage. Vision and courage are all that limit the plan.

An Opposition Member: And money.

Mr. AIKENS: I am sure the Commonwealth Government will make the unemployed relief money available. The State will make up the rest to pay the award rates applicable to the industry. The Government will get additional rent from the lessees who will benefit in the long run by the improved turnover from their pastures. In a few years' time because of the additional cattle that will be turned off from this scheme and the rain forest country—and the scheme could continue right down to the Central area—the meatworks will be kept going all the year round so that the scourge of seasonal unemployment to a great extent will have been removed from North Queensland and Central Queensland.

Mr. Müller: I will give you a reference to the Treasurer and suggest that he appoint you as director.

Mr. AIKENS: I wish the hon. member could, I will not say that I would do better than the hon. member for Fassifern but I hope I would do as well. I am very happy that as a practical cattleman he at least does agree with most of what I have said. Unless we take a broad and courageous view in our desire to grapple with the unemployment problem, unless we take a broad, courageous and long-term view towards increasing cattle numbers and increasing the number of fat cattle available for slaughter in Queensland, we are going to have a sickening recurrence every year of hundreds of unemployed walking the streets of the State's northern and central cities and towns. Let us have a little bit of courage and vision and let us deal with the job as it should be dealt with.

(Time expired.)

Mr. DAVIES (Maryborough) (4.5 p.m.): It is clearly evident that the whips have cracked once again and that members of the Government team have been forbidden to take part in this debate. It appears that only the Treasurer will take part. Last year, several hon. members on the Government side of the Chamber spoke in this debate but, so far as I am at present aware, not one speaker apart from the Treasurer will rise and discuss the problems of this State in the present debate. It is quite evident the Premier has realised that it is too dangerous, with so many disturbing elements in the party. With so many groups the wrong thing might be said and the attention of the Chamber and the public drawn to problems—

Mr. Hiley: The same old stuff.

Mr. DAVIES: The Treasurer may interject as he likes, but so far he is the only speaker on his side to take part in this debate. Is it any wonder with his record of deficits? It was claimed that the Government would prove themselves to be expert financiers but what is their record? The railway deficit for the three years prior to the last one totals slightly more than the total deficit in the previous decade of administration by the present Leader of the Opposition. More people are drifting from the State than are coming into it; there is chaos in the transport system, a record low in Forestry plantings, record bankruptcies, less industries in most coastal cities now than under Labour and record unemployment since depression days; soaring costs of living under a Government politically related to those who in 1949 said they would restore value to the pound. Primary producers today are receiving a smaller percentage of the national income under a Country Party-Liberal Government than they were in 1948-1949 under the Chifley Government. The sawmilling industry is in the doldrums, there are housing shortages and now the latest setback is a cut in subsidies. Those are some features of the picture before the public in this State today.

Before passing on to other aspects of the debate I wish to deal with a statement made by the Deputy Premier in the House this morning in regard to the possibilities of securing orders and the possibility of the Deputy Premier persuading the Commonwealth Government to see that the State's most important shipyards are kept in operation.

On behalf of the workers of Walkers Ltd. I resent the smearing, contemptible, irresponsible, trouble-making attack upon the workers in that industry. The Minister for Labour and Industry has proved himself throughout his few years of administration to be determined to disturb the industrial peace of this State, and his action this morning in drawing the attention of the public to trouble, if there had been trouble—and I will deny it for Walkers shipyards over the last 12 months or so—can only do incalculable harm at the present time. If he was really interested in the welfare of this industry and industry generally in the State, he would cover it up, if there was anything to be covered up. As Minister for Labour and Industry in this State he should be adopting an attitude of defiance to the Commonwealth Government, one of opposition if necessary.

What was the attitude adopted by the Premier and Treasurer? Not the so-called fierce tactics of former Premiers and Treasurers, but mild attacks on the Commonwealth Government's failure to provide financial help and an atmosphere of "We had a jolly good time together and a cup of tea and a sandwich, and that is the end of it." No shipyard in Australia has a better industrial record than Walkers Ltd.

A.L.P. Members: Hear, hear!

Mr. DAVIES: The men are willing and eager to do everything possible to assist this company to produce more ships and to secure further orders that the Commonwealth Government are placing overseas in Hong Kong, West Germany and other countries.

There have been interruptions at the Evans Deakin shipyard. I am not blaming the men for that, but they have been more numerous than those at Walkers Ltd. Interruptions have occurred at the dockyards in Newcastle. Recently there was a strike and industrial trouble about overtime. A man was sacked and the other men walked out, but that has not prevented the Newcastle shipyards from getting adequate orders and so providing full employment for their men.

The same remarks apply to other shipyards in Australia. I challenge the Minister to say that there is more industrial trouble in Queensland shipyards than in southern shipyards. The employees in the Sydney, Whyalla and Williamstown shipyards have been told that if they do not toe the line and get to work the shipowners will send their orders to shipyards in Queensland, but we know also that in the South there has been a greater willingness to have conferences with the unions and the men. The result has been a better understanding between the men and the employers. The men in those industries know that the same position will continue in the future, that they will have continuity of employment. In the South there have been negotiations, conciliation and round-table conferences. The Whyalla men receive 10 per cent. more than the basic wage, that is, £2 10s. more than the employees in the Evans Deakin shipyard. The men in the Newcastle dockyards receive approximately £3 more than their counterparts in Queensland. The difficulties in Queensland are encouraged by the State Government and the department led by the Minister for Labour and Industry. The employees in the Brisbane shipyards are often faced with a refusal to negotiate or conciliate on the requests and demands of the men.

The union is opposed to overtime only when it deprives unemployed men of the opportunity to work. When overtime does not interfere with the employment of unemployed men, the employees are prepared to work overtime.

Any industrial trouble in this State has been justified. If the Minister for Labour and Industry wants to get down to personalities and intolerance among unionists, where would we get a greater example than the advocate for the employers in the shipbuilding industry?

The Minister this morning deliberately evaded the question. It is quite evident that he has not made any definite approach to the Commonwealth Government on behalf of Walkers Ltd. He has adopted the attitude of the Premier to the Burdekin scheme. The

hon. member, representing that district, is not in the Chamber, but I remind hon. members of the attitude of the Government to the Burdekin scheme, even the attitude of the Treasurer. He is getting round to taking over the role of some of the other Cabinet Ministers. I can understand it because it is in accordance with the Premier's desire, in view of the failure of many members of the Cabinet to make a success of their departments. The Treasurer, to a considerable extent lately, has been making statements about the Department of Irrigation. I draw the attention of the hon. member for Burdekin to the fact that the Treasurer recently said the Burdekin scheme was a classic example of an utter white elephant. The Premier said last year that he would not again approach the Commonwealth Government. He approached the Commonwealth Government about that scheme when he came into office, but later said he would not appeal to them again for information or further investigation of the scheme because he realised it was hopeless to do so. The Minister for Labour and Industry has apparently adopted the same attitude on the possibility of securing further orders for Walkers Ltd. I asked him to comment on the fact that orders for ships that could have been given to Walkers Ltd. have been placed in overseas countries. Recently Sir Hubert Opperman, the Minister for Shipping, was in Marylborough and he said a great deal, but really nothing, and he made many promises.

A Government Member interjected.

Mr. DAVIES: The hon. member will not have many more chances to talk in this Chamber because he will not be here much longer.

The man who forced Sir Hubert Opperman to make a statement was the Deputy Leader of the Opposition in the Federal Parliament, and Mr. Opperman admitted that several vessels of a size that could have been built at Walkers had been built overseas. If it is necessary to have shipyards in this country during wartime it is necessary to keep them going in peacetime, even if it costs more to help them. The Commonwealth Government and the shipowners have time to plan ahead and organise. The Commonwealth Government should know well ahead what ships will need to be built and all the necessary planning could be done a long time before they are needed. Two small naval vessels have been ordered from overseas. We have been told, that because of some aluminium work on the ships, they could not be built in Australia. Australian workmen can meet the demands of the industry in any shape or form. If there is a shortage of technicians in any branch we can do what we have done in the past. We can bring them out to Australia and get them to teach our workmen who are quite able to learn. If, for some reason, a part cannot be built here, we can build the hull and all the other parts and then install the imported

part. I put this question to the Government: will Hong Kong or West Germany build ships for us during wartime? No, they will not, they will be built at Walkers' shipyards. There were 400 to 500 men working in the shipyards; there are only a few left now. The last ship is finished and has been launched and there is no ship on the boards, no ship is being planned. We can see no sign of any ship in the near future being built by the shipyards which means that every man in those yards will be out of work. Indeed, many men have sought employment in other shipyards in answer to advertisements by various firms in Newcastle and Port Kembla. One of the most unfortunate features is that we have lost experienced employees who have been there for years. I have been told that Walkers Ltd. and Evans Deakin can produce ships of better quality than those built in the South. I will not enter into that. I am content to say that we can build them equally as good as they can be built in the southern States. It is a great misfortune that the Commonwealth Government are not disturbed because one of the two shipyards in this State is going out of action. I emphasise that if it is necessary in peacetime to keep an Air Force, the Army and the Navy then it is equally essential to keep our shipyards going. If the Government can subsidise the dairying industry and other industries, why should they not subsidise this one? Why has not the Minister for Labour and Industry made an appeal for a subsidy to be paid on ships under 500 tons? If Walkers Ltd. could get a series of 500-tonners or less it would be a tremendous help. If two of them were being constructed at the same time that would be much better than having grass growing in the shipyards as it is at the present time. Walkers Ltd. is a financial firm with big investments and it pays regular dividends. If the works needed to be modernised or improved in any way it would be up to the Commonwealth Government to guarantee the finance and then guarantee a continuity of orders so that this firm could come in and do any necessary modernisation. The Minister for Labour and Industry would have been much better advised this morning to raise his voice in a plea to the Treasurer and other Minister in his Government to do something about barges and dredges that will surely be required in the years to come.

The Minister constantly uses that as one of his arguments why this Government have been successful. He says, "Look what we have done for the harbours! We are providing this and we are providing that." Surely the extra work must be a great strain upon the dredges and barges in Queensland. They must be strained to the utmost and it must be necessary to order a vessel—a barge or a dredge, which would provide work for Walkers Ltd. to keep them going. The Minister would have been better advised this morning to speak along those lines and show that he was conscientiously endeavouring to help, instead of indulging

in his own union hatred, and raising the Communist bogey about disturbing the peace among unionists. He himself causes disturbances by the very provocative nature of his speeches, which the men in Walkers Ltd. must read in the Press. If an attitude of resentment exists among the men of Walkers Ltd. or generally among the workers of Maryborough he must accept some responsibility for it.

Mr. Duggan: His Ministerial colleague, Mr. Munro, is an ex-director of Walkers Ltd.

Mr. DAVIES: Yes, and he would be now if it were not for some rule about what they did with their shares.

The CHAIRMAN: Order!

Mr. DAVIES: Yes, Mr. Taylor, I will not go into that now. Hynes and Wilson Hart's and others in the sawmilling industry will appear before any group of people and say that the quality of workmanship among the men in their industry—and there are 700 or 800 of them—is equal to any in Australia, yet this slur has been cast upon the quality of work and the interest of those men in their jobs at the shipyards. Those men have their homes there. They are not floaters. They are not drifters. They are keen on obtaining work and they are doing everything possible to keep it. On Saturdays they are working long hours. They are doing all that they can to help the firm provide the boats on time.

Keeping in mind the various arguments I have advanced, I claim that this morning the Minister showed a lack of interest in the welfare of the industry. The Commonwealth Government are falling down on the job, too. They have the power, under the Acts that I have listed in the past, to provide that all ships used on the Australian coast must be built in Australian shipyards, for defence reasons if for no other.

I am very pleased indeed to have had this opportunity. I regret the circumstances. I am pleased that I have had the opportunity on behalf of the decent, good, honest Australian workers in Walkers Ltd. to protest against the contemptible smear tactics of the Minister for Labour and Industry.

I asked a question about the amount the Commonwealth Department of Supply spent in Queensland. I have the figures for 1957-1958 and for 1958-1959. This Government did not know the figures. They had no interest in them. Of the £60,000,000 spent by that department in 1957-1958, £32,000,000 was spent in Victoria, £14,000,000 in New South Wales, £12,000,000 in South Australia and £500,000 in Queensland. In 1958-1959 another £500,000 or a little more was spent in Queensland. I have not the exact figures for the last two years but I will have them in time for the Budget debate. They are similar. So Queensland has had only £500,000 as its share of the £60,000,000 spent by that department. Have this Government ever raised this

issue with the Commonwealth Government? The matter will be raised in a subsequent debate. Are the Government doing everything possible to raise the necessary finance for the State? A Bill is soon to come before us to lighten the burden on the payer of land tax. I will not enter into the merits of that legislation, but when men have to exist on £6 2s. 6d. a week, is it necessary to reduce what the payer of land tax has to pay? If it is £10,000, £50,000, or whatever it is, it all adds up and it would provide extra work for people in the State. The Government have not shown any interest in the development of Queensland. They are content to drift along. They adopt the attitude, "Things are not too bad," not seeing the dangers that lie ahead. They will even back the Federal Government at the forthcoming Federal election. Recently the Commonwealth Government obtained an overseas loan of £75,000 from the International Monetary Fund and a guarantee of £40,000, if necessary, to be made available at a later stage. The A.L.P. fears the dangers arising from the terms and conditions that those various loans from the International Monetary Fund may have attached to them. I will leave that for a future debate. I am very happy indeed to have registered my protest.

The CHAIRMAN: The hon. the Treasurer.

Mr. Houston: Aren't there any other speakers from your side?

Hon. T. A. HILEY (Chatsworth—Treasurer and Minister for Housing) (4.26 p.m.), in reply: If there are any other speakers from the other side of the Chamber, I will gladly defer to them. That is a silly statement to make. We would have had speakers from this side if hon. members opposite had not wasted an hour of our time this morning in asking innumerable questions, the answers to most of which come before the House in reports. When hon. members opposite learn how to use question time and stop wasting time, they will get greater participation in debates by Government members.

Mr. Duggan: I am not referring to you, but there are some Ministers who are most discourteous in their replies.

Mr. Houston: Give us reports and you won't get questions.

The CHAIRMAN: Order!

Mr. HILEY: I am grateful to the Committee for the way in which it has received this measure. There are a few points to which I should like to reply.

The Leader of the Opposition raised the question of the Committee on loan raisings. It is quite true that I was extremely interested in the formation of that committee. It has had one meeting, which was held immediately before the last meeting of the Loan Council. It has not completed its deliberations, but already it has succeeded in persuading

movement in the direction that has always strongly appealed to me. I think I have mentioned it already, and I think the Leader of the Opposition knows how keen I am on it. I have always thought it was quite unfair that governments should say to citizens, "Lend us your money," and then, if that citizen happens to die, refuse to acknowledge our own securities in the hands of the executors on a secure and marketable basis. The result has been that far too many people have been soured by their experience in not being able to have that money available until they first obtained money somewhere else to enable them to get a grant of probate and then having to take the figure of the market at the moment, and in some cases take a discount, thus offsetting the general rule of domestic practice that, if I owe you money and you owe me money, on an arithmetical basis whoever owes the other more pays the difference. I pressed with the committee that Commonwealth bonds should be accepted by both Commonwealth and State Governments at face value for the payment of probate and succession duties. I believe that if this was acknowledged it would bring in a vast new field of support. People who are not presently inclined to support the bond market would do so because they would see in it a practical and tangible manner of preparing for their death. It would be a comfort to the executors to find that among the assets of the deceased were some acceptable securities that could be taken in at an absolutely secure price. We did not succeed in getting that viewpoint accepted completely, but it has been accepted that the class of Commonwealth bond known as special bonds is an ideal instrument for this purpose, and in the Commonwealth loan, details of which will be announced shortly, there will be special publicity explaining that these special bonds will be accepted from executors on the shortest of notice at a guaranteed price by both State and Federal Governments for the payment of succession duties. I might say that it will also explain that there is a limit of £10,000 for each estate, and I think that sum will meet the biggest proportion of Australian deceased estates, and I cannot see for the life of me any good in confining the principle to £10,000.

Mr. Houston: It will cover the estates of the unemployed quite easily.

Mr. HILEY: It will cover them all right. Hon members opposite were the only people to tax them.

Mr. Houston: Can't they be cashed at a discount in six months?

Mr. HILEY: They can, but this can be done immediately. I think the Commonwealth Government would be wise to go further than the £10,000 limit. If a man works out that he will have to pay £50,000 why not encourage him to put £50,000 into Commonwealth loans and leave it there until he dies? I pass that on to indicate

the slight headway we have made. I asked that in the preparation of their loan advertisements, the Commonwealth Government should make a special feature of this to see whether it would bring in people who have not been in the habit of investing in Commonwealth bonds.

Concerning the observations made about the Common Market I find myself in complete agreement with the Leader of the Opposition's basic plea that this is a matter calling for careful, close and informed study on this side of the world as well as on the other. The effect is not confined to here. I agree that it could have serious effects here. Just as we have a very definite interest in retaining assured markets and continuing prices for many of our exportable products, so we have a very deep interest in ensuring that our agreements are made with strong and virile customers. That is the other side of the argument that worries me. I think it was the hon. member for Carnarvon who referred to the fact that over recent years British production has been standing still while numbers of the Common Market countries have been surging ahead. Let me tell the Committee what was said at a little dinner party given to launch the entry here of a big English firm in association with an old-established Queensland business. Talking to the Premier and me over the dinner table, the English head of that business, a firm that had been in existence well over 100 years, told us that one of their best markets on the Continent was Italy. With the exception of war intervention they had held that market decade after decade, almost back to the days of Napoleon. At the moment the duty on their product into Italy is 48½ per cent. As a member of the European Common Market their duty would be 19 per cent. That is not just a shade of advantage; the difference between 19 per cent. and 48½ per cent. is a great unbridgeable gulf. He told us that since the development of the European Common Market their trade with Italy has been dwindling to nothing while people in the same line of business in Frankfurt, Germany, have gleefully taken advantage of what has been their market for all those years. You can take that story, and with different arithmetic find the same moral in direction after direction. What worries me on the one hand is that I see a need to do all we can to protect both quantitatively and price-wise our established markets with Great Britain. There is no question about that. But on the other hand, thinking of the illustration I gave the Committee, is not Britain's capacity to buy from us going to be progressively destroyed? That is the tightrope we all have to walk. It is not the problem of any one political party or group of people in Australia. It is a problem for every Australian citizen.

I must confess that I also find myself in considerable agreement with what the Leader of the Opposition said about the wisdom of pursuing every possible opportunity to develop trade in the Pacific area. As I look at some

of the difficulties that confront some of our best exports I cannot help but think that if only the standard of living of some of these Pacific peoples were different I would not worry too much if we lost our position in the European market and tried to sell all our products in the Pacific area. Take one classic example. Take the example of Great Britain because this relates to beef. I know that we are told repeatedly from England that the customer in England wants chilled beef and does not want our frozen beef. We accept that. We know it is difficult first of all to bring forward the type of cattle for the chiller trade with regularity and that it is not a bit of good our hoping to command a regular market in Great Britain if we have plenty of chiller beef coming forward for four months of the year and none for eight months. We have to flatten out our production so that we are in business from January to December if we really want to hold a place in the chiller beef trade in Great Britain.

I will cite one example this year. I was told this by the manager of one of our export works on the coast. He was a tireless advocate for the chiller beef trade and he tells this one against himself. He said that he got chiller type cattle from all over the place, organised the flow, stopped other types from coming forward, killed hard, and got them onto the ship. He got it home to England in good time to find that two Argentine ships had beaten him to the market by 48 hours. It got there with only a few days left. As hon. members know, there is a limit on travelling time for chilled beef. He found the market covered with Argentine beef only 48 hours ahead of him, and he said they had to freeze the whole of the beef because the price for chilled beef was 4d. below that for frozen beef.

Whilst that may be a rare instance, it is one difficulty. Just think how much easier it would be if the changing pattern of Asian standards of life would enable us to trade with a market not 25 to 30 days by sea transport away from us, but 10 to 15 days by sea transport away from us.

That is why I welcome this mission now travelling round the Pacific Islands. People may sneer and say, "What can Noumea, Fiji, or the Pacific Islands offer by way of a market for Australian goods?" I still say that in the Pacific area we might find a real opportunity for future development in the next generation. Asia is coming to life; its standard of living is rising. Although there are hundreds of millions of people there, their standard of living is too low—

Mr. Thackeray: Do you favour trade with Communist China?

Mr. HILEY: Yes, I think it is acceptable.

Mr. Thackeray: I agree with you, but some members of the Liberal Party don't agree with you.

Mr. HILEY: I think that when it comes to world trade, the wider, the more fluent and multilateral world trade can be organised, the greater contribution is made to world peace. If you freely trade with people you lessen the prospect of international difficulty.

So, I am in agreement with the Leader of the Opposition that the European Common Market is a matter for diligent study by us all. Do not let us only narrowly try to protect our agreement with the Mother Country. Let us have some regard for the capacity of the Mother Country to be a worthwhile customer, but let us at the same time angle for possible trade on other markets. As I see it, the nearer Pacific area is an altogether logically better area to develop our trade.

Mr. Wallace: That is what should have been done long ago.

Mr. HILEY: The hon. member for Carnarvon dealt with the subsidy change as if it was a bolt from the blue. All I can say is that in all fairness and honesty I did my utmost to give local authorities and hon. members a picture of what was coming. It is quite true that I did not pin up a schedule and say, "These will be the rates two years hence."

Two years ago I attended the local authority conference and mentioned then the pattern of rising subsidy demand. I said, "If this continues to grow, a cut in rates will be inevitable."

Mr. Hanlon: At that time, according to the Press, you did stress that you wanted to keep up sewerage and water supply subsidies. They have not been cut savagely, but they have been reduced.

Mr. HILEY: I am not conscious of having used that expression, but those are still the two most generous rates on the list.

In my Budget speech 12 months ago I referred pointedly to the growth of subsidies and I indicated they would not be cut in the year under announcement, but it was perfectly clear that there was an intention to cut them. That was clearly expressed in the Budget speech, and I invite hon. members to study the words used on that occasion.

Mr. Hanlon: Did you mention at this year's conference the possibility of further cuts in two years? Did you give that warning?

Mr. HILEY: I told those attending the conference something I did not mention this morning. I told them that rising interest rates could cause subsidies to taper, that a collapse in the present organisation of transport in the State could have such an effect on the State's revenue as to cause subsidies to collapse completely. Apart from that, I was asked pointedly from the floor about it and I replied that in my judgment the rates were

clear enough now for another couple of years and that I did not think it would be necessary to look at them again in that period. That did not mean that they were going to be cut after that time. I have already indicated that we are faced with the problem of meeting high interest rates on new borrowings, and high interest rates when renewing old borrowings. I said that that could have an adverse effect. I am not permitted to tell you the position at the moment but I can say that in the next few days hon. members will see the first sign of a welcome movement down in interest rates. It will be trifling but nevertheless welcome, and if that trend continues, I should say there is no danger of further reductions in subsidies in the foreseeable future.

Mr. Burrows: Do you see any prospect of local authorities getting alternative sources to replenish funds?

Mr. HILEY: I am going to come to that matter.

The hon. member for Carnarvon asked about special help for Queensland. He inquired as to what was said at the Loan Council meeting. The Loan Council is a body representative of the Governments of all Australian States and it does not deal with special claims by an individual State. That matter is not one that is raised at the Loan Council meeting. Matters such as that are raised directly between Premier and Prime Minister. I do not want to cover all the ground covered in the Budget, but in the Budget two matters will be clearly set out. The first one, and hon. members have the story, is that £1,000,000 has been secured. At the present time State and Federal officers are negotiating for a further extension of it. A start has been made on the road from Julia Creek to Normanton, that is, the first section of it. Discussions are taking place on the continuation of that road to Normanton and down to Karumba. There is another one from Mt. Surprise. It runs transversely across Cape York Peninsula. It is in the area of Mt. Surprise to Mt. Garnett. The third one is down the Georgina Channel from Mt. Isa to Boulia. Those three roads are at present under discussion, so that the £1,000,000 that has been secured could in our judgment grow to five or six times that figure. In addition, and this was answered by the Premier this morning, the Mount Isa figure of £20,000,000 is also a sinking fund entitlement. We believe, as a matter of constitutional right, that we are entitled to it, but the Commonwealth believe, as a matter of constitutional law, that we are not entitled to it. We are trying to have that resolved.

Mr. Hanlon: They are not going to give us any direct out of their own revenue?

Mr. HILEY: If we win the argument, they will have to. If we lose, they will not have to.

Mr. Davies: They are definitely bound to make the money available somehow?

Mr. HILEY: The exchange of correspondence clearly establishes that, but then its final term has to be settled. We say a sinking fund entitlement is ours as a matter of constitutional right. It is not a matter for decision at all. We say it is settled by the Australian constitution. We say it is a borrowing by the State. They say it is a Section 96 grant repayable, bearing interest, and they say it is not a loan and not a borrowing. We say quite frankly that if that argument succeeds the English language has lost all its meaning. If I say, "Here is £1,000; you have not borrowed it, but you have to pay it back and you have to pay me interest on it," if that is not a borrowing, then, I repeat, the English language has lost all its meaning. It is a technical argument that a repayable grant under Section 96 is excluded from Section 104A of the Constitution. It is a financial agreement under which the sinking fund entitlement is not a matter of course or a gift. It is a matter of sheer constitutional right under the financial agreement where the several States of Australia forwent their independent borrowing rights and in return the Commonwealth did two things: it agreed to take no more than 20 per cent. of the total loan pool of Australia and in addition it undertook to contribute to a sinking fund out of its resources on all State borrowings. That was the bargain that was made and we believe the bargain should cover Mount Isa.

Mr. Burrows: In other words, if the Commonwealth Government cannot be forced to pay they are not likely to give it to you?

Mr. HILEY: They have made it very clear that they will not.

Mr. Hanlon: It is a rather harsh attitude towards Queensland by the sound of it.

Mr. HILEY: At least, on this question of help for Queensland I think this year will be the most significant ever. This will not give enough to the State. The Premier and I believe that the terms are still not good enough. We may be like *Oliver Twist*, wanting more, but we do not think so. We believe the State has a fair and reasonable claim to all the things we are asking for, but in fairness we will have to recognise that this year will be the most significant year yet for Commonwealth aid to Queensland.

Now to the hon. member for Townsville South's question in relation to beef: all I can say is that this Government are absolutely convinced that there is a revolution occurring in beef production under our very eyes. It is quite true that there is not a great deal of it visible in the Far North. To reinforce this argument let me say that better scientific land usage is brought about only as the pressure of population strengthens. When the population is broad and scattered we do not get good husbandry. It is only when we

get more people that we get a more active and intelligent use of the land, and that is the pattern of what is happening. I suggest to the hon. member that he arranges on one week-end to go out to the eastern Maranoa, on the eastern fringe of the hon. member for Balonne's electorate, start from Tara and go to Meandarra, Surat and St. George, and come out through Condamine. At this moment he will see not hundreds, but thousands, and tens of thousands of acres of fodder crops, where the brisgalow has been pulled, and where oats and barley have been planted and the cattle are feeding off these winter cereals as fodder supplements. If he wants another interesting trip, let him go to Arcturus Downs in Central Queensland where they are doing the very thing he spoke about. They are growing the sorghum on the property and moving the cattle to where the grain is produced. They are grain-lot feeding in measured doses over a set period.

Mr. Burrows: That is possible at Arcturus Downs, and it is the only way, because of the very high freight cost to get the grain to market.

Mr. HILEY: That is right. Grain-lot feeding will, I think, transfigure grain production in areas that are too big to use for grain alone. The freight would kill it if you moved the grain but feeding the grain on the spot, moving the cattle to it, makes the freight factor more bearable. That, I think, will be the pattern of it. I doubt whether in the Far North there will be so much in ploughed fodder crops such as oats and barley because the heat makes the area unsuitable for grain production. The pattern of the Far North will be set on pastures—enriched pastures, special pastures, imported grass and legumes, which will all play their part there.

On a combination of all those things, I believe there is a visible revolution in cattle production methods happening under our very eyes. Do not let us have any fears over the apparent slowness of it. I have found that one pioneer will start something in an area and if he succeeds he is better than all that agricultural advisers and all that Governments can do, because nothing will promote development of that character like neighbours copying one of their own successful neighbours.

Mr. Burrows: But it should be the function of the Government to experiment.

Mr. HILEY: We do.

Mr. Burrows: When the State Government did it at Peak Downs you people were their biggest critics.

Mr. Knox: Was that an experiment?

Mr. Burrows: Of course it was!

Mr. Hanlon: It opened up the whole of Central Queensland.

The CHAIRMAN: Order!

Mr. HILEY: Without the hon. member's beating himself into any frenzy over the past, give Peak Downs, with all its difficulties, some credit; it did have good points.

Mr. Burrows: That is the fairest criticism I have heard from your side or your party.

Mr. HILEY: Take in turn the sort of work going on at Brian Pastures and Belmont and other places and add to that the work being done by the C.S.I.R.O research stations on individual properties, plus individual work like that on Shaw's property in the hon. member's own area, where there has been some excellent work done. Then go to Numbank at Taroom in the Roma electorate. All over the place you will find men devoting time and money and effort to research and they are doing something of incalculable help to their neighbours and of benefit to the State. Let us be thankful for every bit of it. It is helping to promote this revolution. My colleagues and I are quite clear that grain-lot feeding, pastures and crops will revolutionise beef production in the State. They will take varied forms in different localities. You cannot do in the hot North what you can do in the cooler South.

Mr. Burrows: You need only to be converted on irrigation now and you will have a pretty fair concept of what is required.

Mr. HILEY: I thought I was converted on irrigation and I thought I was converting the hon. member, amongst other people, because we have found that it is far better and far more rewarding to produce water to help established settlers who are short of it than to try to work the other way, as the hon. member's colleagues did with the loss of so much money. That is why we are putting a dam in the Fassifern area to make sure that all those established settlers along Warrill Creek will have plenty of water.

Mr. Hanlon: If you are prepared to forsake the rest of the State and build all round the south-eastern corner, you will do it all right.

Mr. HILEY: If we had proceeded on the previous pattern we should have had the whole State bankrupt.

The hon. member for Maryborough raised the question of some orders for Walkers Ltd. I say to him that if he thinks we on the Government benches take pleasure in the fact that Walkers cannot get orders, he is quite wrong. On a number of occasions we hoped that, on competitive tendering, Walkers Ltd. would be in the picture, but they missed out. I am sorry to say that that has been my experience in one or two directions in Maryborough, one of which I told the hon. member about recently and which I think I should recount to the Committee.

The hon. member for Maryborough raised with me the fact that the Housing Commission and some of its contractors were buying timber elsewhere, not from Maryborough, and I made it my business to find out what

had happened. I found that it was quite true, but I also found that a contractor had placed orders with a mill in Maryborough and the mill did not supply the timber and asked to be excused because it was not convenient for them to supply it. As the hon. member knows, I did bring that unpleasant fact to his notice.

Mr. Davies: I shall be dealing with that in my speech in the Budget debate.

Mr. HILEY: Everyone is sorry about the plight of these industries in Maryborough. All I hope is that they do all in their power to see that they do not contribute to their own difficulties. When they get orders, for heaven's sake let them value those orders and execute them. Let them not behave as they did in the instance that I brought to the hon. member's attention and let the contractors down shockingly.

I repeat that I am grateful to the Committee for the matters that have been raised. I found them all very interesting.

Motion (Mr. Hiley) agreed to.

Resolution reported, received, and agreed to.

WAYS AND MEANS

COMMITTEE

VOTE OF CREDIT, £56,000,000

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

Hon. T. A. HILEY (Chatsworth—Treasurer and Minister for Housing): I move—

“(a) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1961-1962, a further sum not exceeding £26,000,000 be granted out of the Consolidated Revenue Fund of Queensland exclusive of the moneys standing to the credit of the Loan Fund Account.

“(b) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1961-1962, a granted from the Trust and Special Funds.

“(c) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1961-1962, a further sum not exceeding £20,000,000 be granted from the moneys standing to the credit of the Loan Fund Account.”

Motion agreed to.

Resolutions reported, received, and agreed to.

APPROPRIATION BILL No. 1

ALL STAGES

A Bill founded on the Resolutions was introduced and passed through all its stages without amendment or debate.

The House adjourned at 5.5 p.m.