

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 24 OCTOBER 1961

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

AUDITOR-GENERAL'S REPORT

PUBLIC ACCOUNTS

Mr. SPEAKER announced the receipt from the Auditor-General of his report on the public accounts of the State for the year 1960-1961.

Ordered to be printed.

QUESTIONS

WOMEN ON JURIES

Mr. AIKENS (Townsville South) asked the Minister for Justice—

“(1) How many women have registered for jury service in (a) Southern, (b) Central and (c) Northern Queensland?”

“(2) How many were called for jury service in the Criminal Court during the year ended June 30, 1961?”

"(3) How many served on the jury?"

"(4) How many were challenged by (a) the Crown and (b) the defence?"

Hon. A. W. MUNRO (Toowong) replied—

"(1) (a) Southern, 44; (b) Central, 3; (c) Northern, 4.

"(2) Southern, Central and Northern, Nil."

"(3) Southern, Central and Northern, Nil."

"(4) (a) Southern, Central and Northern, Nil; (b) Southern, Central and Northern, Nil."

HON. V. C. GAIR AND SENATE ELECTIONS

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

"(1) Has Mr. Vincent Clair Gair resigned from the Department of Labour and Industry to contest the Senate as a Queensland Labour Party candidate?"

"(2) Has any person been appointed temporarily to fill his position?"

"(3) Will Mr. Gair now receive a Parliamentary pension? If so, what amount of pension will he receive weekly?"

"(4) If he is defeated for the Senate, will he be re-employed in the Labour Department?"

"(5) If he is re-employed, at what salary will he resume employment?"

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

"(1) Yes."

"(2) No. The most urgent of his duties will be undertaken by other Officers of the Secondary Industries Division until the result of the Elections is known. It is the policy of the Government, and was of previous Governments, to hold such vacancies open until after Elections have been finalised."

"(3) This is not a matter coming within my jurisdiction but his leader, Mr. Duggan, who is one of the Trustees of the Parliamentary Contributory Superannuation Fund, will be able to give him the answer hereto."

"(4 and 5) He will be afforded the same treatment as will be given to the A.L.P. Candidate for the Federal Seat of Brisbane, if he is defeated and desires re-employment in the Public Service."

DETERMINATION OF SILTATION BY MEANS OF ISOTOPES

Mr. BURROWS (Port Curtis) asked the Treasurer and Minister for Housing—

"(1) In connection with siltation problems in our navigable rivers and certain harbours, has the possibility been explored of tracing the movements of silt by means of isotopes or other methods?"

"(2) Is he aware of the success of such methods in New South Wales?"

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

"(1) Yes. Use of isotopes for this purpose has been discussed with an officer of the Atomic Energy Commission and their trial is at present under consideration."

"(2) The Department is conversant with the work done in New South Wales in this behalf."

PAPERS

The following papers were laid on the table:—

Proclamation under the Diseases in Plants Acts, 1929 to 1948.

Orders in Council under the Abattoirs Acts, 1930 to 1958.

Orders in Council under the City of Brisbane Acts, 1960 to 1961.

Orders in Council under the Primary Producers' Organisation and Marketing Acts, 1926 to 1957.

Orders in Council under the Co-operative Housing Societies Acts, 1958 to 1961.

Orders in Council under the Stamp Acts, 1894 to 1961.

Rules under the Marine Act of 1958.

PETITIONS

AIR POLLUTION

Mr. HERBERT (Sherwood) (11.12 a.m.): Mr. Speaker, I beg to present a petition signed by 1,000 electors of the western suburbs of Brisbane, mainly from Oxley and Darra, praying that the Parliament of Queensland will pass legislation to deal with air pollution.

Petition laid upon the table and, on motion of Mr. Herbert, read and received—

"Petition

"To the Honourable the Speaker and Members of the Legislative Assembly of Queensland, in Parliament assembled—

"This Petition of the undersigned electors of the Western suburbs of Brisbane respectfully

"Showeth:

"That eruptions of industrial smog and dust have recently become so accentuated as to threaten the health, homes, and very existence of residents of many square miles, causing grievous damage to all goods and chattels, plant life and a continuing and incessant air pollution with resultant calamitous capital loss and mental disturbance to home owners,

"Your Petitioners, therefore, Humbly Pray that the Parliament of Queensland will pass the necessary legislation to deal with air pollution,

"And Your Petitioners will ever pray—"

Mr. HERBERT (Sherwood) (11.13 a.m.): Mr. Speaker, I beg to present a petition signed by 207 members of the Apostolic Church in the electorate of Sherwood praying that the Parliament of Queensland will pass legislation to deal with air pollution.

Petition laid upon the table and, on motion of Mr. Herbert, read and received—

“Petition

“To the Honourable the Speaker and Members of the Legislative Assembly of Queensland, in Parliament assembled—

“This Petition of the undersigned members of the Apostolic Church in the electorate of Sherwood respectfully

“Showeth:

“That eruptions of industrial smog and dust have recently become so accentuated as to threaten the health, homes, and very existence of residents of many square miles, causing grievous damage to all goods and chattels, plant life and a continuing and incessant air pollution with resultant calamitous capital loss and mental disturbance to home owners, and that these destructive influences which we have suffered for twenty-three years have damaged our place of Worship at Irwin Terrace, Oxley, and caused members personal discomfort and disgust,

“Your Petitioners, therefore, Humbly Pray that the Parliament of Queensland will pass the necessary legislation to deal with air pollution,

“And your Petitioners will ever pray—”

SUPPLY

COMMITTEE—FINANCIAL STATEMENT— RESUMPTION OF DEBATE

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

Debate resumed from 19 October (see p. 890) on Mr. Hiley's motion—

“That there be granted to Her Majesty, for the service of the year 1961-1962, a sum not exceeding £1,594 to defray the salary of Aide-de-Camp to His Excellency the Governor.”

on which Mr. Duggan had moved the following amendment—

“That the Item ‘Aide-de-Camp, £1,594’ be reduced by £1.”

Mr. TOOTH (Ashgrove) (11.14 a.m.): In rising to support the motion before the House and to oppose the amendment, I wish to compliment the Treasurer on his interesting and informative exposition of the finances of the State, and also upon his management of the public purse during the difficult period that he has been Treasurer. One major source of difficulty during the life of the present Government has been a long succession of dry seasons covering a period extending over about five years. I

mention these things because hon. members opposite have sought to discount any reference that may be made to the existence of drought. Indeed, some of them seem to be under the impression that there has been no drought at all. Those who admit a drought assert that it has had no effect upon finances, or alternatively it is the Treasurer's fault that there has been a drought. The facts of the matter are that there has been no general, widespread, overall, State-wide wet season since the summer of 1955-56. I have a very vivid recollection of that particularly rainy summer because in November, 1955, my wife and I took into our home, and subsequently into our hearts, a group of Colombo Plan students from Indonesia. I can remember that after their initial shyness had worn off these boys used to look quizzically at the succession of leaden skies of those days and say in their heavily-accented English, “Thunny Queensland.” That was about the last occasion on which we can recall a really widespread series of rains. Since that summer good rains have fallen from time to time in various parts of the State, but there has been no overall coverage. Because there have been some doubts cast upon that assertion by hon. members opposite I have taken the trouble to get meteorological summaries from the Bureau of Meteorology starting with the year 1957. I propose to read very brief extracts from them, under the heading of Queensland in each case. For 1957 it says—

“1957 was notable as an abnormally dry year particularly in the sub-tropics . . . very poor seasonal conditions for primary industry.”

For 1958 the official document reads—

“Abnormally dry weather from July to late November in all districts except the south-east created drought conditions in many areas of the northern tropics, and increased stock losses in the devastated south-west.”

Hon. Members interjected.

Mr. TOOTH: It is perfectly obvious, of course, that hon. members opposite do not like to hear these facts officially recorded.

For 1959 it says—

“Annual rainfall totals were above normal in the eastern districts and below normal over the greater part of the western half of the State.”

Again in 1960 it says—

“Over the greater parts of the State, however, low totals were recorded.”

For the year 1961 it reads—

“The overall pattern for the first 8 months of 1961 is one of rainfall deficiency.”

So throughout the whole of the life of the Government there has been a succession of dry periods. Therefore, I think that these matters should be placed in the parliamentary records.

The precise terms of the motion before the Committee make reference to the salary of a member of the Governor's staff, but by tradition and practice the debate may range, in dealing with it, over the whole field of Government administration. Notwithstanding some criticisms from my good friend the hon. member for Merthyr, I feel that it is a very good thing because it enables hon. members generally to deal with many matters which, under the Standing Orders, there would be no opportunity to discuss on other occasions.

Firstly, I should like to refer to His Excellency the Governor's leadership in promoting beneficial public causes and activities, particularly to his work in connection with the Commonwealth Youth week. I should like to express the hope that the initiative he has set will be followed and supported not only by members of this Parliament but by the public generally, and that the actual effort to arouse interest, not only in the Commonwealth of Nations as a great institution but also in its progress, its development and its difficulties, will become a permanent feature of our activities from year to year.

In this connection, I should like, if I may, to make two suggestions—that Commonwealth Youth Week be associated with and held the week of 24 May, the traditional Empire and later on Commonwealth Day, and that the Sunday afternoon parade of youth organisations which has been, up until this year, a feature of those celebrations should be revived. It was the custom until this year for Commonwealth organisations generally to assemble at some central point in the city and subsequently to move to various city churches. I think there is a great deal to be said for this. I know that hon. members generally are grateful to His Excellency and his staff for what has already been achieved.

The opportunity is provided in the Estimates for the Vice-regal staff, to discuss the Vice-regal office as such, and it is very important to refer to the fact that anything that derogates from its dignity or impairs its influence should be resisted.

There have been one or two examples of this recently to which I should like to refer. One in particular is a very glaring example in which I am quite certain, without any knowledge of or permission from His Excellency, a large photograph of the Governor was made the centrepiece of a window display of men's wear in one of the main thoroughfares of the city. Not only that, but included in the display was a photograph of a prominent jockey who is, at the present time, under suspension. It seems to me to be a very bad example indeed, of the exploitation of the Vice-regal office for commercial purposes, and I feel that it would be fitting and proper, if people of that type do not realise the obligations of good taste, that we should take some legislative steps to protect His Excellency and the

Vice-regal office from this type of impertinence. We have on our statute books legislation to protect the badge and the emblem of the State from commercial exploitation, and I feel that it may be necessary that consideration be given to the need for extending that type of legislative protection to Her Majesty and to her representatives.

At this stage, too, I feel moved to comment on the regularity with which gentlemen opposite raise the question of the origin from which Her Majesty's representatives come. I feel that it is time this whole tiresome controversy should be dropped, because any loyal subject of Her Majesty the Queen, irrespective of from where he comes, provided he is free of local political entanglements, should be eligible for appointment, whether he comes from Queensland, Australia, New Zealand, Canada or the Old Country. There is great merit in the exchange of people with outstanding leadership between one part of the Commonwealth and another, and there is a great deal of truth in the ancient adage that a prophet is not without honour save in his own country. I therefore feel that it would be a very retrograde move to establish a fixed rule as to the origin of vice-regal representatives in this community.

Under this Budget, we have to deal with the powers of Parliament, and this gives us an opportunity to discuss parliamentary functions and procedures. Such a discussion I feel is in order, and I wish to proclaim my personal view that parliament should be and is an open forum for the discussion of major political trends and currents of thought. I think this is a vital privilege and vital duty of members of Parliament. These things are of supreme importance. Not merely local but also national and international trends are important for the future happiness and well-being of the community, and I mention these things because of a curious incident that occurred in the House recently.

An A.L.P. Member: We thought you would get round to it.

Mr. TOOTH: It would appear that the hon. member who interjected has some sort of a guilty conscience. He said, "We thought you would get round to it." He has some prior knowledge of what I am going to talk about. I hope his views on this matter are accurate, because I am going to talk about a peculiar incident that happened quite recently when the Leader of the Opposition was speaking. It will be recalled that he was recounting how alleged big business interests in the State had offered substantial monetary aid to the Australian Labour Party in the forthcoming Federal election, and that he also had been offered assistance if he would enter the field of Federal politics. That is a fair enough statement, and I was interested and listened. In the course of his story I tried to interject a comment to the effect that some big business interests had no political conscience, but I did not get beyond the first couple of words before

I was very sharply interrupted and very sharply rebuked. Indeed I think it would be fair to say I was subjected to a very gross personal insult which was in due course withdrawn.

Mr. Aikens interjected.

Mr. TOOTH: The hon. member for Townsville South feels aggrieved also that gross personal insults should be cast across the Chamber and that, I may say, startles me, but I must confess that on the occasion I mention I was completely at a loss to understand the violence of the reaction because the remark itself was quite innocuous and had not been completed by me; nevertheless, this reaction took place. I also failed to understand the significance of the subsequent pleas that I should consider the sensitivity of hon. members opposite and that I should show the Leader of the Opposition greater consideration than I show him.

After searching my conscience in this matter and also the pages of "Hansard," I cannot find or recall any occasion when I have subjected an hon. member in this Chamber to gross, vulgar and personal insult or abuse.

I have therefore been forced to the conclusion that the resentment arises from my frequent attempts—and I admit them, and feel that I am carrying out my duty in making them—to discuss the implications of socialist policy, to discuss the possible effect and influence of fellow travellers in the Australian Labour Party machine, and to discuss and consider the implications of the absolute guarantee of obedience to Q.C.E. directives, which has been given by the Leader of the Opposition.

Are not these right and proper matters to be discussed in this sovereign Parliament? Indeed, are we not to have regard to anything at all which in our opinion imperils our democratic machinery and our democratic principles?

Mr. Aikens: Do you mind if I ask you a question?

Mr. TOOTH: I propose to ask a number of questions myself.

Mr. Aikens: Are you going to deal with the front page article in "Truth" on Sunday?

Mr. TOOTH: No: I have never attained the signal honour of a front page mention in "Truth," and I have no ambition to be in that particular category. I read the front page of "Truth" with considerable interest. To return to my theme I ask, "Would not the Opposition demand, nay insist, on a very full and open discussion if they thought that members of the Liberal Party were allied in any way with some international subversive organisation?" Would they not require it? Would they not make reference to it? I wonder what would be the reaction of hon. members of the Opposition if the Hon. K. J. Morris were publicly to announce his intention of obeying, without question, and without consideration, any

directive that might issue from Liberal Headquarters, 383 Wickham Terrace? Do not hon. members opposite regularly discuss the implications of Liberal Party politics? Have they not every right to do this? Indeed, I ask, "Have they not every duty to do this?" I assert that they have. When we discuss subjects that are of great public importance and interest, such as the policy of a major political organisation, and influences which guide, and possibly direct, the principles upon which it works, are we doing something that is wrong and improper? Are we not entitled to do this? Of course we are, just as they are, and it will be a sorry day indeed if some process of intimidation is adopted which tries to stop free and open discussion of political principles and political problems.

At this stage I should like to ask if the Leader of the Opposition accused Mr. Edgar Williams of improper conduct when in "The Worker" of 28 October last year he wrote with pointed reference to a prominent member of the A.L.P.—

Mr. Aikens: Name him.

Mr. TOOTH: I do not propose to name him unless some member of the A.L.P. asks me to.

Mr. Dean: Name him.

Mr. TOOTH: The hon. member for Sandgate asks me to name him. Very well, the gentleman about whom Mr. Edgar Williams was writing was Dr. Max Poulter, who had appeared, apparently, at a public meeting dealing with the Crimes Act. Commenting on this, Mr. Williams made the following statement in "The Worker" of 28 October, 1960—

"Any A.L.P. politician or aspiring politician who speaks from the same platform or is associated with a Communist on the same platform should be expelled. If the Queensland Central Executive of the A.L.P. does not expel him, they hold the party to ridicule and contempt."

Those were the views Mr. Williams expressed less than a year ago. I pose the question: did the Leader of the Opposition, Mr. Duggan, attack Mr. Williams? Did he accuse him of improper conduct or of smearing tactics? Nevertheless, when hon. members on this side of the House venture to discuss these important policies in an objective and reasonable way, there is resentment against them.

Mr. Aikens: Is it true that the A.W.U. return to the A.L.P. was worth £8,000 a year.

Mr. TOOTH: I am very interested indeed to learn from the hon. member for Townsville South that the A.W.U. return was £8,000 a year to the A.L.P.

Mr. Aikens: The Liberal Party did not get it.

Mr. TOOTH: We certainly did not get it and I do not know that we would be particularly interested in it.

Nevertheless, when it comes to a smear campaign I am moved to remember the speech of the Leader of the Opposition in this Chamber, during this debate, when he referred to an alleged pay-off to the Country Party from the Mt. Isa company. He suggested that the pay-off was designed to secure the co-operation of the Country Party in compelling the Leader of the Liberal Party to introduce certain legislation and he gave a sort of broad outline of this alleged pay-off. But the next day, at the Trades and Labour convention or conference, the outline was amplified and the details filled in by Mr. Frank Waters, who is a member of the Q.C.E. I propose to quote from "The Courier-Mail" report of Mr. Waters's statement. It reads—

"I am going to suggest that a very large sum of money changed hands and that certain party funds benefited before this Act was amended," Mr. Waters said.

"He had heard that between £50,000 and £80,000 had been paid by the company for the purpose.

"And the amendment was well worth it. It would be worth millions to the company."

That is a very tidy little smear. As smears go it would be hard to beat. But did this fanciful tale produce an hysterical reaction from the Government benches. Did this frankly abusive story lead to counter-attack and counter-abuse? Did the Premier and his colleagues of the Country-Liberal Party react, although they had every right to show great indignation and resentment? They did not. Rather did all members of the Cabinet treat this monstrous insinuation with the dignified disdain that comes from clean hands and clear consciences!

The Leader of the Opposition in the course of the same address referred to Mr. Fisher and Mr. Foots of Mt. Isa Mines Ltd. and their alleged membership of the Country Party, a statement which I understand to be ill-founded, at any rate in one respect. Nevertheless in the course of his reference to Messrs. Fisher and Foots's alleged membership of the Country Party, the hon. gentleman made what I consider to be a very significant statement, and I quote it because he made it in the course of this debate. He said—

"Why did they not join the Country Party while the Labour Party were in power if they had the courage to do it then?"

I stress that last part—

". . . if they had the courage to do it then."

What on earth does that mean?

Mr. Houston: You ask them.

Mr. TOOTH: I am going to tell the Committee what I think it means and what is the clear implication. To my mind the clear implication is that while the Labour Party was in power it took courage to join the Country Party. The further implication that neither Mr. Fisher nor Mr. Foots possessed that courage does not concern us at the moment; but we are concerned, and vitally concerned, in this Parliament, with the damaging admission that, during a socialist regime, courage is required to be a member of an opposing political party.

Mr. Aikens: Don't you think that the implication was that, while the A.L.P. was in power, they were members of the A.L.P.?

Mr. TOOTH: That is a novel thought to me, Mr. Taylor. I accept no responsibility for the suggestion made by the hon. member for Townsville South.

I recently heard the Leader of the Opposition boast that he was quite capable of making a speech without notes on the slightest provocation. This we know to be true. Indeed, I am personally a great admirer of the oratorical powers possessed by the hon. gentleman. Whenever he is speaking in the Chamber, I make it my business, if possible, to be present to listen to him. But let me say this: that people who become intoxicated with their own eloquence often say things that in their more sober moments they would wish unsaid. I hope—indeed, I am sure—that some of the more extravagant charges and accusations made by the Leader of the Opposition against hon. members on this side of the Chamber are in that particular category.

In reference to Parliament, the preservation of the integrity of this institution as an instrument of democratic government should be the concern of all hon. members. That leads me to discuss charges that have been made throughout the whole life of this Government, and have been heard again in this debate, of gerrymandering.

It is a constant source of wonder to me that members of the Opposition would even dare mention the word "gerrymandering". Let us recall the last redistribution under a Socialist Government, the time when the infamous four-zone system was inaugurated, which was designed to maintain the Socialists in power in Queensland in perpetuity, a fact that they openly boasted about. This four-zone system clearly resulted in the fantastic disparity that was reached in 1958-1959, when we had a city electorate containing almost 30,000 electors and a certain electorate in the four-zone part of the State hovering round the 4,000 mark. Of course, it was only the accident of the recent division in the ranks of the present Opposition that broke the electoral straightjacket into which Queensland had been forced in that way. I think we should consider, and consider carefully, the need for erecting a safeguard against any such state of affairs

in the future. Legislative checks and guarantees of some kind must be entrenched in the law to prevent the sort of grotesque travesty of democratic principles that was witnessed in the last redistribution under a Socialist Government. Former Socialist Governments have shown us the way to do it. They have already entrenched provisions against reconstitution of the Legislative Council; they have already entrenched provisions against the extension of the life of Parliament without reference to the people. I believe that we should consider also entrenching in a similar way legislation to prevent any form of gross maladjustment as between one section of the State and another in electoral power and influence. We should consider such an entrenchment during the life of this Parliament, giving the people, by referendum alone, the right to say whether the sort of distortions that occurred previously should be allowed to happen again.

I urge the Government to give this matter early consideration. It is dangerous complacency indeed to think that such a thing cannot, that such a thing will not, happen again. With the A.L.P. more firmly than ever before under left-wing influence, such a development is inevitable, in my opinion, unless some barrier is erected of a legal or a legislative nature. I therefore urge the Government to impose the safeguards necessary to prevent our sovereign Parliament being merely a registration bureau for policies and decisions taken elsewhere by people who are not known to the electors and who have no responsibility to them.

Mr. Houston: Fascist No. 1

Mr. TOOTH: That is a very interesting comment. The hon. member for Bulimba refers to me as "Fascist No. 1." I have no doubt that if I were to call him "Communist No. 2" he would spring to his feet and complain bitterly. However, sneering and casting aspersions across the Chamber does not get us very far. The proposal I have put to the Committee at this stage is a very fair and proper one.

I should like to leave that subject and turn to one of the greatest achievements in the life of the Government—the tremendous advance in educational facilities in Queensland, particularly the great advance in secondary education. I have no doubt that when he comes to discuss his Estimates the Minister for Education and Migration will give us the full details; it will indeed be a very interesting and heartening story. At this stage I should like to talk mainly on one general aspect of the problem. For the information of hon. members opposite let me say that I have other comments to make on the Estimates when I think the time available to each hon. member is 25 minutes.

The Government have recognised the need for a great development in our resources for secondary education. They have faced the

problem courageously and have succeeded brilliantly. That is due in no small measure to the Treasurer's readiness to face the immensely increased demands, both on the Consolidated Revenue Fund and Loan Fund, which indeed, will be more heavy and greatly accelerated when the educational reforms at present contemplated are implemented. We are now at a turning point in the development of the secondary-school system in Queensland. What happens in the next three or four years will fix the pattern for years to come. Therefore, what we do, merits very careful consideration and attention to all points of view.

One aspect that concerns me particularly is that there is every indication that the Department of Education is wedded exclusively to a policy of co-education in high schools. At this stage I am not anxious to become involved in a controversy regarding the relative merits of co-educational schools and segregated schools. There is much to be said for both approaches to the problem. Each has good features and each has its disadvantages. But I do wish to go on record as claiming that Queensland should not be committed exclusively and irrevocably to either policy. All Queensland State High Schools, with the exception of two at Maryborough—and there is a historical reason for them—are co-educational, "or co-instructional." The basis of my submission is that wherever possible (and I make that proviso) parents should have the choice of sending their children either to a co-educational institution or to a segregated institution. That is not the position at the moment. All grammar schools, all church schools, have long waiting lists. If a child is not registered with one of those private schools or grammar schools he must be sent to a State High School, which means he must be sent to a co-educational school. Irrespective of personal views of the merits and demerits of segregated schools and co-educational schools, I stand firmly on the principle that where possible parents should have a choice and be able to decide for themselves what type of school their child goes to.

Mr. Houston interjected.

Mr. TOOTH: On those grounds I ask the Government to look at the problem afresh. In answer to the interjection by the hon. member for Bulimba, let me say that the situation is not yet static; it is very fluid. There will be many more State high schools established within the next two or three years.

Mr. Aikens: You want separate high schools for boys and girls?

Mr. TOOTH: I am saying that there should be sufficient of them as well as co-educational schools, to give parents a freedom of choice. I think that is a very democratic principle and I espouse it. But, let me say also—

Mr. Mann: Come right out into the open and say what you mean.

Mr. TOOTH: I am not going to answer that. It is amazing that the hon. gentleman cannot follow a simple proposition. What I am saying is, let us—

Mr. Davies: You are opposing Party decisions.

Mr. TOOTH: I am not opposing any Party decision. I am saying what I have said on a number of occasions, that members of the Government parties are not regimented as to what they say in this House. They can express their views on matters of public interest.

On those grounds I submit the proposition that parents should have freedom of choice as between segregated and co-educational schools but I wish to say that the controversy between co-educational and segregated schools has been, by no means, settled in favour of co-educational schools. If you want to settle it on the basis of results there would be few who would say that the segregated schools in Brisbane either boys' or girls', had results in any way inferior to those of the co-educational schools.

Mr. Houston: On what do you base that?

Mr. TOOTH: I leave it to public opinion to decide, but I should say that it would be indeed very difficult to prove that their results are in any way inferior. There is no firm decision on the question of co-educational versus segregated schools.

Like so many other things, in educational practice they can change from time to time; they change from generation to generation. I remember the time when ordinary mechanical drill in tables was frowned upon. Then the wheel turned a full circle and it was regarded as the simplest and most effective way of learning.

There are many other aspects of educational practice that come and go, and this particular matter is a case where it is possible there will be a return to earlier views. Indeed, recently the subject was vigorously debated in the columns of the "Sydney Morning Herald" in New South Wales. This is a very live issue down there as well. I shall quote from one of the principal protagonists in this particular debate. Dr. John Nash, lecturer in psychology, University of Sydney, writing in the "Sydney Morning Herald" of 14 September last said this—

"It is a matter of concern that, although the question of segregated versus co-education has been debated for some 40 years at least, in all this time no serious attempts have been made by educationists to study the matter scientifically.

"Hence the claims of both sides are based on opinion, not on fact, and neither has much concrete evidence to support its claims.

"However, some scientific evidence is becoming available from the study, in

recent years, of developmental psychology. This evidence is yet incomplete, but the trends support the claims of the separationists in education, and suggest that co-education (at least as presently conceived) has serious shortcomings, apparently not generally realised by the teaching profession."

Mr. Hughes: It is a matter of economics mainly.

Mr. TOOTH: No. That is unfortunately a wrong conception. It is true that economics may influence the policy of the Government, but in the educational approach to this subject economics have no influence at all.

Further on Dr. Nash said—

"The evidence becoming available from the study of child development suggests that co-education will, in fact be shown to be unsatisfactory. One of the assumptions underlying it is that the differences between the sexes are negligible, and have no need to be considered in designing an educational programme. Indeed, some of the more extreme co-educationists have regarded sex differences as undesirable and to be suppressed.

"We are now beginning to understand that there are important differences between boys and girls, in the rate and manner of development, and in their education needs at various stages. A well-designed educational system might be expected to take account of these, unless it is decided, after due deliberation that they should be minimised."

In conclusion, Dr. Nash said—

"Thirty years ago, in the light of knowledge then available, co-education could be regarded as up to date, and progressive. Today, in the light of more recent knowledge, it must be regarded with suspicion."

I quote the opinions of Dr. Nash, not necessarily to support them although I have considerable sympathy with them, but to demonstrate that this is still a very open question amongst the experts, and I submit that while doctors still differ it is wrong to create a situation where parents are compelled to accept either one system or the other. Where it is possible to provide a choice, such a choice should be provided. I know the demand exists. I cite as an example that I have recently provided a prominent teacher in a State high school with a personal reference to enable him to enroll his daughter for admission in one of the large girls' schools in Brisbane in three or four years. If he feels like that, and he would like to exercise a choice in the matter, surely many other parents would wish to do the same. He wanted to have her enrolled for admission in case he could afford it. He wanted to have the opportunity of picking that type of school for her.

I hope the Government, and in particular the Minister for Education, will at this critical point in the development of our secondary system take steps to see that the right of parental choice in the matter is preserved, when and where it is at all possible.

Hon. P. J. R. HILTON (Carnarvon) (11.59 a.m.): This has been a rather dreary Budget debate, perhaps because of the very uninspiring Budget speech delivered by the Treasurer.

Before I pass on to the Budget itself, I should like to deal with a question directed to the Minister for Labour and Industry this morning about the pension entitlement of the Hon. V. C. Gair. The hon. member for Brisbane, who asked the question, said that he wanted to let the public know that Mr. Gair had a parliamentary pension entitlement. There is nothing startling about that, because I remind hon. members that the late Harry Bruce, a former Minister of the Crown in Queensland, also had a pension entitlement after he retired from the State Parliament. He was selected and endorsed by the Q.C.E. of the A.L.P. prior to his election as a Federal member. Again, Mr. Alf Brand, a former member of this Parliament, with a pension entitlement, was elected to the House of Representatives some years ago. I understand that once they are elected as members of the Federal Parliament their State pension entitlement ceases. I think the hon. member for Brisbane was trying to convey to the public the idea that Mr. Gair would continue to receive his Parliamentary pension after he was elected to the Senate, as undoubtedly he will be at the next Federal elections. I make these explanations to clear the matter up. Any former Queensland Parliamentarian who is drawing a Parliamentary pension to which he has contributed is not entitled to draw it while he is a member of the Federal Parliament. Let there be no hypocrisy or false propaganda about that.

Mr. Hughes: The hon. member for Brisbane is jealous.

Mr. HILTON: I would not say he is jealous. Other feelings prompt him.

In my opinion, there is nothing to enthuse about in the Budget on this occasion. I do not propose to analyse it in detail but I shall refer to the points that strike me forcibly. Again the Government have budgeted for a deficit, the fifth in a row, bringing their total deficits to £5,720,000, assuming that this deficit is not exceeded. That figure includes £1,588,000 transferred from Succession and Stamp Duties Special Account to the Consolidated Revenue Fund a year or two ago. The State taxation per head in Queensland has increased enormously since the Government took office. I think the increase is between 30 and 40 per cent. but there are no detailed figures in the Budget or the tables that would allow us to obtain that information readily. However,

the question rises in my mind as to what will happen if Budget deficits are to continue indefinitely. It is obvious that Queensland will be in an extraordinarily difficult situation. Continuing deficits will have far-reaching effects. I do not know of any new taxation field that the Treasurer is likely to tap in the future; he has covered the ground very well during his term of office. If I knew of any new field I would certainly mention it to him because he would quickly pounce upon it. If there are no more new fields of taxation available—and I do not think there are—and if deficits are to continue year after year, without doubt the State will go bankrupt in due course. There is no reserve fund or trust and special fund on which the Treasurer can draw to reduce accumulated Budget deficits as he did a few years ago to the tune of over £5,000,000. I do not think the Treasurer believes that it is a good idea to fund deficits from loan money. So where are we heading?

The point that strikes me is that when the Government undertake to guarantee local authority and State Electricity Commission loan raisings we might reach the stage when the investing public will be concerned about those Government guarantees because of the growing deficits in the Consolidated Revenue Fund. I am not a "knocker," but that is a possibility.

Mr. Hughes: How do you reconcile Calwell's £100,000,000 deficit?

Mr. HILTON: I am talking about the State Budget at the moment. I will have something to say about the Commonwealth Government in due course.

Mr. Hiley: How do you account for the fact that we have been able to raise all our loan programmes and your Government never could?

Mr. HILTON: I am glad the Treasurer made that interjection because in the last year that we were in office the local authority programme was raised in full except for a few pounds and the incoming Treasurer merely carried on on that basis. The reason was that, although the interest rates had increased through the spiral of inflation, the higher interest rate brought about by the pressure of the hire-purchase interest rates made local authority loans, with the guarantee of the Government, more attractive. Admittedly the State Government Insurance Office and the State Superannuation Funds made their contributions, as they have done for years, but, if there are to be continuing deficits, what consideration are the investing public likely to give to the State Government's guarantee in respect of the repayment of interest and redemption of local authority loans? Under the Financial Agreement the Commonwealth Government will have to step into the picture, but in that event they will be in charge and we will have to do their

bidding. Sir Otto Niemeier's visit will not be in it if we reach that unhappy position with the Commonwealth Government.

I know the Treasurer admitted a few years ago, following the signing of the new financial agreement, that if we reach a stage of dire necessity we can again approach the Commonwealth Grants Commission for some assistance but, of course, before the Commonwealth would ever consider that, they would undoubtedly exercise their prerogative and ensure that anything they regarded as being extravagant, such as free hospitals, should go by the board for Queensland. I think that is actually in the terms of the new financial formula adopted a few years ago.

Again, we are still in the dark about the Mt. Isa railway line. I am very anxious for that matter to come before the Committee so that we will have some detailed knowledge of how it will affect the Consolidated Revenue Fund in the future. We are told now that the loan guaranteed by the Commonwealth is for £20,000,000, repayable over 20 years at 5½ per cent. Even that figure will increase the burden on the Consolidated Revenue Fund by £1,674,000 a year and of course the other £9,000,000 or £10,000,000 for the reconstruction of the line will again mean a further burden, which will make Queensland's position very acute, if, as the Treasurer pointed out, in the existing circumstances the Government have to budget for a deficit of £600,000 in order to provide the minimum services required in the State.

So we will be interested to see what the State's actual commitments will be on account of the Mt. Isa railway line. We will be interested, too, to learn the extra revenue the railways may earn from that reconstruction but of course if the present Mt. Isa strike continues much longer—as the Government are already losing railway revenue to the extent of £75,000 a week—obviously the deficit this financial year will be well over £1,000,000. I am glad to know, according to Press reports, at least, that the Commonwealth Government are not insisting on any further matching grants in connection with the money being made available for the construction of beef cattle roads in Queensland. If that is so, they insisted that the State provide £350,000 to match the grant that they are making this year.

Mr. Hughes: That is all out of £5,000,000.

Mr. HILTON: The hon. member interjects that it is out of £5,000,000. As I see it, the £5,000,000 is really something that would normally be given each and every year but is being spread over five years. It is still not as much as Western Australia receives, and has been receiving for years past, in State grants without any matching obligations. The Commonwealth Government cannot answer that statement, and they cannot deny that for many years Western Australia has been receiving a sum greater than this particular grant for beef cattle roads.

It is interesting to read of the alleged squabble that took place in the South about this matter. I think that the report in today's paper relating to the meeting of the Transport Advisory Council was merely eyewash and propaganda. If there is any substance in the remarks of certain Ministers, who allegedly attacked the Commonwealth Government because of its attitude to Queensland on this project, it will obviously mean that that money will come out of funds that normally would be appropriated to Queensland under the Commonwealth Aid Roads Agreement. That question must be investigated thoroughly. If it means only an advance payment of money that the State would normally receive under the Commonwealth Aid Roads Agreement, it is obviously only a very big piece of unworthy political propaganda.

Mr. Hiley: It is completely separate from the Commonwealth Aid Roads Agreement.

Mr. HILTON: If that were so, one would think that the responsible Ministers of New South Wales, Victoria and South Australia would have known that and would not have launched such a vitriolic attack.

Mr. Hiley: That is why they allegedly did it. They are objecting to something in which they do not share.

Mr. HILTON: How can South Australia, in all conscience, launch such an attack when she has received millions and millions of pounds? It is obvious that the Commonwealth Government have not made the position clear even in the legislation they have brought down, otherwise the Ministers would not be acting so foolishly.

Mr. Hiley: If you go to a pig farm, the best fed pig in the litter still snorts for more.

Mr. HILTON: I agree with the simile that the Treasurer has so aptly made. However, even if it is, as I hope, still over and above the money that would normally come to the State, it is far from sufficient to meet Queensland's needs at present.

I think that the charge of discrimination against Queensland can be substantiated on every count. It is worthy of note that one of Queensland's weekly newspapers is now paying particular attention to this matter, and I endorse the very illuminating article written in that paper on Sunday last. It is time that the public conscience in Australia was awakened to the shocking attitude that the Commonwealth Government have adopted towards Queensland. As the Treasurer pointed out in his Budget speech 12 months ago, the Commonwealth Government even insisted that the small amount of £3,000,000 or £4,000,000 that was received from the Commonwealth Savings Bank under the agreement entered into many years ago when the State Savings Bank was unfortunately handed over to the Commonwealth should be regarded as part of the Commonwealth's loan-raising programme. They insist on that, again showing the discriminatory attitude

they adopt towards Queensland. As the Treasurer rightly pointed out other States can use the funds available through their own savings banks to boost their developmental works and loan programmes without any question being asked by the Commonwealth Government.

Mr. Hiley: Would you agree that when your predecessors handed over the State Savings Bank they did Queensland great harm?

Mr. HILTON: I do not know that I could claim them as my predecessors. It goes back into the 1920's. I was not in Parliament then. I think the financial position was entirely different then from what it is now. I recall that in the 1920's the Labour Government of Queensland were forced to do many things because of the continuous false propaganda carried out against them not only in Queensland but over in London. They were forced to go to New York to try to raise sufficient loan money following the now famous, or infamous Vowles deputation that went to London to try to cruel the pitch for Queensland. When the Savings Bank was handed over I do not think it was envisaged that a future Commonwealth Government would adopt the mean and paltry attitude of insisting that loans raised by a State Government in Queensland from the Commonwealth Savings Bank must be considered as part of the overall loan raising, thereby further jeopardising Queensland's financial position.

It is obvious that we are in a difficult financial position and that we are placing the local authorities in a similar situation. It is more regrettable that the financial position into which the Government have floundered has forced the curtailment of local authority subsidies at a time when we are looking for every avenue of employment and when local authority finances are in a very parlous state. I had something to say about that at the commencement of the session, and I appeal to the Government again at this late stage to reconsider the allocation of subsidies to local authorities. It is a policy calculated to act very adversely against the much-vaunted policy of decentralisation, about which the Government talk but do nothing. Important irrigation works are being postponed indefinitely, with one or two exceptions. The Treasurer regards loan expenditure on big irrigation works as being of a wasteful nature. I take him to task in that 12 months ago he said that the State would have to see that the loan expenditure at least produced some degree of recovery to the State Government. With great irrigation schemes the Government can obtain revenue by way of water charges. Was the Treasurer logical and sincere in his approach? He does not object at all to substantial expenditure each and every year on tourism. A great amount of money has been spent by the State to attract tourists, not only through the Vote for

the Tourist Bureau but in other directions in providing additional tourist facilities. Who gets the financial return from all that? The private individuals who run tourist facilities, paying taxation to the Commonwealth Government, not the State Government. The State Government get no return other than a small amount of commission through certain tourist offices. The Budget figures show that there is a revenue of something like £110,000, but most of it is made up with money from railway bookings that would normally flow into railway booking offices. A small amount of commission may be received by the Tourist Bureau in Queensland and elsewhere, but the State does not hesitate to do whatever is necessary to build up the tourist industry, which obviously is calculated to benefit, first of all, private individuals, and in the final analysis, the Commonwealth Government.

We have reached a stage where things are now so difficult for this State, and some of the other States, that I think there should be an immediate consideration of the whole subject of financial relationships between the States and the Commonwealth. The Commonwealth Grants Commission was established prior to the advent of uniform taxation. There is no gainsaying the fact that with the advent of uniform taxation the position has been made very acute for certain States, particularly Queensland. The whole position should be recast, and some consideration should be given, first of all to the role that this State plays in building up funds to assist our overseas balances. Queensland plays a premier role in that direction, but what consideration does she receive in return from the Commonwealth Government?

Again, States with a large area such as ours, a relatively small population and a great length of railway, must be called upon to spend large sums of money on developmental works. With the advent of uniform taxation it is obvious that the return from these works will flow into the Commonwealth Treasury. There is no question about that. Why should we be so hardput to carry on essential services such as education, the police force, hospitals and so on, when the money we are spending on development is ensuring that the Commonwealth Government will receive greater revenue than ever and will be greatly assisted with balance of payments overseas? I think it is only fair, reasonable and logical that there should be a reappraisal of the present position. I should like to see it done. I do not hold out any hope of its being accomplished with the present Commonwealth Government, but the time will come when there will be a Government in charge of the Commonwealth that will take fair and due notice of these particular aspects.

Even with the Commonwealth Aid Roads Agreement, the Commonwealth are insisting on the vicious principle of the State providing certain matching grants. If a State is entitled to some assistance with road construction,

what warrant is there for the Commonwealth Government's insisting that the State be obliged to provide certain matching grants out of Loan Funds that may be urgently needed in other important directions? It is a vicious and pernicious principle for the Commonwealth Government to adopt. I express my resentment at it and the State Government should do likewise.

Mr. Hughes: £300,000 in £5,000,000?

Mr. HILTON: That is on the construction of beef-cattle roads but, so far as aid for road construction generally is concerned, whilst the Treasurer admitted a few years ago that we get a smaller slice of a larger cake, there is still the principle of the State providing certain moneys, running into considerable sums, in order to supply what the Commonwealth Government call matching grants. It means that the State is limited in its sovereign rights in expending its revenue and loan funds as it thinks fit.

Mr. Hiley: I could not agree with you more.

Mr. HILTON: I am glad to have that admission from the Treasurer, but why do the States not rebel against it when agreement is being reached in the Loan Council regarding this procedure? It works out that the Commonwealth Government are deliberately bribing some of the States in order to get agreement on that principle. I do not see why any State should accept the principle of dictation by the Commonwealth. Why do they not protest against it and insist that they should be able to exercise their sovereign rights in the expenditure of this money? I have referred to the urgent need for reconsideration of the financial relationship between the Commonwealth and the States. The present position calls for urgent, immediate action to relieve unemployment not only in Queensland but throughout Australia. We have been placed in a ludicrous position. In an effort to correct the overseas trade balance the Commonwealth Government have deliberately created a grave recession in Australia's internal economy, a most foolish policy, the chain reaction to which is still growing. Unemployment is increasing and confidence is being lost throughout Australia. The effects, of course, are felt more in some States than in others, and they are being felt very severely in Queensland. A very sound businessman to whom I spoke recently told me that the business world was only now beginning to feel the effects of this artificial economic recession brought about by the Federal Government's effort to correct the overseas balance of payments. Unless some definite, positive action is taken, I think the position will grow graver and graver. Unemployment has reached a very serious stage in Queensland, and with the cessation of certain seasonal industries it will be even worse. I should like to see the

State Government demand of the Commonwealth Government that a special unemployment loan, up to £50,000,000, if necessary, be raised. I think the loan market would provide the money if it were to be used for the specific purpose of relieving unemployment and of providing a measure of confidence among the general public, and if it was to be apportioned on a fair and equitable basis among the States according to their particular position and used to stimulate the timber and building industries, forestry and local government works. Such expenditure would have a magical effect in a very short space of time.

Although economists differ on many points, they agree that during a recession in the private sector of trade and commerce it is the duty of the Government to pump extra money into the economy in order to offset the recession. Experience has proved the policy to be correct. In the past it had a very correcting influence when eventually it was acted upon after the big depression in the early 1930's. I cannot see why we cannot give effect to this principle on which all economists agree by raising a loan to overcome unemployment and by channelling the money into the works I have mentioned. In the channelling of money to local authorities the matter of subsidies could be taken into consideration, to offset the tragic blow delivered to local authorities in Queensland by reduction of subsidies that were given under the excellent policy pursued for many years.

At the last local authorities' conference the Treasurer made an eloquent apology to the assembled delegates for the Government's action in this direction. Although there was some logic in his explanation, logic does not rectify a position that has become much worse and is likely to get even worse still in the years ahead. Local authorities that were accustomed to a definite rate of subsidy for years and years are now confronted with a very difficult position owing to the substantial reduction of some subsidies and the elimination of others.

The Queensland Government should communicate with other State Governments to press for a special meeting of the Loan Council to consider the raising of an unemployment loan for specific purposes. That would restore a degree of confidence to the community and would be very effective in arresting unemployment which is growing day by day in the community, and of course, it would arrest the growing lack of confidence that is dominating the trading world and the Stock Exchange.

During the Address-in-Reply debate I referred to the tobacco industry. I am not conversant with all that has happened in the other States, but by and large, the outlook is similar throughout Australia. I was a little disappointed the other day, when the hon. member for Tablelands the Chairman of the Tobacco Board, spoke, that

he did not deal more extensively with this subject. So far we have not been given the details of the report of the special committee appointed by the Commonwealth Government to inquire into the tragedy affecting this industry. However, if I am any judge, the substance of the report will be that the growers are mainly responsible for what has occurred and they will have to produce better quality tobacco in the future so that the manufacturers will buy it. I do not think a great deal more will emerge from it other than that they will intimate—and they could not do otherwise—that a certain percentage was useable, and should have been bought. This industry is a great money spinner for the Federal Government and it has played a big part in correcting adverse overseas trade balances and should receive immediate help. It is obvious from all that has occurred in this sphere in the last 30-odd years, that the tobacco industry will never be stabilised while the growers are at the mercy of the manufacturers. Time and time again, when we thought the industry was stabilised, the manufacturers threw a spanner into the works but never as big as on this occasion. I believe that the Marketing Board in Queensland should be given wider powers and the same provisions should be adopted in all States so that the Marketing Board can handle the sale of all tobacco just as the Wheat Board in Queensland handles the sale of all wheat. I admit that they are entirely different commodities, but if the Tobacco Board was given financial backing, and the power to act as the selling agent for the growers, there would be some degree of stability in the industry. Expert appraisers—representatives of the Government and the growers—could be appointed to make a correct appraisal of tobacco crops as they are produced, and the tobacco could be delivered to a central depot. Instead of the mock auction sales of recent months we would find that the board, knowing the true position, and knowing what the price should be, because of the opinion of the expert independent appraisers, would be selling the tobacco direct to the manufacturers. In my opinion, until such a policy is established, the tobacco industry will never be stabilised in Queensland or anywhere else in Australia. I believe that the Queensland Government should give early consideration to the inauguration of a moratorium to protect growers who have been forced in recent times to mortgage their properties to private financial institutions. Only at the week-end I had the case of a man with a property valued at about £14,000 or £15,000 who was compelled to mortgage it to a private financial concern because of the credit squeeze enforced by the banks. He produced over 9½ tons of tobacco, most of which was not sold. He cannot pay off the mortgage, which normally he would be able to pay off during a season. He cannot obtain one more pound of assistance to produce a crop. He cannot meet his

obligations to the mortgagee and he may lose possession of the farm in a few months. That would be a tragedy. I understand many other growers are in a similar position. I appeal to the Government to have an urgent survey made of this aspect of the industry and some action taken to prevent it. Incidentally, this man has been growing tobacco for five or six years. He has his own independent water supply. Experts of the Department of Agriculture and Stock tested the water he used for irrigation and found it had no salt content. Despite that, and despite the fact that he been growing and selling tobacco readily for the last four or five years, he now has most of his crop left on his hands.

We know that matters are very mixed in the political and financial worlds and that the people of Queensland and of Australia are looking for some light in the darkness that seems now to enshroud them politically, financially and otherwise. I believe that light is beginning to grow very bright and people are realising that, while the Country Party-Liberal Government have let them down and while they cannot trust the A.L.P., they are bound to look to some other party to lead them out of the mire.

I want to refer to certain statements made by the Federal Leader of the A.L.P., Mr. Calwell, on the occasion of his last visit to Queensland. When he left he said he was not without hope that preference votes from the Queensland Labour Party and the D.L.P. would be given to the Australian Labour Party to ensure their return to government at the next Federal election. It is passing strange that Mr. Calwell should have made that statement and that Labour candidates throughout Queensland are now going round begging preference votes from Queensland Labour Party members. I remind them that, when genuine and sincere overtures were made in the early part of this year to bring about a reconciliation in the divided ranks of Labour on the main condition that we would adopt again a strong anti-Communist policy, the Queensland executive of the party and the Federal executive did not have the common decency or courtesy to acknowledge the submissions we made to them. How can Mr. Calwell speak so hypocritically of expecting preference votes from us at the next Federal election? Obviously since the A.L.P. officially denied itself the right to fight Communism in the trade unions in 1955 the position has deteriorated throughout Australia. One has only to read the resolutions carried at the Australian Labour Party's Federal Conference in 1948 and one carried in 1955 and re-endorsed in 1959 to understand the rot that has set in in the A.L.P. I shall quote briefly from the report of the 1948 Federal Conference of the Australian Labour Party, which said—

“Conference further declares that the policy and the actions of the Communist

Party demonstrate that that Party's methods and objects aim at the destruction of the democratic way of life of the Australian people and the establishment in its place of a totalitarian form of Government which would destroy our existing democratic institutions and the personal liberty of the Australian people. We therefore declare that the A.L.P. through its branches, affiliations and members must carry on an increasing campaign directed at destroying the influence of the Communist Party wherever such exists throughout Australia."

Further on the motion congratulated "Those sections of the Labour Movement who were carrying on a persistent and determined campaign against Communist influence in their respective organisations."

Then in 1955 the Federal Conference of the A.L.P. carried this resolution—

"In respect of the question of Group organisation generally, official A.L.P. recognition shall be withdrawn by all State Branches. State Branches shall be requested to conduct an educational campaign . . ."

It has never been conducted. That resolution prevented, and still prevents, of course, the A.L.P. as a political party from fighting Communism at the trade union level. It is amazing now to hear Mr. Whitlam making a statement and Mr. Calwell making a statement regarding A.L.P. support for certain candidates running for union positions in the South. Surely they must realise that the position is pathetic, to say the least of it, when it is apparent that their own party cannot officially take action to support the candidates that they now claim they wish to see elected.

The policy preventing the A.L.P. as a party from fighting Communism was again endorsed in 1959, and a very significant motion was moved by Mr. J. Egerton on that occasion. Of course, a little window dressing was associated with the clever motion that was moved, and we were told at that time that there was going to be firm action against unity tickets after the 1959 conference. In "The Courier-Mail" of 16 May, 1959, this headline appeared—

"Tougher Labour Policy on Unity Tickets after Win by Queensland."

That was two years ago; but recently, when a section of the Parliamentary A.L.P. tried to have some action taken on unity tickets, the Queensland delegates from the Q.C.E. stood foursquare behind the Victorian A.L.P. on that question. Of course, a white-washing policy was carried out.

Mr. Hughes interjected.

Mr. HILTON: I am only stating the facts as I see them.

When I mentioned some time ago that the people of Australia had lost their confidence in the A.L.P., I was merely re-echoing the statements made by the Leader of the Opposition in this Chamber, Mr. Duggan, not only this year but last year. It is interesting to

read portions of the hon. member's address to the Trade Union Congress that was held in Brisbane last year. He said—

"There are people who preach co-existence in the national sphere but annihilation in the local sphere."

Those words "annihilation in the local sphere" registered very strongly in my mind. Are we to see a repetition of the events of 1957? We read now of Mr. Egerton's attack on Mr. Duggan, of his statement that only certain members of the Parliamentary Labour Party are persona grata at the Trades Hall. It is the same Mr. Egerton who, before the split in the Labour Party in Queensland, coined the phrase, "Gair must go." It was he who took the lead more than anybody else in splitting and destroying the Labour Party in Queensland. The words "annihilation in the local sphere" register strongly in my mind at the present time. Perhaps he is adopting his present policy because Mr. Duggan said last year, "Socialism of industry was accepted as part of Labour's objective, but there were people who were becoming impatient over its achievement. They claimed it would be better to remain in Opposition interminably than deviate in any form from that objective." Evidently Mr. Egerton is not satisfied with the leftist progress that has been made by the present A.L.P. in Queensland. So we come to Mr. Duggan's statement the other day. I am not speaking unkindly in any way. I really endorse the sentiments he expressed. As reported in "The Courier-Mail" of 13 September, in reply to the very "warm welcome" Mr. Egerton gave him when he went to open the Trade Union Congress, Mr. Duggan said that he deplored that Australia did not have a Labour Government. He said that the fact was that Labour had been unable to sell the people the assurance that it could be trusted. As I stand here or go out on the hustings and say that the people cannot trust the A.L.P. at the present time I am only repeating the words of a responsible member of the A.L.P. in Queensland. Unfortunately that is the position. Those sentiments were expressed by the Parliamentary Leader of the Australian Labour Party last year and again this year. Despite all the talk about unity in the A.L.P., unity is a myth; the fight still goes on. Mr. Nolan of the Q.C.E. said that Mr. Egerton could be suffering from some form of frustration. I do not know whether he is frustrated because a concrete wall and a barbed wire fence have been erected in Berlin dividing the East from the West. I recall that when he returned from a visit to East Germany not so long ago he said one of the places in the world he would like to live in would be East Germany. Now he finds that he may not be able to get back to East Germany; he may be frustrated on that account. He told his fellow-unionists in Brisbane how he had seen Socialism at work in Red China, how he hoped that the workers of Australia would have the same opportunity as the workers in Red China.

He may be frustrated because the workers in Australia fortunately are not receiving the same opportunities as the Communist slaves in Red China. Whatever the cause of his frustration may be, his fellow-unionist on the Q.C.E., Mr. Nolan, has excused him by saying, "Mr. Egerton feels a little bit frustrated."

Recently Mr. Nolan returned from a private visit overseas, which included a visit to Hungary where he attended the conference of the World Federation of Trade Unions. Of course, that is a Communist body throughout the world. The British Labour Party will have nothing to do with it, nor will America or any other free country. This man who poses as a great A.L.P. supporter in Queensland boasts of the fact that he attended that World Federation of Trade Unions Congress and that he was honoured to preside at a session thereof. This was regarded, he said, as a tribute to the transport industry in Australia. Now that man is found praising, in no uncertain terms, all that exists in Hungary at present. The massacre of a few years ago when the workers rebelled to retrieve their position, evidently does not concern Mr. Nolan. Everything is marvellous in that country at present in the eyes of this great supporter of the A.L.P. whose union reaffiliated with the A.L.P. after the split, having been out since 1925. This man who professes to be anti-Communist, who signs a pledge to that effect when seeking A.L.P. membership, comes back and writes in the Press of his visit to Hungary and his association with the World Federation of Trade Unions which is a Communist outfit.

Sometimes I get sick and tired of trying to draw public interest and attention to all that goes on. Is it not extraordinary that members who sign a pledge against Communism are allowed to participate in Communist conferences and to associate with Communists in every respect without anything whatever being done in regard to their membership of the A.L.P.? Surely the time must come when there will be a real cleansing of the A.L.P. and it will return to its former place of prestige and glory with the workers of Australia. In this direction, I think one of the first plans of action should be the education of all unionists on what Communism really means in any country.

I felt gratified that "The Worker," the official journal of the A.W.U., this year published some pointed articles regarding Communist machinations in the Trades and Labour Councils in Brisbane and throughout Queensland. If every non-Com.-dominated union were to follow the policy of revealing the Communist common plan that has been so successfully carried out in this State, it would be a very big factor in retrieving the A.L.P. from the horrible position it is in at present.

I suggest that the officers of all unions, who are really anti-Communist, should publish

relevant extracts from this book on the trade unions by L. L. Sharkey, Australian general secretary of the Communist Party. If such extracts were published in union journals from time to time it would have the effect of re-awakening in the minds of decent unionists a realisation of what Communism means, and of what the A.L.P. should be as a bulwark against this insidious influence.

In the 1930's, at the time of the late Clarrie Fallon, the A.W.U. acquired the rights to publish in its journal the whole of a book entitled "Out of the Night" by Jan Valtin, a former German Communist. The fight against Communism in this country was then just beginning. On that occasion the A.W.U. paid a vast sum of money for permission to publish the book which exposed Communist intrigue. I sincerely hope that the A.W.U. and other unions will adopt a similar policy in future, calculated to expose, more than ever before, the intrigues and dangers of Communism in Australia. Such a policy might inject into the minds of trade union leaders a degree of responsibility lacking at the present time. The present Mt. Isa dispute gives warrant for that statement. The Government, unfortunately, removed from the Act the wise provision that bonus payments could be determined by the Industrial Court, the practice that had been followed for many years. Their action was regrettable and brought in its train events that were predicted at the time. The action suited the Communist book down to the ground, because, as Sharkey revealed, the Communists do not believe in arbitration or trade unions—as we know them, but are instructed to use them to further their own ends.

Mr. Houston: Is the Mt. Isa dispute Communist inspired?

Mr. HILTON: I am not saying it is dominated entirely by them, but I am saying the Coms. have a great finger in the pie. If that is not right, why has Mr. Alec. Macdonald been such a vociferous spokesman for the Trades Hall in the Mt. Isa dispute?

Mr. Walsh: The A.W.U. would think the same.

Mr. HILTON: That is true. Unfortunately it has been drawn into a false position. It claimed a bonus of £25, but shortly afterwards, when the trouble had arisen, the secretary, Mr. Edgar Williams, produced figures that indicated that his honest assessment of the bonus claim was that it should not be in excess of £11 15s. Of course, the A.W.U. was prompted to match the extraordinary, ridiculous figure of more than £26 for a bonus payment, coming from the boys of the Trades and Labour Council, and put forward by Macdonald, Dawson, Egerton, and all the others up there who control the Trades Hall. Could any thinking person substantiate a bonus of £26 at the present time? They do not believe in it themselves, but they used the golden opportunity presented to them by the present Government to

inaugurate the strike and disrupt industry, which, of course, in the final analysis would mean great financial loss to unionists.

Mr. Houston: You do not believe that Mt. Isa Mines Ltd. closed up and shut the workers out?

Mr. Walsh: I think a lot of the blame is on the Minister for Labour and Industry.

Mr. HILTON: I have not read the report of the Industrial Commissioner who went up there. It has not been published to my knowledge. But I am cognisant with all that has happened, going on the matters that have been reliably reported, and the fact that the Trades and Labour Council claimed a bonus of over £26. Agitation was whipped up on that issue, and the A.W.U. was worked into the false position of making a claim for £25. The secretary, Mr. Edgar Williams, admitted subsequently that the bonus should be £11 15s.

Mr. Bennett: Do you not admit that they are entitled to some increase in their bonus?

Mr. HILTON: Certainly. I am not arguing against that at all, and the Industrial Court should be the body to deal with it.

(Time expired.)

Mr. GRAHAM (Mackay) (2.15 p.m.): The Financial Statement presented by the Treasurer this year is no better in its outlook than those presented in past years. It discloses the inability of the Government to handle the finances of the State as they should be handled, and it is only a matter of time before Queensland will be bankrupt. Continual deficits only show a complete lack of responsibility. It is the duty of the Government to handle the finances of the State properly and endeavour to balance the Budget. If the Government continue to budget for deficits they can only bring disaster to the State. In 1957, the last year that Labour was in office, we budgeted for a surplus of £15,000. In 1958 the present Government budgeted for a deficit of £1,502,000, but finished the year with a deficit of £1,514,000. In their second year of office, 1958-1959, the Treasurer again budgeted for a deficit, on this occasion of £1,828,000. They did a little better that year for certain reasons, and the deficit was only £1,190,000. For the third year, 1959-1960, the Treasurer budgeted for a surplus of £15,000, but eventually a deficit of £164,000 occurred. For the fourth year, 1960-1961, the Treasurer budgeted for a deficit of £216,286, and at the end of the financial year he found he was £401,000 out in his Estimates. The deficit for that year was £618,243. It is somewhat surprising that a Government can be so far out in their estimates for the year. I admit that certain factors or circumstances alter cases, but I believe that the Treasurer has not applied himself in the right way to government financing. If he had, in my opinion he would not have budgeted for a deficit of £216,000

and finished with a deficit of £618,000. In his Financial Statement the Treasurer expresses some regret that the Government have had to budget for a deficit. We find that for this year, 1961-1962, he has let things get right out of hand altogether and has budgeted for a deficit of £643,000. The aggregate deficit for the first three years of the Country Party-Liberal Government was £2,869,839. From that we can see that the State is going into the red at the rate of a million pounds a year, on an average.

Mr. Low: We did that to create employment.

Mr. GRAHAM: I will have something to say about that later on to show that although budgeting for a deficit, unemployment has increased.

In the fourth year of the present Government's term, despite many sackings in all Government departments, and reduced expenditure the financial outlook has become worse.

In the past hon. members opposite often expressed the thought that because their numbers included accountants and business men they would make a better showing than Labour in financial administration when they had the opportunity of controlling the Government. It is somewhat ironical to note that, despite their supposed potential, they have been unable to present a Financial Statement in any way acceptable to the people of Queensland. A long succession of Labour Treasurers built up a highly creditable record of husbanding of the financial resources of the State and of protecting the economy. In the 19 years from 1938 to 1957 under Labour there were only two deficits, but this Government have had three deficits in three years and a substantial one is coming up for the next year. We remember the campaign promise by leaders of the Country and Liberal Parties that if they were returned to office the State would be run as a successful business to the great advantage of the people. Instead, they have thrown caution to the winds and so greatly increased the State's Public Debt that it must have repercussions on the future economy of the State. Despite their budgeting for a deficit of £600,000-odd the Public Debt has increased by over £20,000,000 and that must have its repercussions. I understand that, as the Public Debt increases, so payments have to be made from Consolidated Revenue to the sinking fund and then there is not enough money for distribution from Consolidated Revenue and the whole economy of the State suffers.

Mr. Low: Do you think we are spending too much in Mackay?

Mr. GRAHAM: No. I am not complaining. Mackay has had its share of public funds. It is the handling of the State's finances generally that I am complaining about.

The hon. member who just interjected said that the reason for the Government's budgeting for deficits is to meet the unemployment position. If that were in any way true we should have found some improvement in the four years of Country Party-Liberal Government. But they have had deficits every year and are budgeting this year for the biggest deficit of all. We can say with some degree of certainty that because of the Mt. Isa dispute the deficit this year will be even greater.

I know that unemployment is rife throughout Australia. All States have their percentage of unemployed and it is something that concerns every Government in the Commonwealth. But year after year the unemployment position in Queensland has deteriorated. I will be honest enough to concede that it is not only because of the advent of the Nicklin-Morris Government. To a great degree the Federal Government have evaded their responsibility for State development and thus increased unemployment. On 14 November, 1960, the Federal Treasurer, speaking in Adelaide, said—

"There is a splendid outlook for Australia in many ways. There is no need to worry about unemployment."

It is hard to understand a man occupying his high office saying that. It has been said time and time again that nothing is more disturbing to the average person than the fear of unemployment, and unemployment in Queensland has now increased to the point where it has become a national calamity.

Mr. Holt also said, when meeting a deputation of trade unionists in February of this year—

"I will not allow to develop in Queensland the growth of an unemployment situation which will damage its economy."

Can we say that the Federal Government have honoured their obligation in regard to unemployment? Has the position improved in Queensland, or must we not accept the fact that it has deteriorated considerably?

The Chief Economist of W. D. Scott & Company, Mr. Shrapnel said in the Brisbane "Telegraph"—

"The Federal Government will be forced to reverse its policy of restrictions. It is not only economically wasteful for a Government to permit high unemployment, but also politically dangerous with elections approaching."

The Prime Minister, as reported on 13 February, said—

"As human beings and politicians, Cabinet members do not want to see massive unemployment."

If we accept those statements, we have a right to know what the Federal Government have done to alleviate unemployment in Queensland. In today's "Telegraph" there is

a statement by the Minister for Development, Mines, Main Roads and Electricity complaining of the attitude of the Federal Government to Queensland.

Mr. Low: I suppose you will blame the Federal Government for the drought next.

Mr. GRAHAM: If we blamed as much on the drought as hon. members opposite do, there would be nothing else to talk about. The fact that the cat had kittens would be blamed on the drought.

In February of this year, the Premier, speaking of the Federal Treasurer's attitude, said—

"I will not be making another approach to the Federal authorities because I do not consider it would be worth while."

That would indicate that Mr. Nicklin had dropped his bundle and thought that no further purpose would be served by again asking Mr. Menzies for further assistance. Again, in 1958, the Premier is reported to have said—

"There is unfortunately some unemployment here and in other States, but there is certainly no need for it, particularly in Queensland."

He also said—

"There is no alternative to the responsibility of any government to do all in their power to see that opportunities for steady and worth-while employment are available for the great majority of citizens."

What have the Nicklin-Morris Government done about unemployment? What have they done to overcome the serious unemployment in country areas of Queensland, where it is three times as bad as unemployment in country areas in other States?

The Premier said in his policy speech in 1957—

"Our policy is to encourage the decentralisation of people, industries and services, as we consider this vital to the rapid growth of this potentially great State of ours."

We aim to achieve this by our overall policy, the decentralisation of administration and finance, and appropriate legislation."

Despite that statement, the country areas of Queensland are being slowly but surely strangled by Government inactivity. Because development is not taking place there, the Government's policy of decentralisation is not being carried out. Such a policy was only what one might expect from the Leader of the Country Party.

The report of the Chief Inspector of Factories and Shops for the year ended June, 1960, which was tabled in this Chamber in October last, shows how the declared policy of the Premier has been carried out and how country enterprise has been stimulated. The report shows that since 1957

when the Nicklin-Morris Government assumed office factory employees in 15 country centres have decreased by over 500. There were a few gains, notably in Townsville and Toowoomba. Admittedly Townsville made some improvement because of the establishment of the copper refinery and the cement works. But on the debit side we find a fall of over 450 factory employees in Bundaberg, 294 fewer in Cairns, 262 fewer in Mackay and over 200 fewer in Maryborough. By and large there has been a consistent deterioration in factory employment in many of our most important country centres.

Whether we like it or not the figures reveal that people are leaving the northern parts of the State, particularly areas outside of Townsville, to come south to seek employment. In his figures the Minister for National Development, Mr. McMahon, showed that in the middle of 1961 there were 20,000 registered unemployed in Queensland, that Queensland had the highest rate of unemployed for its work force of any State. The percentage was 3.4, which is 1.3 per cent. higher than the ratio for the whole of the Commonwealth. Admittedly things have improved since the middle of the year because of seasonal employment in the sugar industry.

Mr. Low: You must always have a pool of unemployed—

Mr. GRAHAM: I know it is the policy of the Liberal and Country Parties to have a pool of unemployed for bargaining on wages and conditions. While there is a big pool of unemployed the bosses they represent can dictate their terms for the employment of labour.

The unemployment benefits paid in Queensland during the present Government's term of office compared with what was paid under Labour Governments clearly reveal a pattern of increasing unemployment. Queensland's statistics show that the total amount paid in unemployment benefits in the last three years under Labour was less than £1,000,000, whereas in the first three years of the Country Party-Liberal Government it was well over £3,000,000. The same publication shows that for the first nine months this financial year unemployment benefits paid in Queensland totalled almost £800,000. Overall the unemployment position in Queensland is worsening. We cannot possibly stand by and wait for private enterprise to provide the employment that is so essential for the welfare of our people in the northern and western parts of the State. In their term of office the Nicklin-Morris Government have demonstrated that they are prepared to run away from the problem, placing the blame at the door of the Federal Government. With few exceptions hon. members opposite are not in any

way concerned about the present unemployment. That is evident from the Treasurer's Financial Statement in which only one line is devoted to the problem. It states—

"As the following graph shows, the customary seasonal peak of unemployment in January, which usually corrected sharply by Easter, in this year showed out as a sustained plateau well above the Australian average."

There is nothing in the Financial Statement to indicate what the Government intend to do to provide additional money for local authorities or any other governmental activity to overcome unemployment. If unemployment were confined to the adult population it would not be so bad, but with such a tremendous amount of juvenile unemployment it is time for us to sit up and take notice. Today, teenage unemployment has reached an alarming stage and the Government cannot run away from it. Thousands of boys and girls are seeking work. That might be said to be an exaggeration but it is not an exaggeration to say that thousands of boys and girls who left secondary schools last December are still looking for work.

The Labour and National Service Department admitted in May this year that, at the end of April, there were 1,258 teenagers on the books. The first pay that many boys and girls received after leaving school was the unemployment dole. Seven hundred and fourteen of the 1,258 on the department's books, who were unable to get jobs, were from the country.

To illustrate the position in Mackay I have here a statement made by Mr. Sallaway, principal of the Mackay High School, on Speech Night, 6 October, wherein he said—

"Poor Results Due to Lack of Jobs

"Lack of junior employment in Mackay had been instrumental in producing poor academic results in Mackay High School last year.

School Principal (Mr. M. W. Sallaway) said this last night at the school's annual speech night.

"He said because junior employment was scarce the student was unsettled, fearing he might not be able to obtain a position.

"When a position of any kind did arise the student was anxious to take it.

"For others it meant that they were waiting at school hoping for a position to arise simply marking time as far as their academic studies were concerned.

"This has been too strong a feature of a large percentage of Mackay students.

"For the school it is very disappointing to find so many students in this town simply using the school as a place to keep them occupied while waiting for employment.

"The result of this always is a poor approach to work. My advice to students is——"

and he went on and gave them some advice.

That is the position in Mackay and I think similar conditions apply in other centres in Queensland.

I have here an entry form taken from "The Telegraph" Newspaper inviting teenagers to enter a contest known as "Our Happy Day Contest." A prize of £50 in cash is offered with an additional prize of £25 from the "Telegraph" free accident insurance scheme, for entrants who were covered by it. The children were asked to write about the happiest day in their lives and it is ironical to read that the child who won the contest said—

"My happiest day occurred after my 16th birthday, when I received my first pay envelope."

I wonder how many thousands of children in Queensland today are still waiting for their first pay envelope, whilst the Government close their eyes to the problem of unemployment and take no steps towards encouraging industry into the outside areas of the State. They have allowed unemployment to develop until juvenile unemployment has become one of the greatest tragedies in Australia today.

Many thousands more boys and girls will be leaving school at the end of this year. If we cannot find work for them and those who left school last year and are still unemployed, we certainly will not halt delinquency amongst them. Until the Government have the courage to face up to their responsibilities in this matter, I am afraid the position will deteriorate.

It cannot be said that the Opposition have not endeavoured to improve the position. We have attacked the Government on it on numerous occasions. On three occasions in three years resolutions or amendments to the Budget have been moved in an endeavour to deal with the position. We realised that the unemployment issue was one that needed immediate attention as far back as 4 March, 1958, when the then Leader of the Opposition, the late Mr. L. A. Wood, moved a resolution dealing with the matter. In March, 1960, the present Leader of the Opposition moved a resolution and again on 21 February this year. Attention was also drawn to the continued unemployment by an amendment to the Address in Reply in August, 1959. Appropriation Bills and Estimates were also used by the Opposition to draw attention to the problem. Over the years the Opposition has not allowed the Government to evade their responsibilities. We will not allow them to do so in future and will continue to attack them on their failure to provide employment for youths in the community.

During the April session last year 30 questions directly or indirectly relating to employment were asked by Opposition

members. A further 23 questions were asked this year in the March session, so it cannot be said that Opposition members are unmindful of the problem and are not asking the Government to take action to overcome it. They have done nothing about it. They have even accepted without protest the Federal decision on financial assistance to Queensland.

The Mt. Isa dispute is a matter of extreme importance. Although many reports on the dispute have appeared in the Press, the remarkable fact is that neither the Premier nor his Deputy has made a Press statement on the matter despite the fact that the Government are solely responsible for it. Surely they do not contend that they are not responsible for it.

Mr. Low: A very costly business to the State.

Mr. GRAHAM: The hon. member has never spoken truer words. Government members would be playing a more edifying role if they placed the blame where it rightfully belongs, instead of copying the ostrich and burying their heads in the sand and hoping that the storm will blow over. I ask the Minister for Labour and Industry to say what inducement was offered to the Government by Mt. Isa Mines Ltd. to have bonus payments removed from the jurisdiction of the Industrial Court.

Mr. Mann: They are not game to answer.

Mr. GRAHAM: Of course not! Many Government members have accused the Australian Labour Party of receiving money from various agencies for slush funds. It would be interesting to know just how much the slush funds of the Liberal-Country parties have benefited as the result of this dispute. For over 31 years bonus payments have been a matter for determination by the Court and never at any time has any dissension or dispute arisen out of a Court decision, yet in February of this year, when an application for increased bonus payments was before the Court, the Government in their wisdom and for reasons best known to them decided to amend the Act to prevent the Arbitration Court from hearing the claim for increased bonuses. The Government were told what would happen, but they ignored the advice of those who knew more about the subject than they did. One or two Government members have endeavoured to get political capital out of the dispute. The hon. member for Aspley accused the Opposition of insincerity in its attitude towards the dispute. As a member of the Opposition, I am quite prepared to listen if the hon. member for Aspley can tell me how any members of the Opposition have been insincere. In what way have we been insincere? All we have asked for, and all we are asking for now is that the Government do the right thing in this dispute. As they are responsible for it let

them, as the Government, shoulder their responsibilities and try to settle the dispute. The Mt. Isa Mines Company have been given much credit by various people for the conditions at the mine, but a very important factor has been overlooked by many people. The company have never given its employees any more than they were entitled to because of the conditions existing at Mt. Isa. If Mt. Isa Mines were not prepared to make conditions better for the employees the employees would not have stayed there. It is admitted that the workers enjoy reasonably good conditions and they have been given a bonus, but have not the company benefited greatly by higher production and greater profits? The conditions that the employees are enjoying have been gained not because Mt. Isa Mines have been generous. They are enjoyed only because the workers have demanded them, and they are entitled to them. Mt. Isa Mines realise that if the workers are prepared to go and live in the western portions of the State, accept the vicissitudes of the hot western climate, and the isolation from the coastal region of the State, then they are entitled to more than just the bare necessities. The claims for increased bonus payments are more justified now than ever before because of the higher profits the company have been making.

Mr. Houghton: Do school teachers and railway workers get a bonus?

Mr. GRAHAM: Certainly not, and neither do they make any direct contribution to the profits of the company. Those who contribute to the profits made by the company have a right to share in them.

There is another important aspect for us to consider. Bonus payments have been determined by the Industrial Conciliation and Arbitration Court on the profit and loss account of the company. Why in this day and age, when there was an application before the Industrial Court, and it could have been shown where the Mt. Isa Company had made greatly increased profits did the Government accept the direction from the Mt. Isa Company and withdraw this responsibility from the Court?

The CHAIRMAN: Order! I am not trying to hinder the hon. member, but I have heard the same arguments put forward repeatedly. If the hon. member can throw some fresh light on this discussion he may continue. I trust he will not repeat what has been said so many times before.

Mr. GRAHAM: It is not possible for me to be in the Chamber 24 hours a day to hear what every hon. member says. I claim the right to say what I want to say on this matter.

The CHAIRMAN: Order! I draw the hon. member's attention to the fact that the Standing Orders provide that tedious

repetition is not allowed. I am merely drawing his attention to that so that he may avoid it.

Mr. GRAHAM: I accept your ruling, Mr. Taylor, but it may be as well to remember that Government members have talked about drought and every one of them has blamed the drought for the predicament of the Government. If the Government of the day have the right to give protection to Mt. Isa Mines, by withdrawing the Arbitration Court's right to determine bonus payments, then they should show some interest in those employed by the company. At the present time the employees are left at the mercy of the company and I believe the Minister for Labour and Industry knew that would happen when he introduced the legislation in February. He knew perfectly well that the company had no intention of negotiating with the employees and that is why he took the power away from the Court.

Mr. Morris: Pure presumption!

Mr. GRAHAM: My presumption is based on sound grounds. At least the Minister has never denied it.

Mr. Morris: You do not know what you are talking about.

Mr. GRAHAM: It was not done because the individual members of the Government requested it but because Mt. Isa Mines Ltd. pulled the Minister's coat-tail.

Mr. Mann: He is not prepared to deny it.

Mr. GRAHAM: Of course he is not prepared to deny it. Unless the Government intervene in the dispute it will be to their disadvantage. Not only will the workers suffer from the lock-out; the Government must lose financially. The deficit of £643,000 will develop into a deficit of £1,000,000 before the end of the year. If the Government have any spunk or intestinal fortitude, let the Premier accept his responsibility.

Mr. Mann: Let them alter the Industrial Conciliation and Arbitration Act.

Mr. GRAHAM: That is what they will do before the dispute is over.

It has been said time and time again—and the hon. member for Townsville South and every other northern hon. member will agree—that North Queensland is entitled to a better deal than it is getting from this Government and from the Federal Government. Too long have we in North Queensland sought assistance from the Government for development.

Mr. Aikens: We never got much of a spin from your Government, either, you know.

Mr. GRAHAM: Two wrongs do not make a right. Townsville did not do very badly under Labour. They did a darned sight better under a Labour Government than they have done under this Government. The problem

of northern development is one that should agitate the minds of this Government and the Federal Government. Because of the lack of development in North Queensland each and every local authority from Rockhampton north is endeavouring to create an organisation to bring about some development. Committees have been formed in each centre in an endeavour to collate information on the potential of the various areas. The Federated Chambers of Commerce in Mackay tried to formulate a plan to bring industry to the North. In October this year the Premier presented a master plan for northern development. What more have we heard of that? It is easy to make statements. It is easy to live in a world of fantasy and to say, "We will do this" and "We will do that." Yet we find that none of the promises made by the present Government as far back as 1957 has been given effect to.

In "The Courier-Mail" of 16 October this report appeared about the North Queensland Federation of Chambers of Commerce, which met in Mackay only a few days' ago—

"The North Queensland Federation of Chambers of Commerce will present its views to the 'People the North' committee.

"The Committee has been established by the North Queensland Local Authorities Association to publicise and develop the potential of the North."

The report goes on—

"At present a number of northern regions are arranging for surveys to be conducted by a development advisory officer, Mr. Hennessy.

"Mr. Davies-Graham said that if the chambers did contribute to the scheme, the chambers could not be represented because the committee was semi-governmental."

So we find considerable agitation for northern development, yet the Government are doing nothing about it. We must bring more development to North Queensland, and the hon. member for Bowen, Dr. Delamothe, knows perfectly well the hurdle we are trying to jump up there and how difficult it is to get private enterprise to come to the North:

Dr. Delamothe: The Government sponsored all these regional bodies.

Mr. GRAHAM: Yes, and there may have been some purpose behind their plan. They may have been trying to pass some of the responsibility from the Government to those bodies.

Mr. Hughes: Don't be a knocker.

Mr. GRAHAM: If the hon. member lived in North Queensland, he would have the same outlook on these problems and their solution. I have said until I could be accused of tedious repetition that we must keep the people in the North.

Mr. Rae: Where do you live?

Mr. GRAHAM: I live in what I believe is the best part of Queensland, and that is Mackay. That is why I say that we must develop not only the Mackay area, but the whole of North Queensland. The Government must play its part in that development, and the Federal Government must give greater support.

Mr. Hughes: The census figures disprove your theory.

Mr. GRAHAM: If the hon. member wants to hear the census figures, I will give them to him. This report appeared in "The Courier-Mail" earlier this month—

"Queensland's permanent rural population of 191,588 at March 31 fell by 2,200, the Deputy Commonwealth Statistician (Mr. S. E. Solomon) said yesterday.

"Of the total rural figure at that date 106,430 were males, but the drop from the 1959 figure included 1,234 males and 966 females."

That gives the lie direct to the hon. member.

Mr. Hughes: Give us the latest figures.

Mr. GRAHAM: The hon. member should not talk to me about populating the North. Hundreds of people are leaving North Queensland because of the lack of development and the lack of security in employment. The Menzies Government can find plenty of money for capital works in other States, but they can find no money for Queensland. Until they realise fully what northern development means, the people of North Queensland will be left, as they are today, with long periods of unemployment and a serious problem of juvenile unemployment while the Government close their eyes to it.

The Leader of the Queensland Labour Party made an attack on the Australian Labour Party this morning; he made a number of statements about it. I am somewhat at a loss to understand his attitude, because he had a long association with the Australian Labour Party. It was rather pitiful to hear this man, who was once accepted as a strong, virile member of the A.L.P., trying to gain some paltry political advantage out of criticising it and continuing his attacks on so-called Communist infiltration and indoctrination of the A.L.P.

Mr. Windsor interjected.

Mr. GRAHAM: His statements are hardly worth worrying about, and we usually let them pass. Although he condemned the A.L.P., it is interesting to note that it is the strongest political organisation in Australia today, and the figures in the 1960 State election and the 1961 Brisbane City Council election show this. In the State

election held on 28 May, 1960, the total valid votes cast were 743,030, and the votes received by the various parties were—

		Per cent.
"A.L.P.	296,430	39.88
Country Party	144,865	19.49
Liberal Party	178,567	24.03
Q.L.P.	91,212	12.27
Independent	30,897	4.15
Communist	1,059	.14"

The combined A.L.P. and Q.L.P. polled 52 per cent. of valid votes. The combined Liberals, Country Party, Independent and Communists polled 47 per cent.; the combined Liberal-Country Parties polled 43 per cent. of valid votes. In 56 seats in which there were both A.L.P. and Q.L.P. candidates, the total valid votes were 668,984, of which the A.L.P. received 239,344, or 35 per cent., and the Q.L.P. received 87,722, or 13 per cent. The total vote for the A.L.P. was 296,430, the combined A.L.P.-Q.L.P. vote was 387,642, and the combined Liberty Party-Country Party vote was 323,432. The Queensland Labour Party is shedding crocodile tears and claiming that we are losing our standing in the community and that the A.L.P. is finished politically. We are still the strongest political organisation in Queensland.

Mr. Hughes: 9 December will prove how wrong you are when the Liberal Party-Country Party Government are returned in the Federal sphere.

Mr. GRAHAM: Let the hon. member try to disprove these figures. Let me make a comparison of the voting results in the Brisbane City Council wards and the State metropolitan seats. In the 28 metropolitan wards at the State general elections in 1960 and the Brisbane City Council elections in 1961 the following were the figures:—

Party	Total Valid Votes		Party Per Cent. of Votes	
	1960 State	1961 City	1960	1961
A.L.P. ..	129,738	146,791	41.92	50.31
Q.L.P. ..	40,543	23,621	13.08	8.0

The Leader of the Queensland Labour Party was audacious enough to suggest that we are the ones on the way down! We of the Australian Labour Party have no need to dip our flag to anybody. Time will prove that as a political organisation we will again control the destinies of this great State. Until that day comes we can only hope that the present Government in their control of the finances of the State will accept a greater degree of responsibility towards the future of the State so that the people of Queensland will have the security of tenure that will make them want to continue to live here.

Mr. BYRNE (Mourilyan) (3.4 p.m.): I join with hon. members on this side in supporting the amendment moved by the Leader of the

Opposition to protest against the maladministration of the Government. As a result of that maladministration we have had a succession of deficits, and record unemployment throughout the State, which will get worse as time goes on. We see how the unemployment position is being accentuated now. Unemployment is going to assume tremendous proportions by the end of the year when seasonal industries cut out and children leave school to come onto the labour market. What have the Government to offer towards the alleviation of the hardships that must follow, not only to the worker, but also to the businessman?

Obviously, on their record, the answer must be "Nothing at all." The Government would naturally say, "Let them fend for themselves." The people of Queensland are paying a terrible price for this inexperienced and incompetent Government, which is comparable to its counterpart of 1929-1932, the Moore Government. Much the same results can be expected from them. I remember that period very well. It was perhaps the most disconcerting period that Queensland has ever experienced. Queenslanders were trying to find employment anywhere and under any conditions. The people were in dire straits. We do not want that era to return, but, unfortunately, it could, apparently, recur in the near future.

The Treasurer's Financial Statement is a very gloomy one. There is an absence of the optimistic outlook one might expect under sound administration. On the record of the Treasurer it would seem impossible to be optimistic.

One wonders exactly where this Government are heading. It must be concluded that they are quickly heading for disaster. The only question remaining seems to be how long it will take them to reach the stage of absolute bankruptcy. I myself do not think it is far distant.

One might be prepared to condone a succession of deficits such as this Government have had if large capital works were undertaken to take up the leeway of unemployment in various parts of the State, but that the Government are incapable of doing it is evident from the manner in which the State has been let down in the negotiations with the Commonwealth Government on the rebuilding of the Mt. Isa railway line. The State is saddled with the whole of the cost repayable over a period of years at a rate of interest that only Shylock would enforce.

Politicians of Liberal-Country Party blend are blunt in their declarations that the Queensland Government and the Treasurer in particular are responsible for the very bad deal Queensland got. One hears the Treasurer being blamed from the housetops by politicians of his own colour in the Federal sphere, the only exception being Senator Wood who has drawn attention in the Federal House, to Queensland's plight.

Very little has been heard from the Treasurer in rebuttal of the charges of incompetence levelled against him and his Government. It cannot be denied that various public utterances have indicated hostility towards the Government and the Treasurer of Queensland by Federal politicians. I should be very pleased indeed if the Treasurer would rebut some of the charges made against him from time to time, but I have not heard him refuting the statements made from his own political camp.

Mr. Windsor: I have not heard any charges made against him.

Mr. BYRNE: They have been published. If the hon. member read the newspapers he would see them.

Some slight compensation has been afforded on the construction of beef cattle roads in North Queensland. I suppose we shall have to be thankful for any contribution made by the Commonwealth Government to this State, insignificant as it might be when compared with the handouts to other States of the Commonwealth. We in Queensland are plainly the working wood-and-water joeys for the Commonwealth Government. There is no doubt about that and, unfortunately, we will apparently remain in that position while the Menzies-McEwen Government remain in power.

In view of the serious position of the State we on this side of the Chamber are entitled to be critical of the Treasurer's efforts. Queensland has been from time to time humiliated because of the very bad handling of negotiations with the Federal Government. These charges have been made in the newspapers, but they have never at any time been rebutted by the Treasurer. It has been alleged that the Treasurer has bungled his job. A man may be excellent in his own particular sphere and yet be a tragedy in another sphere. If the financial administration of Queensland over the past years is any criterion, it must be admitted that the Treasurer's performance has been indeed tragic. He does not measure up at all favourably against Treasurers of the past. He cops the lot, as it were from the Federal boys and comes away from negotiations with Federal Parliamentarians with his tail between his legs. In view of the difficulties looming overseas for our primary industries which are becoming more obvious each day, we cannot have much confidence in him.

To illustrate my point let me read this confirmatory article from "Truth" of 22 October, 1961—

"The Conspiracy Against Queensland

Queensland has been the victim of a financial and political conspiracy—and for the last four years the conspirators have been aided and abetted by the amateurish handling of its affairs by the State's first non-labour Government for a-quarter of a century.

"The situation today is frightening. We're a bankrupt State, or so close to it that it doesn't matter; and we seem to be bankrupt in ideas, as well as ready cash, for developmental projects that will really stimulate our industries.

"And this is despite the fact that for the financial year ended June, 30, 1960, the value of our overseas exports was £181,321,000 compared with an import intake of £50,858,000—a favourable overseas trade balance of £130,463,000.

"(Australia's total overseas funds at June 30, 1960 totalled £512,000,000. Her total overseas exports for 1960 were valued at £937,681,519, of which Queensland's share was 20 per cent. compared with her population ratio of 14 per cent.).

"We've had five deficit Budgets in a row, we can't afford to give any tangible encouragement to outside investors, our Local Authorities are starved for finance, and industry after industry outside the metropolitan area finds itself in jeopardy.

"We're like they were in Britain in the bad old days, according to our economist: 'Inflicted with the worst possible Government strictly adhering to Parliamentary practice.'

"We've got half the beef cattle in Australia, our fair share of sheep, almost its entire crop of sugar, huge deposits of coal, the biggest known bauxite reserves in the world, untold millions in other mineral wealth, and a fantastic potential in untouched farming and grazing lands.

"We've got the riches all right, but we're wearing rags. We are the wood and water joeys of the Commonwealth.

"According to the Premier, Mr. Nicklin, it is going to get worse, much worse, but down South experts say the economic recovery is well under way! Queensland certainly can look forward to a sharp rise in seasonal unemployment (under way as you read this article) as our meatworks cut out, and our sugar-cane crushing season ends, and on top of all this in a couple of months' time we'll have something like 22,000 young people leaving school and looking for employment. Last month there were still 800 kids who left school LAST YEAR looking desperately for work.

"Look out for trouble, Mum and Dad, particularly if you live in the North or inland areas of the State. People don't migrate just for fun—they're driven into it."

That factual article is pertinent to the point and in my opinion should be distributed to every home in Queensland. I invite the Government to distribute it. I compliment "Truth" on the article and look forward to future articles which, I am sure, will be of interest to the people of Queensland.

Because of the poor handling of the resources of Queensland we are now obliged to obtain additional revenue by resorting to the extension of facilities in liquor trading and off-the-course betting, and this revenue, in the main, will be provided by the workers. The breweries, big business combines, cartels and so on will not suffer. It will not be long before the Treasurer has the shirts off the workers' backs. There is no doubt about that.

When referring to Cape York and the Gulf Country, the Treasurer said—

"Originally settled for pastoral purposes, North Queensland has seen substantial development with sugar and timber, on the coast, and with the development of permanent mining towns in succession to these sporadic mining ventures of the alluvial and high grading days, a new solidity and quality has shown out in a wide range of important minerals."

That statement intrigues me, and it has also intrigued people to whom I have shown it. It is difficult to understand. It seems to imply that new mining towns are being developed that will outdo the mining ventures of years ago. Where are these permanent mining towns being developed? What is the source of capital for investment to give solidity to mining ventures from which will spring these permanent mining towns? I am sure it is not from this bankrupt Government. The sporadic mining ventures of which the Treasurer speaks no doubt relate to the activity during the early part of this century. They were responsible for the production of great wealth and a tremendous amount of employment. There was full employment everywhere and the towns were heavily populated. I instance Croydon, Georgetown, Forsayth, Einasleigh, Chillagoe, Mungana, O.K., Herberton, Mt. Garnet, and dozens of other towns. They were all sporadic ventures, but while they produced the North boomed and flourished and many towns had large populations. Then operations ceased, not always because the metal gave out, but because of low values overseas, rising costs of mining and heavy transport costs. The First World War contributed a great deal to the closure of these fields. Some mining companies had contracts with Germany, and others with other countries involved in war. If we could get back these sporadic mining ventures in the Gulf, the Treasurer would solve his problems overnight. Companies were often formed overnight in some hotel bar and they gave employment and produced wealth that we would be very proud of today. If these sporadic ventures are to be replaced by something of a permanent nature it will be to the good of North Queensland and I will be the first to compliment any government that can repopulate the mining fields in North Queensland. I will give them top marks—the highest possible marks for doing it. However, if we are to take Weipa as an

example, we cannot place too much confidence in these new ventures. The "Truth" report of 22 October said this about Weipa—

"On the development of our mineral wealth—well, let's face it. We've been taken for the biggest ride in the world at Weipa.

New Zealand is going to get an £80 million power station out of it, and Bell Bay is going to profit enormously.

"We're going to dig up the bauxite for them, and let them cart it away. Hewers of wood and carters of water, that's us.

"What on earth can Queensland do to get out of the hole dug for it by our Federal and State Governments, and by southern commercial interests?"

That only goes to illustrate the point I have just made.

At this stage perhaps reference should be made to the large areas held under prospecting lease by the big companies of Australia and overseas with comparatively little expenditure creating employment. These companies certainly do some work in the areas but one would expect the amount of employment flowing from them to be very much greater than it is. I wish them the greatest success in their exploration. As a North Queenslander, I should be very happy indeed to think that something would come out of their investigations; but those companies have played a very small part in the development of mineral resources. I remember the mining fields of North Queensland when I was a young man and it makes my heart bleed when I revisit them and see what has taken place. If the Government have a change of heart and show that they are prepared to put some money into the mining ventures of North Queensland I will be the first to compliment them.

I have read the report of the Under Secretary for Development and Mines and I must say it presents a very dismal picture. Queensland is perhaps the greatest mineral State in the Commonwealth yet its mining activity is almost at a minimum, apart from Mt. Isa and perhaps Mary Kathleen. I have said over and over again that the development of North Queensland will come through the mining industry and the sooner we realise the responsibility we have to the people of North Queensland to populate the area, remembering that its development can come only through mining, so much the better will it be for all of us. I hate to go back to those places and see the rubber vine and various other pests flourishing. People have gone from those places; the population has dwindled almost to extinction. Railways are about to be torn up. What was once a hive of industry is now almost defunct. There is no suggestion anywhere that this Government intend to do anything for the revival of the mining industry in North Queensland and I hesitate to think what the

position will be in a few years' time unless there is a change in the government of the State.

The State's primary production is of paramount importance to Australia. It will be admitted that the effect of the European Common Market is a matter of grave concern. In the Sydney "Bulletin" of 14 October, the Rt. Hon. John McEwen, Deputy Prime Minister and Minister for Trade, is reported as follows—

"Thus Mr. John McEwen, Deputy Prime Minister and Minister for Trade, declared in a lengthy statement to 'Le Monde' that Britain's admission to the Common Market would be 'a tragedy' that would 'hasten the complete collapse of the whole edifice of economic and commercial relations of the free world.' He classed Australia with the poor developing countries who, he alleged, have been the 'victims' of the 'import policies followed by the industrialised nations'.

"Repeating the large threat about 'the breakdown of the whole economic structure of the free world,' the Minister concluded on a sinister note by inviting Europeans to meditate 'the lesson of Cuba.'"

The Hon. John McEwen's statement that he invites Europeans to meditate the lessons of Cuba seems to me to be rather extraordinary, and perhaps one ought not to speak on it at any length until one knows exactly what he means by it. I would regard the lesson of Cuba as being that we must contemplate revolution, confiscation, dishonoured contracts, bloodshed, repudiation, acceptance of Communist doctrine, and so on. I should say that Australians have no connection with that and are not associated with that doctrine. It would have been better if the Minister had amplified his statement—told us what he meant by it and what lessons were to be learned from Cuba. I have my own opinions about that, but I shall keep them to myself for the time being. However, the position is very serious.

Dealing now with the sugar industry, in 1949-1951 a bargain was made with the United Kingdom to enable Australia to expand production for export in return for a long-term market security in quantity and price. Australia has kept its part of the bargain faithfully, and the security and price arrangement under the Commonwealth Sugar Agreement are vital to the State's sugar industry. It is believed that there are reasons for thinking that the United Kingdom is anxious for a continuance of present conditions under the Commonwealth Sugar Agreement, but nobody can say at the moment what will happen. As Queenslanders, we are entitled to ask that the United Kingdom's entry into the European Common Market will not prejudice the existing state of affairs in the sugar industry. It is a pity that the Government have not been represented on a political level at the

negotiations overseas. I have mentioned this matter before and I do not intend to amplify it at this stage. I have not read any announcement from the Government about how the sugar industry is faring in the negotiations. Queenslanders are looking for some guidance in regard to what is happening overseas, and all we know of what is taking place is what we read in the newspapers from time to time. In other words, we are almost completely in the dark.

Millions and millions of pounds have been invested by millers and growers in the sugar industry, and interference in any way with existing conditions would be a calamity, in my opinion. The uncertainty is causing alarm and, because of this, there are signs of a tightening of expenditure in sugar areas. This will accentuate unemployment, because when there is a doubt about what is likely to happen people say, "We will be careful until we know more about it." The Government have not measured up to their responsibilities. They apparently rely too much on the Federal Government.

I believe that the millers and growers should plan now and explore every avenue for the establishment of new industries. They have the plant and equipment, they have competent men to guide them in such projects, and I have every confidence in their ability to make them a success. I could name many men in North Queensland who would be a decided asset in the promotion of new industries of this type that would help to offset the possibility of reduced production because of uncertain conditions overseas.

The Queensland Government have been treated like a dirty rag, in my opinion, by their Federal counterpart, who regard the Queensland Government now in office as a band of no-hopers who are not entitled to their confidence. What does the future hold in store for Queensland when controlled by this Government? Is there any hope of their leading us on to better things? Are we the bankrupt State that the political writers say we are? If we are, is it possible for the present Government to lead us out of bankruptcy? I say, "No, it is not possible." The only chance for the people of Queensland and for the promotion of the interests of this great State is a return at the earliest possible moment of a Labour Government to the State's Treasury benches.

Our rich resources count for nothing if mishandled by bad administration. The chaotic conditions of the Department of Transport are a feature that we should all contemplate. The Federal election will be held very shortly. I invite Queenslanders in their own interests to destroy the Menzies-McEwen Government in no uncertain manner. I am sure that at the next State election the people of Queensland will deal severely with the present Government, removing them from office as they should be removed at the earliest possible opportunity.

They are no good to themselves; they are no good to the people of Queensland. We are going from bad to worse. As I said earlier, it is going to resemble very much the position in 1929-1932 under a similar Government.

What I have said about the Treasurer is not meant personally. I believe he is an excellent officer in his own sphere, but as an administrator I do not hold that high opinion of him. It is time the people of North Queensland received a better deal from the State Government. I sincerely hope that when the time comes for the removal of the Government from office the succeeding Labour Government will look after North Queensland as it should be looked after, ensuring the success and development to which it is entitled.

Mr. BAXTER (Hawthorne) (3.33 p.m.): The subject under discussion for the last few weeks is a most important one, because it is dealing with the allocation of the pounds, shillings and pence that have been not so very liberally ladled out by the Federal Government. The situation in Queensland today is a complete indictment of the Nicklin-Morris Government. It is an indication of their inability to fulfil what they promised in 1957 and again in 1960. They said they would maintain full employment and industrial peace. But we have had nothing but industrial disputes as a result of the obnoxious legislation introduced by the Government in the last four years. Today we face a period of industrial unrest in one of the greatest industries in the Southern Hemisphere, only because of the stupid approach of the Minister for Labour and Industry in introducing legislation to deprive the workers at Mt. Isa of the right of applying to the Industrial Court for increased bonus payments. Previously when unionists had the right to go to the Industrial Court we had very little industrial unrest on the bonus questions because difficulties could be ironed out. A peculiar situation is brought about today, which is almost identical with the strikes in the U.S.A., where they go back to jungle law, or the survival of the fittest. The employer is able to deprive working people of what they are justly entitled to, the right to live in comparative comfort. It is one of the greatest industrial blots in our history and we shall be very lucky if we do not have it repeated in the railways in the near future. I warn this Government that they will have, in the very near future, worse industrial unrest on their hands if they do not recognise that, even in Government administration, there must be a human and Christian approach to the rights of others. Unless some action is taken to amend the industrial laws passed last year there will surely be a bigger upheaval than is occurring at Mt. Isa now. Only now is the full impact of that legislation being felt by the unions and their members and the anomalies created by it becoming apparent to the general public.

The extent of unemployment in Queensland today is an indictment of the Government and their inability to meet the position. I do not know of any instance in which the Government have not broken undertakings or agreements with the workers of this State. The Minister for Labour and Industry, in his policy speech in 1957, said—

“I would like you all to look at the glowing vista of development that lies ahead of Queensland.”

I wonder how many people in Queensland today feel that they are tip-toeing through the tulips looking at a glowing vista? The Minister continued—

“What can and must be achieved adds up to a most exhilarating story.”

Does it? Is it an exhilarating story with 16,000 to 20,000 unemployed in the State? With Christmas of 1961 fast approaching can those people say that this Country Party-Liberal Government have achieved anything exhilarating in this State? I should say, “Emphatically no.”

The Minister continued, and, in the face of his recent legislation, this is a real gem—

“Just think of the unexploited resources of the North and North-West, the glittering mineral wealth awaiting transformation into prosperity for all. It is a vision splendid that should inspire every Queenslander.”

He is the man who administers the Department of Labour and Industry in Queensland, the man who brought down the obnoxious amendments to the Industrial Conciliation and Arbitration Act last year, taking away the workers' rights to go to the Court to discuss their problems and get a decision. He is the man who introduced the jungle law so predominant in America today. Why? Is there some tie-up? It is significant that the undertaking in Queensland that is experiencing industrial trouble at the moment is definitely controlled from outside Australia. Records in the Parliamentary Library give ample proof of that. Could there be some tie-up in that way? How can the people of Queensland have faith in men like the Minister for Labour and Industry? I go further to show the type of men we have in control of the Government benches today. He said, “It is a vision splendid.” It may be in his own mind, but not in the minds of anyone else. He went on, “It should inspire every Queenslander.” Queenslanders may have been inspired while he was giving his policy speech, but what is their reaction today? They are filled with absolute disgust at the action of the person who made this statement, the person who unfortunately was given the portfolio of Labour and Industry and who amended the Industrial Conciliation and Arbitration Act.

Mr. Hughes interjected.

Mr. BAXTER: The little boy comes in. The ink is hardly dry on the roll he subscribed

when he entered Parliament, yet he now has something to say about Comms. I am not surprised, as he is a young Liberal. Every young Liberal in the Government is a smear-campaign merchant. Our fathers and grandfathers fought two world wars to defend our democratic way of life, yet when anyone exercises the democratic right of free speech, for which those men fought and died the hon. member for Kurilpa and many others refer to the statement as a Communist line of thought, if he disagrees with it. Each young Liberal is educated in a particular school of thought. They go right back to the Great White Father, the Honourable R. G. Menzies, for their lines. If anyone has the intestinal fortitude to dispute the opinion of any of the young Liberals of the Government, he risks being besmirched with the name of Communist. What a contrast between their attitude and the attitude of some Country Party Ministers and back-benchers, hon. gentlemen who realise that we are living in a democracy and have the right to express our opinions. They do not smear a person merely because his opinion is different from their own; they are prepared to discuss a subject and arrive at an amicable arrangement in the interests of Queensland. I regret that Liberal Party members do not act in the same way and are not prepared to approach any discussion with the thought that there may after all be something in the argument of the other person and that they should get down to tinnacks and work it out. They are so devoid of the true principles of democracy that they are prepared to do everything possible to deprive the rank and file of the community of the right to express an opinion. If it is possible they will take away from him the right to a decent livelihood, at a decent wage, and later in my speech I will prove they are trying to do it.

I return now to this mighty little man, the Minister for Labour and Industry, who, we must not forget, is the leader of the Liberal Party in Queensland, who said, "We are determined to see we will have more jobs than there are men."

I ask hon. members to visualise a man of his calibre taking control of the government of the State of Queensland which, everybody in Australia admits, has the greatest potential of all the States. He has created excessive unemployment. The last occasion that we had excessive unemployment was when his political predecessors, of which he is a true and faithful disciple ran this State from 1929 to 1932. The figures today may be even worse than they were during that dark period of the Moore regime.

We have heard many excuses advanced by the Government for the present unemployment. The hon. member for Ashgrove waxed eloquent about the deficit and said that it was caused by the drought. We have had droughts in Queensland before!

Perhaps the hon. member does not know that. He seems to imagine that we never had any droughts until the present Government took office. The Australian Encyclopaedia No. 3 gives the complete answer to everything that he put forward, and I think it is necessary for them to have this information. There were many droughts during the term of Labour Governments but we always fought those trials and tribulations. When this Government fight in Canberra they do it in a smooth and chocolaty manner, whereas we fought them hard. The Treasurers of previous Labour Governments had many fights to get what Queensland was justly entitled to. We had many droughts in Queensland from 1919 to 1952. There was another in 1955-56. In 1918-19 there was a bad drought and in 1926-27 we had the most severe drought of all time, even more severe than the drought of 1902, but we balanced our budgets during all that time and helped the man on the land in no mean manner. However, we now find that there are persons like the hon. member for Ashgrove, with the audacity to say that the drought has been responsible for this Government's not balancing budgets. The Government have not balanced the budget because they do not know how to do it. They have not the know-how. Queensland, with an area of 670,000-odd square miles cannot be handled like a small 200 square feet factory. It is time the Government stopped thinking along those lines, but they cannot rise above it. They are still thinking along the old lines that prevailed in England in 1670. The same line of thought still predominates in this Country Party-Liberal Government. It is unfortunate for us that it is not a wholly Country Party Government.

Mr. Hughes interjected.

Mr. BAXTER: The little boy who has migrated from the Brisbane City Council talks about rates. What he knows about rates would not blow the wax out of his ears, despite the fact that the Minister for Labour and Industry preferred him to the previous hon. member for Kurilpa. He allowed himself to be used as a tool for the purpose of getting rid of one of the most competent and brilliant lawyers who ever entered this Chamber, Mr. Connolly, the previous hon. member for Kurilpa. Yet the hon. member has the audacity to raise his voice—a man with a character and background such as that!

Despite all that the Minister for Labour and Industry has said about the Government's desire to reduce unemployment, reports in the newspapers speak for themselves. Have a look at this one—

"More out of jobs, but rate of unemployment rise slows down."

This is in "The Courier-Mail". Heavens above, do not tell me that those little boys who sit up there in the Press gallery, those

little sprites, are all wrong. This is edited. Those little boys up there might write it but before it gets to the printer it goes through the hands of three or four people who are supporters of the Government parties so what comes out in the paper has only the minimum of truth attached to it. Let me read this one in "The Courier-Mail" of 15 August because it is very important in view of what I will read later—

"The unemployment total is a 12-year peak."

What do you know about that? Labour were in power most of that time but they never had the unemployment that these people have. When this Government took office there were only 2,000 to 3,000 unemployed but today there are 16,000 officially and 20,000 unofficially, and no-one can deny it.

The report goes on—

"Federal Ministers believe that the figures probably mean that in the last few weeks Australia has reached and possibly passed its unemployment peak."

That is something to be seen. It adds—

"Unemployment benefits paid in Australia have risen by 4,345."

These things speak for themselves. This is the self-same Government under the leadership of a Country Party man and he has my deepest sympathy because he has a terrific row to hoe with the little boys of the Liberal Party behind him pricking him with chaff bag needles all the time.

In the same paper it was reported that the Premier, Mr. Nicklin, made this statement about a decision made by a State Cabinet sub-committee—

"Loans and subsidies announced yesterday show that favourable consideration has been given to Local Government works requiring a high labor force."

That is very nice.

On that same day a meeting of the Trades and Labour Council had this to say—

"The Federal and State Governments should act on a big scale to meet the unemployment situation."

Mr. Macdonald, secretary of the Trades and Labour Council, said something about channelling millions of pounds into the public sector of the economy, with particular emphasis on housing. I ask hon. members to keep in mind that those speeches were made on the same day. One man said, "We have given greater priority and greater loan benefits to local authorities by means of subsidies.", and on the same day the Trades and Labour Council said, "Unemployment is increasing and something must be done about it."

Mr. Macdonald also said in his speech—

"When 17,000 or 18,000 meat and sugar workers would have entered the labour market by the end of this November,

this State's unemployed could be almost doubled to reach a figure almost as bad as the worst days of the early depression."

Mr. Pizzey: Who said that?

Mr. BAXTER: Is the Minister asking for information?

Mr. Pizzey: Did Macdonald say that?

Mr. BAXTER: Mr. Macdonald said that at a meeting of the Trades and Labour Council. The figures he gave were correct, because they have a very good system of getting them. The Minister must remember that the official figures given by the unemployment office do not include 4,000 people who are not registered. The leader of the Australian Labour Party in the House of Representatives, Mr. Calwell, said that the Liberal-Country Party Government in Canberra have released unemployment figures that are incorrect and are faked, and he said that he knew of 1,000 unemployed people in his own electorate. One should not belittle those facts and figures, because full employment is important to the economy of any State or country.

The Premier said that favourable consideration had been given to local authorities by means of loans and subsidies. In the Brisbane "Telegraph" of 5 October, this statement appeared—

"Queensland local government authorities want the Commonwealth Government to finance works to relieve unemployment."

Both the Premier and the Minister for Labour and Industry, who is Deputy Premier, have told us, "Everything is O.K. We have given the local authorities enough money. They will be able to keep their work force in full employment." Mr. King, the Secretary of the Queensland Local Government Association, had this to say in the same newspaper—

"But the problem of inadequate funds is common to all."

He went on to say that local government was fundamental to Australia's Federal system of government and there was an obligation on both the Commonwealth and the States to see that the system worked. How can we reconcile those statements with those made by the Premier and the Deputy Premier? I have here an editorial of "The Courier-Mail," the people who believe in and support the Country Party-Liberal Government. They succour and defend them. They have succoured and defended them on the television programme "Meet the Press." Even the editors of "The Courier-Mail" have said that what Queensland wants today is someone big enough to push the State forward. But we have not got that person. I shall prove that we have not. They have not adopted the right attitude in Canberra. Who was responsible for our losing £1,250,000 under the road grant? None other than the Premier and the Treasurer.

"The Courier-Mail" editorial draws attention to the fact that Sir Thomas Playford, Premier of South Australia, gets over to Canberra quite often. The results are seen in the favourable dealings he has with the Commonwealth Government. He is the leader of a Liberal Government. In Queensland, unfortunately, our strong-hearted fighter is the leader of the Country Party in a coalition government. They go down to see this big man in Canberra, Mr. Menzies, but he says, "No, talk of jobs is out." Back in Brisbane Mr. Nicklin says, "Circumstances have been changed as the result of a grant provided in the Budget to give local authority work." I have proved that Mr. Nicklin must have been taken for a ride by the big man in Canberra.

My colleague, the hon. member for Mourilyan, quoted some of the facts contained in an article in "Truth" by Mr. Higgins. In that article Queensland is referred to as "The Promised Land." In reply to the Minister for Education and Migration who is interjecting I would point out that I do not know whether Mr. Higgins is a Labour-ite, Liberal-ite, Country Party-ite, Communist or Calathumpian, but he does focus the spotlight of public attention on the maladministration of the Country Party-Liberal Government in Queensland. That is important to the people of Queensland because, as I said previously, the Government are not doing full justice to them. Because of the way in which he is manipulating the finances of the State the Treasurer knows that full well. Sitting behind the State's finances he reminds me of that rascal in Russian history, Rasputin, who sat behind the Czars and controlled them. He sits behind this Government in the role of a Rasputin and controls the finances of the State. I am sure that in the next six months the people of Queensland will realise how the Treasurer has tried to hoodwink them on the financial position.

Mr. Aikens: Whom are you talking about? John Higgins?

Mr. BAXTER: I was talking about the Treasurer of Queensland. Reading from this article it is interesting to note—

The CHAIRMAN: Order! I trust the hon. member will not read the same material as was read by the hon. member for Mourilyan.

Mr. BAXTER: The hon. member for Mourilyan only read for five minutes. There is sufficient in this to keep me going for the next two hours, without specifically reading anything. It is particularly interesting when compared with the utterances of certain gentlemen who came here from Canberra and proclaimed that Queensland had the greatest potential of all the States. I refer to the then Mr. Casey and to Messrs. Menzies and Fadden and others, who came here prior to 1955—a date of special mention—and spoke of the wonderful potential of Queensland.

A Labour Government were in office in Queensland in 1955. Our representatives received a terrific hiding in the Federal sphere. They obtained only one-third of the money that was required, despite the statements that had been made by these gentlemen concerning Queensland's potential, and their statements that Queensland was wide open to attack, that any Army that landed here could soon be self-supporting.

Our representatives, Messrs. Gair and Walsh, got a terrific hiding; they did not get the money they required. When they returned to Queensland and tabled in this House the results of their negotiations, what did the then Opposition do? The Treasurer, who was, at that time, Leader of the Liberal Party, tried to belittle everything that had been done, claiming that these people in Canberra would not do anything detrimental to Queensland. He said, in effect, "Oh, no! They believe in Queensland. Did not Mr. Menzies say he would do everything possible for Queensland? Did not the Right Hon. Mr. Casey say they would do everything for Queensland? Have we not got a Queensland representative as Treasurer? Of course, they would give to Queensland everything to which she was justly entitled."

Today, with the position reversed and the same gentleman occupying the Treasurer's portfolio, he comes back after receiving less than half of what he was justly entitled to and blames the Commonwealth Government for not having done the right thing by Queensland. We, in the Labour Party have been saying that for the last 25 years but we did not get any support from hon. members now sitting on the Government benches. They played politics in this Chamber. They were not big enough to realise that we could get together and stand up to the people in Canberra. They did not believe in that. That was not their approach, so, today, we have an unfortunate recurrence of the same circumstances, under which we do not get enough money to do full justice to our State. Only recently the Prime Minister stated that he was surprised at the size of this State; he did not realise that one particular electorate is as big as his beloved Victoria. Even so he has not given us our just entitlement. The fact that they have not done a good job for Queensland is to the detriment and disgrace of all Federal Liberal members. They have been prepared to bow their heads and bend their backs to the whip of the Menzies coalition Government. That is why Queensland is in a bad position today.

The "Truth" articles goes on to say of the Federal Government—

"Back in 1955 it invested £11.6 million in establishing the huge Bell Bay aluminium project in Tasmania. The Tasmanian Government's contribution was a mere £1.5 million."

We could not get any assistance for the Burdekin scheme, nor could we get any

assistance for the Tinaroo Dam project. That was the trend in 1955 and it still applies today. What is Western Australia's position?

The "Truth" articles states—

"Over in West Australia just recently, the Commonwealth invested £26.8 million in a £41.2 million 400-mile railway standardisation scheme from Kalgoorlie to Kwinana. To help in its repayments, West Australia, a claimant State, is expected to get increased grants—which will cut down its repayment portion considerably."

The claimant State position is an interesting one. At one time it was suggested that Queensland would become a claimant State.

The article continues—

"You know what happened when we wanted £20 million to recondition the railway line to Mt. Isa, one of Australia's great export-earning towns."

We did not do any good in our approaches to the Commonwealth Government and the Treasurer went overseas on a money hunt. He returned, not having made arrangements for the loan, and ultimately, under pressure, the Federal Government agreed to lend us the money. The terms of the loan make interesting reading, and are in distinct contrast with the terms of the loan recently granted to South Australia. "Truth" points out—

"Over in South Australia just recently, incidentally, the Commonwealth Government lent the State Government £1,325,000 to dieselise the Port Pirie-Broken Hill railway system, and gave it 50 years to pay it back."

The term of the loan for reconstruction of the Mt. Isa line is 20 years. When Queensland wants a loan, it has to repay every penny, and over a short period as against an extended term granted to other States.

The article continues—

"It's one of the many mysteries of Commonwealth finance, incidentally, just exactly why the Snowy River scheme is being paid for as it goes in hard cash out of general tax revenue. Why hasn't the cost of it been largely borne by long-term loan projects, leaving future generations (the real beneficiaries) something to pay."

That is the situation today despite the assurances of Government members when in Opposition that if they were returned to power they would get mythical millions out of their friends in Canberra. They have not done so and Queensland is in much the same position as it was prior to their taking over the reins of government. We still have a Liberal-Country Party Government in the Federal sphere and a Country Party-Liberal Government in Queensland. Hon. members on the Government side cannot deny that we are not receiving our just entitlements. No matter how we approach the problem we are still on the wrong end of the stick.

I think it is very important that I place on record part of the article that appeared in "Truth" on 22 October. It says—

"A Conspiracy Against Queensland.

"Apart from the benefits of actual spending of Commonwealth Department Budget in their areas, southern States also derive an additional 'bonus'."

That statement requires mature consideration, because we in Queensland are again being given the thin end of the wedge. The article continues—

"The people on whom the money is spent pay income tax on this Government money, and in turn this is rebated to the States concerned. In other words, they get it both ways!"

That is a very interesting comment. In Queensland we produce a large percentage of the primary products of Australia which are sent overseas for our benefit. Those credits enable us to purchase raw material, semi-complete and fully-complete articles. However, because we are almost bereft of secondary industries in Queensland most of the articles or commodities are returned to the more favoured southern States of South Australia, Victoria, and New South Wales and we are forced to buy the finished or partly-finished articles from those States. We are contributing twice to the economy of the country: firstly, and principally, when we send our primary products overseas, and secondly when we purchase from the southern States what is manufactured from our own primary products. What are the Nicklin-Morris Government doing about it? I am very interested to know and I am sure that many other people in Queensland, particularly those on the land and in private enterprise, would also like to know. There is another very interesting comment in this article in "Truth" which says—

"We had plenty of money stuck away in trust funds . . ."

To use the writer's expression, it was stuck away in the trust funds because of the very good sound economic system that had been followed by the Australian Labour Party over the years. Through the trust funds we were able to balance the budget, but what has happened since the Country-Liberal Party took over the reins of government. Mr. Nicklin, the leader, Mr. Morris, the deputy leader, and Mr. Hiley the Treasurer played about with those funds and used them as far as they possibly could with the sole object of making Queensland a claimant State along with Western Australia and Tasmania. They forgot that others have their fingers on the ball, and when the Premier and Treasurer went to Canberra to make the deal to become a claimant State and to get concessions of £2,000,000 or so, Canberra "smartied" up on them. After Victoria announced that it was going to apply to become a claimant State, too, Canberra wiped the idea of claimant States except for Tasmania and

Western Australia and Queensland was left holding the empty bag. That is how the peculiar vista of golden promises of employment and development clouded the common sense of a very shrewd accountant. He allowed himself to be tricked into the present situation. We are broke. He cannot deny it. There is no way in the world we are not.

Mr. Walsh: I think they hypnotised them.

Mr. BAXTER: That could have been so because Mr. Playford in South Australia is a very clever man. He seems to have been able to go along and hypnotise Mr. Menzies and get large sums of money guaranteed to him at very low interest rates. He has to pay back only a very small percentage of the loan over the longest term possible, so the hon. member for Bundaberg could be right. The Treasurer could have been mesmerised by the glamour of going down there as a raw little boy meeting these hard, seasoned campaigners in the battle for money.

Mr. Walsh: He is not the only one Bob Menzies has hypnotised.

Mr. BAXTER: And Mr. Playford could have had the opportunity of being the stooge for Mr. Menzies. But he never had a chance to hypnotise the Labour representatives when they went down there. Every time they came away they bore the scars of battle.

Mr. Walsh: They said we were too vulgar.

Mr. BAXTER: They told us that we did not have the smooth, honeyed approach, which they prescribed when they were sitting on the Opposition benches. They said we of the Labour Party were uncouth, that we did not understand the language and that we did not have the right approach. But at least we got as fair a deal as they did, no more and no less. Remember we were opponents of the Commonwealth Government. Despite all the hue and cry of the State Country Party-Liberal Government, and despite their honeyed approach and their suaveness they did no better than we did. In fact I sometimes doubt whether they did as well as the reputedly uncouth, unintellectual representatives of the Australian Labour Party. Every representative of the Australian Labour Party who goes to meetings of the Loan Council endeavours to get the most money he possibly can for the State that he represents.

Mr. Hodges: It took you 25 years to get the money. It has taken us four years.

Mr. BAXTER: If the hon. member would only go back and count the oranges in the boxes at the C.O.D., we might get 20 again instead of 19.

The Government talk of progress. We are suffering today because the Government, in an endeavour to make Queensland a claimant State, squandered the reserves built up

by former Labour Governments. I do not know whether they were tricked, mesmerised, or hypnotised, but everybody else knew that if Queensland applied to become a claimant State its claim would be rejected and a new tax reimbursement formula would be introduced. We are bankrupt today because of the maladministration of the Government in the last four years. When the Government assumed office in 1956 there was a credit balance in the Treasury, and we had about 2,600 unemployed. After four years of administration by a so-called business men's Government, who cannot get the idea out of their head that they are not legislating for a 20-square acre, but instead for a vast area of 670,000-odd square miles of the State, we are bankrupt.

Mr. Aikens: It is about time they woke up to the fact.

Mr. BAXTER: For once, I agree with the hon. member. There is a great deal of open space in the State. It is the only sensible remark the hon. member has made. The Country Party-Liberal Government have at last become aware that they have been taken for a ride by their colleagues in Canberra.

The Government promised to streamline the railways and make them pay. As the Premier said in his speech in April, 1958—

"We will guarantee all railway men full-time employment. We will keep the 40-hour week in your best interests."

What do we now find? Twenty-five branch lines have been closed, and it is possible that more will be closed. Fares and freights have increased. The Government have done everything possible to destroy the railways, and they have sacked 3,500 railway employees. How in the name of goodness can they expect the people of Queensland to respect them when they make promises such as that and then fail to keep them? How long will the people tolerate the Government? It will not be for very long, and I should say that at the next election they will be finished. No legislation they can now bring down will repair the damage done to the standard of living by their amendment of the Industrial Conciliation and Arbitration Act. Some of the branch lines that have been closed might not have been paying, but we are living in the only State in Australia with vast expanses of undeveloped land. By the closure of the branch lines the Government have taken away the means of transport. Within the next decade we will be building railway lines, perhaps some of them over the ground where the tracks are now being taken up. The lines will be taken up and sold for a mere pittance but it will cost millions of pounds to put them down again. Instead of closing lines the Government should have concentrated on building stronger permanent way, straightening curves and providing faster services. We

should have a fast service straight through to Redcliffe, another to Southport. In the near future those two resorts will be suburbs of Brisbane. They are no further away from the heart of the city than many of the outer suburbs of Sydney. Why did not the Government continue with the electrification commenced by the previous Minister for Railways, the Leader of my party? The Government have fallen down on the job. They are too narrow; they do not look far enough ahead. Let posterity pay for what we are building today. We will have to do that if we are going to develop the State to the extent it should be developed. We can run a train to Southport in 1½ hours. What an enormous improvement it would be to have a similar service to Redcliffe. Let them examine the railroad tests conducted on 3 feet 6 inches gauge in South Africa, with 5-chain curves. Let them examine the use made of a C.L.F. wagon and its performance before it went off the road at 65 miles an hour unloaded and at 85 miles an hour loaded. The Government are not progressive enough.

(Time expired.)

Mr. WALSH (Bundaberg) (4.33 p.m.): I take it that since he introduced his Financial Statement the Treasurer has done a good deal of penance. In that respect I have some sympathy for him because I went through it over a period of years in having to sit and listen to all the comments about the Financial Statements that I presented. There is a tremendous burden on the occupant of the office of Treasurer in endeavouring to assimilate and analyse the various statements made by hon. members, particularly those features of their speeches relating specifically to the financial situation. I know that a debate of this nature can be very boring. I can imagine, Mr. Taylor, your having at some stage to apply Standing Orders if hon. members on both sides of the Chamber rigidly adhered to the necessity of directing their remarks to the financial aspects of the Budget. Apart from the fact that the figures submitted are very complex, and can become very complicated in the minds of those who have not been accustomed to handle them in the way that the Treasurer has handled them as an accountant, I realise that hon. members would find it necessary to go over the same ground. For many years I have listened to the Treasurer in another capacity, when he was a member of the Opposition in this Chamber. I have listened to some very interesting speeches from him, speeches that, in some respects, could be regarded as being in the nature of lectures to students on accountancy or financial economy. I found myself in considerable agreement with many of his speeches over the years. He made his first speech from the position in which the hon. member for Maryborough is now sitting. I was in the lobby and I took a very keen interest in it. I thought, "Here is a man who will contribute something to the debates of Parliament and,

if one listens carefully, this speaker might convey interesting thoughts to men of lesser experience."

For all that, I do not think I have ever seen, in all my experience, a Treasurer so subdued or uncomfortable as he was on the introduction of his Financial Statement. To me he appeared to lack his usual confident or superior approach to his task. As we have known him over the years his nature is such that he approaches his subjects very confidently. Instead of his usual chest-expansion-forward attitude he gave the impression that he was humping a very heavy swag on his back. And, believe me, he was, not because of anything that the Opposition as a whole or in part have contributed but because he himself has apparently failed to handle the State's budgetary position in a statesmanlike manner.

It could be that the Treasurer was not so comfortable on the introduction of this Financial Statement because he lacked the organised gallery that was evident on the introduction of his first Financial Statement. I can recall on that occasion there were many university students and others in the gallery, obviously organised by the Liberal section of the coalition, to come and see this new Messiah presenting his picture of the new financial plan for the State. On this occasion I looked around and I could see all but the Press gallery virtually empty.

I know, as one who has engaged in public speaking for a number of years, the inspiration one can get by having a sympathetic audience. It is very vital if one wants to put a story over.

I had better not proceed along these lines because, as one who has occupied the office of Treasurer for a period, rather should I be sympathetic to the Treasurer having regard to his difficult position, not brought about entirely by himself but, I should say, in some measure, probably brought about by himself very largely. To be fair I might say that in the days when I was Treasurer in the Labour Government, the present Treasurer as an Opposition Member was, with a few exceptions, very fair in his criticism. He endeavoured to analyse the document before the Chamber in an intelligent way. Artificial or superficial it may have been, but that is how it appeared to me. I remember one occasion, of course, when the Treasurer, after studying the document very carefully, made considerable mistakes for a man of his experience in handling and marshalling figures—so much so, I pointed out, that it was left to the plumber of Kurilpa to correct the professional accountant and, I understand, a successful one. But I cannot be sympathetic with the Treasurer to the extent that he is responsible for bringing the State to its present financial predicament. In the past he has given plenty of advice from this side of the Chamber. I will not waste time by quoting from numerous volumes of "Hansard" and reminding the Treasurer of the many statements he made during such debates

in past years. Having regard to the document he presented, the legislation introduced and the other legislation dealing with racing and betting to be introduced, I should not be surprised if there was a fire in Parliament House one night and all the volumes of "Hansard" were burnt and destroyed. They contain so much damaging evidence against the Treasurer that somebody should see to it that a special guard is put on this building, particularly to see that those documents are not destroyed.

The Treasurer, when in Opposition, gave much advice and today he is getting plenty of it. I do not propose to give any advice although I realise he listens to it. I remember the advice he gave in past years as an Opposition Member, but for some years he has been in a position to apply his theories and he has brought the State, if not to a bankrupt condition, at least to a near-bankrupt condition.

The Treasurer adopts an optimistic approach year after year. From the public viewpoint I agree that we should not be crying gloom or pessimism all the time. A lead in optimism has to be given to industry generally. That is an obligation on both sides of the Committee, but we have concrete evidence before us today of the State's position. Despite the Government's claims that the State was never more prosperous, and that there has been an increase in productivity generally, and despite the fact that they received record revenues from State taxation, Commonwealth grants, loan funds and other sources, we still find that year after year the people of the State have less and less security.

In the days of Labour Governments the demand on us by the present Treasurer and the Minister for Justice was to reveal how the Budget surplus was arrived at. At least there was a surplus. Today the stock question is, "How is the deficit arrived at?" How was the deficit arrived at, and why? When we look at the documents presented by the Treasurer over the past three years we find three deficits in succession and another forecast. Hon. members of this Chamber, and the community at large, are entitled to ask how is a deficit arrived at, and what are the causes. Allowing for all the juggling of loan funds, and trust and special funds, the reasonable assumption is that the deficits have been much higher than the figures indicated by the Treasurer. If hon. members want some lead on this matter I invite their attention particularly to the footnote on page 17 of the Treasurer's Tables. I think I mentioned earlier that on one occasion the Treasurer had failed to refer to footnotes on the Estimates that were presented in respect of transfers of certain funds. We may ask ourselves what has been the cause of the deterioration in the State's finances over the past three or four years, when we remember that for 19 years under Labour—from 1938-1939 to 1956-1957—there were

only two deficits, in 1947-1948 and 1955-1956. If it satisfies anybody the deficit in 1955-1956 was during the period that I occupied the position of Treasurer. I have not the figure before me but I would make a blind stab and say that the deficit of £1,723,000 in that year—before the Labour Government was split—was the second largest in the history of Queensland. The biggest deficit was over £2,000,000, and was some years ago. I mention the 1955-1956 deficit specifically because although it was the second largest deficit in the history of Queensland under Labour Government, there was a surplus the following year. Those are the things that the Treasurer, and those following his remarks so carefully, should explain to the Committee. We must remember that they had record revenues from increased State taxation, Commonwealth funds and Loan funds, and I have the figures from Federal sources to prove it. Under the present Government we have had a succession of deficits each year. We have to search back many years to find a succession of deficits. Hon. members should look at the tables presented by the Treasurer in conjunction with his statement, for they are interesting. If hon. members would only pay some attention to them they would get a great deal of knowledge. The Government claim that the State is more prosperous than ever. As I mentioned earlier there is increased production, a record in land settlement, and record revenue, but in spite of all this, the State is experiencing near-record unemployment in 20 years. There has been a decline in the State's population compared with the rest of Australia. The Treasurer cannot argue against that, nor can any of his supporters. Since this Government took office there has been a decline in the proportion that Queensland's population bears to the total Australian population.

Mr. Hiley: Do you base that on census figures or on the Statistician's estimate?

Mr. WALSH: I base it on the tables and documents presented to the Federal Parliament by Mr. Harold Holt in connection with his Budget.

Mr. Hiley: Which is based on the Statistician's estimate.

Mr. WALSH: Every year that the documents have been presented they have been presented on exactly the same basis—the projected estimate.

Mr. Hiley: And they have been wrong every time.

Mr. WALSH: No, they have not.

Mr. Hiley: Every census has proved them wrong.

Mr. WALSH: I cannot see that.

Mr. Hiley: You do not know the history if you say that.

Mr. WALSH: If that is the case the whole documentary evidence of the Federal tables must be wrong.

Mr. Hiley: The Statistician's estimates of population are. They have been proved wrong in every census.

Mr. WALSH: Is the Treasurer saying that the document presented by Mr. Holt is not correct?

Mr. Hiley: I am saying that the information on which he relied is not correct—the Statistician's estimates.

Mr. WALSH: If that is the case it was not correct in any other year.

Mr. Hiley: That is right.

Mr. WALSH: Then where is the value of the material submitted? I cannot accept that. At least I pay some attention to these items. If the Treasurer looks at the tables relating to the Financial Statement he will see a typographical error in the tables of revenue and expenditure per head of population on pages 18 and 19.

On page 18 the population of Queensland for 1959-1960 is shown at 1,488,168 and on the next page it is shown at 1,448,168. If he wants to enter into an argument on the accuracy of the Federal figures, that is not my fault. The fact remains that there has been a decline in each of the four years and if that applies to Queensland the same must apply to every other State. If the figures for Queensland are false, they are false for every other State.

I refer, if I might, to page 163 of the table presented by Mr. Holt. As the Treasurer has questioned the accuracy of some of the figures that have been submitted in the Federal documents, I am going to ask him to explain directly some aspects of the Mt. Isa finances that, again, are not in line with the documents presented to this Committee.

I realise that a lot of hot air can be let loose in guessing at what the actual surplus or deficit is. The Treasurer knows how much hot air and steam he let off on this side in trying to arrive at what he thought was the surplus—the surplus more so than the deficit because we had only one deficit when I was Treasurer.

Today we had tabled the Auditor-General's report, and it is a very interesting document for those who want to look for criticism of the handling of the funds of the State, but, as far as the surplus or deficit is concerned, to the extent that the Treasurer of today or any past Treasurer has conformed with the requirements of the Audit Act and the law generally, the Auditor-General's figure for either a surplus or a deficit will be the same as that returned by the Treasurer. The Treasurer knows that certain powers are conferred by Executive minute regarding transfers of funds and the

creation of special trust funds and those are usually referred to in the Auditor-General's report. As I said, the Auditor-General's job is to certify that the revenues of the State have been dealt with according to the requirements of the Audit Act and the law of the State generally. That applies not only to Consolidated Revenue but also to Trust and Special Funds and Loan Funds. No matter how one examines the figures, no matter what the surplus or the deficit is, the important thing is, what is the State receiving in return for the expenditure of the moneys?

Under the present Government, we have had a succession of deficits, a decline in the proportion of Queensland's population to the total Australian population, mounting unemployment, and general insecurity. The Treasurer cannot continue to blame the drought and the railways for the parlous condition in which the State's finances are today. The railways have always been a considerable burden on the Treasury. I quoted figures in the House in 1957 to show that over a period of 10 years about £25,000,000 over and above railway revenue had been found by the Treasury to maintain the railways, so this is no new problem. We shall probably always have droughts, but the man who is doing a great deal to dim the prospects of meeting droughts is the Treasurer himself. Nobody has made speeches in this Chamber more condemnatory of further irrigation projects than he has.

Turning now to the tables presented by the Treasurer, figures given on page 17 confirm my statement that we had surpluses from 1938-1939 to 1954-1955, and I see that the figure I gave there was correct. In 1955-1956 there was a deficit of £1,723,437 19s. 1d., and in the following year there was a surplus. If the Treasurer wants to go into the question of how Labour Governments may have juggled the funds in the past, I ask him to stick to the footnote on page 17 and see who really has juggled the funds. It is certainly not Labour Governments in the 20 years to which I have referred.

I emphasise that every hon. member, irrespective of whether or not he is interested in the overall financial position, should apply his mind to Table C 5, which appears on pages 18 and 19 of the tables. In my time as Treasurer, I have quoted hundreds of thousands and millions, as the Treasurer has done, but this table shows the actual revenue and expenditure per head of population and is a very interesting table. If one takes the last year that Labour was in office, 1956-1957, receipts from the railways were £25 15s. 6d. per head of population and expenditure was £26 15s. 3d. Even in that year, with a Labour Government in office, the expenditure was £1 per head of population in excess of the revenue received from the railways. Since the present Government came into power there has been a decrease in the

revenue per head of the population, and the figures for the sequence of years following are—

£	s.	d.
24	3	7
24	12	8
24	1	3
24	2	1

The expenditure has gone up. For the same sequence of years the figures are—

£	s.	d.
25	13	2
25	13	2
25	17	8
25	12	7

But what is overlooked is a new form of taxation imposed by the Government, particularly that received through the special tax under the Roads (Contribution to Maintenance) Act passed by the Government early in their career. If I could make another mental stab at the figure I think last year's return was something like £833,000. The Treasurer may say that he is losing a lot of revenue from the railways, but do not let us overlook the fact that the Government have picked up a great deal of revenue under other headings, particularly through fines on motor vehicle drivers.

The receipts from taxation, of course, have gone up. In the last year of the Labour Government the State taxation per head was £7 6s. 9d. In 1959-1960 it was £10 6s. 3d. For some strange reason—to be candid I do not know how the figure is arrived at—it is down now to £9 13s. 2d. In any event, it is still over £2 a head more than under the Labour Government. They are figures that lend themselves to very careful scrutiny by hon. members when there is talk about the load the railways impose on the Treasurer.

I want to deal with the Mt. Isa railway line but I shall be brief for the reason that I take it we shall have another opportunity to discuss that matter at a later stage when the Government bring down legislation covering the agreement. As the Treasurer always endeavoured to convey to hon. members when he was in Opposition that the Government of the day had not presented the real picture, I want to remind him that in the Estimates as presented for the year ended 30 June, 1961, on page 77, under the heading "Trust and Special Funds—1960-1961 Estimates of Receipts and Expenditure, Premier and Chief Secretary," in the item, "Mount Isa Railway Project Fund," with a noting "(b)", figures are set out showing the credit balance, the estimated receipts and the estimated expenditure for the year. When I turn to page 78, to see what that noting actually conveys, I find that "(b)" indicates that the receipts include Commonwealth payments. That is not a guess on my part; it is taken from the document itself. Reading from the Auditor-General's report, which I received only this morning, in dealing with the Mt. Isa railway project, at page 76, under the heading of "Expenditure," I find—

"All expenditure has been debited against the Mount Isa Railway Project Fund created at the Treasury in terms of 'The Railways Acts Amendment Act of 1959,' and the amount of £1,700,000 was appropriated for expenditure during 1960-61, making the total advances to 30th June, 1961, of £5,000,000—financed entirely from State Loan funds."

I think this Committee is entitled to know what proportion of the receipts in the Treasurer's document, as he states, includes Commonwealth funds. This Committee should be told. If they do not include Commonwealth funds I think we still should be told. The Auditor-General says, of course, that they are financed entirely from State Loan funds.

Mr. Hiley: Up to 30 June, 1961, that is right.

Mr. WALSH: If the Treasurer was taking notice of what I said he would know I made reference to the 1961 Estimates presented last year where the noting in brackets indicated that those receipts included Commonwealth funds.

Whilst I am on that, I might mention the difference between the figures presented by the Treasurer and the Estimates presented for this year in relation to Mt. Isa. The Auditor-General, on page 77 of his report, has this to say—

"Expenditure certified by the Engineer, is made by the Department of Railways and totalled £2,767,968 for the year 1960-61."

I cannot help it if, in fact, the figure presented here on this matter again differs from the Estimates. The figures shown on page 77 of the Estimates are, "Expenditure 1960-1961 £2,775,364". It might be only a matter of £10,000 or £12,000, but that is not the point. The Treasurer was prone to draw attention to what he considered to be mistakes in the past. He was never able to prove it but the evidence is there of differences between the Auditor-General's report and his tables.

Now, I should like to touch on one or two matters on which I had something to say previously, in connection with the political situation particularly as it affects the Labour Party. Hon. members will remember that during the Address in Reply I introduced some phases into the debate in which I expressed the desire that I might at least convey to those hon. members of this Chamber who are interested in political unity—and political unity, after all, has something to do with national unity—and to those outside who might like to follow some of the comments I make, some of my views on the subject. Consequently, I propose to go over the history of some of these matters, without in any way pointing the finger personally at any hon. member of this Chamber.

Mr. Smith: Someone will jump just the same; don't worry about that.

Mr. WALSH: The hon. member for Windsor is not going to encourage me to jump if I do not want to jump, nor is anybody else. The point I wish to make, in the first place, is that all this row about sticking strictly to the decisions made by Labour bodies, goes back to the Hobart conference in 1955. It is an interesting story, and the history of it should be written by somebody, not immediately but at some time in the future, so that there will be a complete record of the things that followed from the decisions at that time. I have said in this Chamber time and time again including the days before there was any break in the Labour Party, that I gave great credit for the activities of industrial groups in Victoria, not that I saw eye to eye at any time with all of the decisions made by Victorian conferences or the building up of the mechanism or machinery that resulted in the establishment of these groups—not at all—and hon. members of this Committee who attended conferences know that that is so. But at least the result was that they exterminated Communist influence in great unions like the Australian Railways Union in Victoria, the Tramways Union, the Building Workers Industrial Union, the Clerks Union and others.

The result was that for the first time for 20 years a Labour Government were returned, under the leadership of Jack Cain, and following on that there was a record Senate vote in Victoria—all resulting, I say very emphatically, from the fact that Communists were unseated from control of the industrial movement in those great unions. As a result of the defeat of Communist influence in those unions, 100,000 additional members were brought into the A.L.P. in Victoria by way of affiliation.

We cannot ignore those things, irrespective of what somebody may have done later to create some damage. That is not the point. Let us examine the matter realistically. Following on those happenings the Hobart conference decided that the Labour Party was no longer allowed to identify itself with any organisation, set up under the imprimatur of the A.L.P., in its work against Communism, so there was a complete ban on the formation of any organisation with an A.L.P. influence to combat Communism in trade unions.

The Brisbane conference that was held in March, 1957, reaffirmed that decision. That was its right. I am not complaining about such things. Conferences can alter policy from year to year or from period to period. I am merely pointing out the damage that has been done to the Labour movement throughout Australia by these decisions.

Then in 1959 there was another resolution, to which I referred previously, and

about which I have some observations to make. As reported in the Bundaberg Press of 23 May, 1959, I said—

“The decision of the recent Federal Labour Conference in Canberra on unity tickets can and will be regarded by the Communist Party as their greatest success within the Labour Party in the past 25 years.”

I put it up that the suggestion conveyed by that resolution was that it was the intention of the A.L.P. to adopt a tougher attitude on unity tickets in the future. I said—

“An honest and intelligent interpretation of the resolution carried will reveal that—

(1) Conference decided that there should be no interference in the internal affairs of trade unions and that members of unions should have complete freedom to nominate for office.

(2) Conference admitted that it was aware of the activities of other political parties and particularly the Communist Party, with full-time organisers constantly seeking to place Communist members in responsible trade union positions.

(3) Conference places the responsibility on A.L.P. members (not supporters) to ensure the return of executives which will support A.L.P. policy.

(4) The resolution warns that, apart from the ban on linking with Communists, A.L.P. members in trade unions are not allowed to combine with any anti-Communist members of other political parties in their fight to resist Communist control of the trade union movement.”

I would say in favour of the Victorian A.L.P. that it was quite open in its attitude; not so the Queensland A.L.P. The resolution moved by Mr. Egerton and carried by 20 votes to 16 gives the all-clear signal to Communists to go full steam ahead to gain complete control of the trade union movement. The Federal A.L.P. Conference decision, while acknowledging the activities of other political parties in trade union ballots, and particularly emphasising the awareness of the A.L.P. of the campaign waged by the Communists, quite frankly states there will be no official A.L.P. challenge directed against the Communist Party in its campaign to take control of the trade union movement throughout Australia.

So much hot air has flowed over unity tickets over the years, not only from the other side of the Chamber, but also from sections outside the Chamber, that I would not be bothered wasting my time on the unity-ticket issue. At all times, I was more concerned about the complete ban put on genuine Labour men in preventing them from organising and giving assistance from their central organisation to fight the Communists. That was the serious aspect, but

the Press printed it as if something important had been done by the carrying of this resolution. Not only was there a ban, but there was the penalty of being dealt with in accordance with the rules of the A.L.P. if A.L.P. supporters organised collectively against the Communists. We saw the effect of that as time went on. In 1959 this resolution was carried by the A.L.P. Conference and it was reported in "The Courier-Mail" of Saturday, 16 May, 1959—

"The Queensland motion was carried after a mild motion sponsored by Victoria and Western Australia was defeated.

"This motion virtually left A.L.P. members' industrial attitudes and associations as a matter of personal choice, provided the name of the A.L.P. was not used."

Then the article quoted the resolution that I have already referred to. The voting for the Queensland motion was—

For		Against	
Queensland	6	Victoria	6
New South Wales	6	South Aust.	6
Tasmania	6	Western Aust.	4
Western Aust.	2		
Total:	16	Total:	16

I wish to emphasise the opinions of true Labour people. I am not concerned with what might be said about Liberal people on the other side, or Liberal people outside. I am concerned more with the statements made by men in the Labour movement. I am not asking anyone to accept my opinion on this subject because there are hon. members in this Chamber who know that the right I am exercising now, or the privilege, or whatever hon. members may like to call it, would be no different if I was sitting within the four walls of parliamentary Caucus, the Q.C.E., or the Labour Convention itself. I have always tried to convey what I thought was the truth whether other people agreed with me or not, or whether it hurt them or not. I have always said what in my own conscience was the right thing to say. On that occasion Dr. Evatt told the conference that unity tickets were a blot on Labour. He said that the A.L.P. rules were quite clear about banning association with Communists or members of any other political parties, which is perfectly true. Dr. Evatt continued and said that there were no grounds for associations with Communists, that such actions were injurious to the Labour Party. Then, we go one further and we find this report about Mr. W. Colbourne, who is now the president of the Federal Labour executive—

"Mr. W. Colbourne (New South Wales) claimed that the unity tickets were wrecking Labor's hopes of taking office."

Then I come to the statement quoted this morning by my colleague the hon. member for Carnarvon, attributed to the Leader of the State Opposition. "The Courier-Mail" of 13 October, 1961, describing what that paper called a clash between Mr. Duggan, the

Leader of the Opposition and Mr. J. Egerton, President of the Trades and Labour Council, attributed this statement to Mr. Duggan—

"Mr. Duggan deplored that Australia did not have a Labor Government and said that the fact was that Labour had been unable to sell the people the assurance that it could be trusted.

"There must be some stocktaking of the position, politically and industrially. There was as much apathy in the industrial movement as the political."

I could not agree more and I have said it over and over again from the platform outside that, as the hon. member for Carnarvon rightly said, if he or any other hon. member of this Assembly who is not part and parcel of the official A.L.P. quotes these statements, he is charged with being on the side of somebody opposed to Labour and so on.

Let us be realistic and remember that, in addition to what Mr. Duggan as Leader of the Opposition here said, we have the moves made by Mr. Whitlam, Deputy Leader of the Federal Labour Party, Senator Nick McKenna, Leader of the Labour Party in the Senate at Canberra, and Senator Kennelly, the Deputy Leader. If all these people were prepared more or less to run into fire in Victoria and present themselves as it were before the controlling machine of the Labour Party in Australia and if they demanded, or at least invited, some action on the part of the Federal Executive against the ramifications or the doings of the Victorian State A.L.P. Executive, how can these things be thrown aside? What is the use of going out on the hustings and inviting the people to return a Labour Government if you find a small element within the structure of Labour throughout Australia resisting the movements of their political leaders?

My genuine feeling is that we have to get a Labour Government back not only in this Parliament but also in the Federal Parliament. Just as it is with Mr. Duggan, the obligation is on each and every one associated with the great Labour movement—and that includes the industrial section—at least to convince the electors of this country that Labour can be entrusted with the reins of office. I am not getting myself mixed up with any outfit that cuts across genuine Labour policy. I had my break here—or the Labour Party had its break with the then Government; let me put it that way—on a specific principle and I stand or fall by that principle. Never did I question Labour policy or the right to determine Labour policy. When it came to the question of a body presuming to direct the Government on pain of expulsion of the Leader of the party, I could not follow the course nor could any other genuine Labour organisation in the whole of the British Commonwealth of Nations accept or adopt that policy. It is for that reason that I desire to place on record an extract from the

book, "A Prime Minister Remembers," written by Francis Williams. The book sets out the memoirs of Earl Attlee, based on his private papers and recorded conversations. I quote from pages 90 and 91. In his interrogation of Earl Attlee, Mr. Williams asked this question—

"There is a good deal more formal machinery of party decision in the Labour Party than in the Conservative Party. Did this reduce your freedom of action?"

Earl Attlee replied—

"No. Naturally, as the leader of a party any Prime Minister has been sent in to carry out a party programme. That is what electors have voted for. He wouldn't be leader if he didn't believe in it. But he must always remember that he is more than a party leader. His Government is responsible primarily to Parliament and through Parliament to the nation. If you begin to consider yourself solely responsible to a political party you're halfway to a dictatorship. You must always have in mind what is in the best interests of the country as a whole at a particular time.

"In the Labour Party the Annual Conference passes resolutions which are party policies. It is for the National Executive to interpret these on a national sphere. But as far as work in the House goes they must always be interpreted and dealt with in the light of circumstance by the Parliamentary Party. They are a guidance to the Parliamentary Party, not an absolute mandate. They couldn't be. You can't have a non-parliamentary body arranging things, saying, 'You must do this. You mustn't do the other'. What you do must depend on the circumstances. The National Executive is useful in giving a consensus of opinion, keeping you in touch with feeling, but there can never be any question of orders being issued by the National Executive to a Labour Government. That would be quite out of the question. You must always remember you are the Government of all the country and act accordingly. It is the same with the trade unions. Trade union resolutions are things to take account of, they show the way an important body of opinion is going, but they're not binding on the Parliamentary Party, and still less so, of course, on a Labour Government."

Everybody will accept that Earl Attlee was a man who was dedicated to the principles of Labour. Confirmation of the principle that he outlined there is to be found in a book "Government and Parliament," written by another of Great Britain's Labour leaders, Mr. Herbert Morrison, who had a very successful career as chairman of the London County Council and also in the Attlee Government. That book can be obtained in the library; I have a copy of my own. The question was discussed because Mr. Churchill asked Mr. Attlee, who was not then Prime Minister, to be an observer at the conference

at Potsdam, where President Truman, Mr. Churchill, Stalin, and other national leaders, met to discuss important matters. Professor Harold Laski, who was then chairman of the National Executive of the Labour Party, published the view that Mr. Attlee could go there only as an observer and could not bind the Labour Party in any way. As I said, it is true that he was not Prime Minister. Mr. Churchill immediately wrote to Mr. Attlee, as he then was, and drew attention to this published statement, and his letter is cited in the book by Francis Williams. It is there that you will find Attlee's reply to the then Prime Minister, who was defeated shortly afterwards. But that is the specific principle. As long as I live nobody will ever sell me the idea that any authority outside can tell a parliamentary representative what he has got to do in regard to the implementation of legislation. If they wish to do what the Liberal Party did with Peter Connolly—railroad him in a plebiscite or refuse endorsement—or anything of a similar nature, particularly the Premier of a State being threatened in such a way that if he failed to do certain things he faced expulsion, they may do so, but as long as I live, unless the Labour Party decides that it is not the policy of the Labour Party to direct a Government, I shall remain as I am—independent in my outlook on these matters. I hope that there will be a body of opinion that will rise outside amongst the rank and file to see to it that something is done to rectify the tragic situation that exists within the Labour Movement throughout Australia. Queensland is not the place where the problem of the Labour Party is going to be solved—not at all. From my long experience and attention to the political manoeuvres of State executives, I say that Victoria is the centre of the rot in the structure of the Labour Movement. Whatever else other hon. members may think about it, I think they will give me credit for having a very close association with, and having dedicated my career in this Chamber, to my politics. Nobody can convince me that the hand of the Communists was not in the background in all these things. I said earlier that I would not engage in personalities but I say now in attacking Egerton, assisting as he did to put the Government where they are today, he is doing the job that Jock Garden did with so many anti-Labour Governments over the period that he was associated with a political organisation in the South. The real story should be written by somebody a lot closer than I have been to events in the South to show the ramifications of a man like Garden who, on the eve of an election would go out and do the wrong things and say the wrong things that would embarrass Labour. That goes for Mr. Egerton.

(Time expired.)

Mr. DAVIES (Maryborough) (5.33 p.m.): I have pleasure in supporting the amendment so ably and brilliantly moved by the Leader

of the Opposition. The Menzies and Nicklin Governments have failed the people of Queensland miserably. Of 15 out of 18 Federal members representing Queensland in the Federal Parliament, call them Country, Liberal or Tory members, as you will, apart from an occasional outburst by a particular senator, they lack co-operation among themselves, they lack teamwork, and as a result Queensland suffers. There have been charges and counter charges. It has suited the Prime Minister. He and the Queensland Cabinet have succeeded in subduing the rebellious spirits in their parties. Is there no Federal convention or executive where protests could be made by individual members within the party, where the case could be stated against the introduction of legislation that is not in the interests of a particular State? It appears that there is not. If there is, such an organisation is clearly dominated by a few men representing the wealthy interests of the nation. The top men centred in Victoria crack the whip. In over four years, what a spineless Government this one has proved to be—rebuff after rebuff and all taken without any stern protest! The Minister for Development, Mines, Main Roads and Electricity did speak out on one occasion, but by the time the Cairns Country Party Conference took place he had been well and truly tamed.

The Liberal-Country Party made it their business to see that all protests were quashed at that conference, particularly when the would-be Prime Minister, forgetting his duty to the people of the country, in his ambitious endeavours to become Prime Minister in place of Mr. Menzies, succeeded in pulling the wool over the eyes of the more innocent and in wielding the heavy stick over the heads of the strong protesters.

The Government anticipate a deficit this year and I will deal with that later. Their excuse is unemployment and they mentioned drought so frequently that it reached the stage of monotonous reiteration that could possibly have demanded a "call for order." We all realise there is a drought and we know the problems of those associated with it, particularly of those who are so neglectful in times of plenty that they do not make provision for bad times. Fortunately they are decreasing in number year by year as a result of the excellent work of that splendid department, the Department of Agriculture and Stock, an organisation the foundations of which were well and truly laid by Labour Governments over a long period of years. It trained officers to give them opportunity to gain experience in such matters and today these men are proving their worth and more and more notice is being taken of them by the people engaged in agriculture.

However, the main reason given for the deficit by the Treasurer in his endeavour to cover up his inefficiency in the administration of the finances of this State, has been

the employment position. If the Government are so vitally concerned with the question of employment that they were willing to budget for a deficit, why were they not prepared to go even further? In the past the State has had deficits of over £1,000,000 and even £2,000,000. Why were the Government not prepared in a time of crisis to have a larger deficit and so provide work for those who are unemployed?

For every 1,000 men engaged on public works, many hundreds are given employment in private enterprise. The Treasurer speaks of a deficit of £618,000 with unemployment at a record level. I am not accepting the Government's excuse. Shortly I shall show just how weak Country Party-Liberal Governments or Tory Governments, right back to the first year of government in this State, have been in handling the affairs of the State compared with Labour administrations.

Mr. Ramsden interjected.

Mr. DAVIES: I am speaking to the Deputy Chairman and the Treasurer. I have no time for any nonsense with the hon. member for Merthyr. The State no longer has the right to tax directly but it can be ruthless in its application of indirect taxation. Over the four years that this Government have been in office there is ample illustration of their willingness to exploit every opportunity to impose indirect taxation, affecting mainly the people least able to afford it. Most of these applications of indirect taxation are such that they fall on the shoulders of the wage-earner. Other hon. members have mentioned the increases in the betting tax in 1958 which brought in £130,000, in pilotage fees which brought in £369,000, in stamp duty fees in 1959 on conveyance, transfer of shares, hire-purchase agreements and policies of insurance which brought in nearly £750,000, and in transfer fees on the sale of Crown land, with expected additional revenue of £200,000. Now we come to the £1 fee for testing for a driver's licence. I have heard no contradiction of the statement that applicants who fail three or four times in their test for a driver's licence may have to pay £3 or £4 for the one licence. Now we have the contemplated liquor and betting tax legislation.

It is quite clear that the Government are following the pattern of the Commonwealth Government. They set a ruthless example of the application of indirect taxation which comes back on the wage-earners of the community.

Taxes such as payroll, sales, petrol, customs and excise and local rates come within indirect taxation. In consequence of the policy of the Federal Government, indirect taxation has been increasing continually.

Most tax structures comprise a combination of the two, but because a progressive income tax should be concerned with redressing social inequalities, whilst indirect taxes perpetuate such inequalities, the pattern of taxation reflects the social attitudes of the Government.

It is therefore found that the pattern of taxation under a Labour Government shows strongly in favour of direct taxation being levied at progressive rates according to ability to pay. An examination of the pattern that has developed under 12 years of rule by the Menzies Government, during which time they have had control of both Houses, reveals heavy indirect taxation with all its attendant inequalities.

In 1952-1953 total tax collections were £993,000,000, of which 58.6 per cent. was direct and 41.4 per cent. indirect taxation. In 1959-1960 total tax collections were £1,497,000,000, an increase from £993,000,000 in 1952-1953. The change in the relationship of direct and indirect taxation is shown by the fact that direct taxation dropped to 51 per cent. from 58.6 per cent. and indirect taxation increased from 41.4 to 48.1 per cent. This indicates a deterioration of the tax pattern of some 7 per cent. in favour of indirect taxation, representing a sum of £100,000,000. In other words, by deliberate policy £100,000,000 has been added to the inequitable indirect taxation, which falls heavily on the family man through the purchase of goods, while £100,000,000 has been taken from the equitable direct taxation, which, on the ability-to-pay principle, has relieved the top bracket incomes from meeting just dues. The following table shows the comparative position of Britain, America and Australia:—

	1959	
	Direct Taxation Per cent.	Indirect Taxation Per cent.
Britain ..	55	45
America ..	67	33
Australia ..	51.9	48.1

We will put those figures clearly before the people in the next seven weeks in the hope that there will be a change in the Federal Government and a consequent change in the pattern of taxation. We hope too that they will have some influence on the Queensland Government, so that the people will not have to wait until the return of a Labour Government in 1962 to get a change in the pattern of taxation.

The present Government are cleverer than the Moore Government and more ruthless. In all history the most dangerous and vicious men have been those who can cloak themselves with a plausible and friendly exterior. In 1957 the Liberal Party claimed to be a workers' party, with workers in their Liberal organisation and we heard a great deal about that. They made those claims in their

speeches, but they gradually wore thin, until they became a little self-conscious, and we do not hear so much of it now. The proof that the Government have no political conscience was most clearly revealed in the gerrymandering of the political boundaries during the recent redistribution, and further proof was provided by the election results. The Australian Labour Party secured 25 seats and 40 per cent. of the votes. The Country Party secured 26 seats for less than 20 per cent. of the votes—19.49 per cent.—and the Liberal Party secured 20 seats with 24.1 per cent. of the votes. There is no need to say anything more for the figures speak for themselves. The Government are a minority Government representing some 46 per cent. of the people in the State.

When glancing through the Financial Statement we find alarming remarks concerning education and the Queensland University. They are just other indications of the despairing outlook of the Treasurer and his Cabinet for the next 12 months. They have made their attitude clear in the Financial Statement. We could contrast the attitude of this Government and the Federal Government with the courageous and determined action of the new President of the U.S.A., who, in February of this year, sought the approval of the United States Congress for a Federal grant for education of £2,200,000,000. The President opened his plea to Congress on 20 February, 1961, with this significant statement—

“Our progress as a nation can be no swifter than our progress in education.”

We need more teachers, more attractive classrooms, gymnasiums, libraries, assembly halls, recreational facilities, and conveniences, and teaching equipment. Some aspects of Australian education compiled under the direction of the Australian Education Council which is composed of the Education Ministers of all the States, set out many of the requirements calling for expenditure of much money. No doubt during the debate on the Education Department Estimates we will find that many educational leaders are conscious of the urgent necessity for the provision of many extra millions to be made available to all States. These leaders find themselves frustrated because the Prime Minister, Mr. Menzies, in co-operation with the Premier, Mr. Nicklin, have created such a political set-up in this country that extra assistance for primary and secondary education is not supposed to be available.

The Premier agreed with me on this. At a recent Premiers' Conference he said, “Undoubtedly, there is an increasing gap between what is needed by the community in the way of education and what the State Government can provide.” That is another confession of failure by the Menzies-Nicklin combination.

Mr. Pizzey: Classes are much smaller than ever they were under Labour.

Mr. DAVIES: We have to analyse the effect of the drop in the value of the £1 before we can work out a fair comparison of expenditures during different years.

I have not the figures for the present year, but between 1952-1953 and 1958-1959 expenditure from revenue by the six Australian States on primary and secondary education combined, increased by 80 per cent., and on teacher training by 121 per cent., but the expenditure on technical education increased by only 64 per cent. It has been suggested that it would cost no less than £50,000,000 to rebuild and equip Australian technical institutions to modern standards. Another statement by Premier Nicklin at the Premiers' Conference was a further distressing commentary upon the failure of the Tory mind to grapple with human needs in a swiftly-changing world. He said, "Unless we can take more effective action in future than has been possible in the past, Australia's manpower will undoubtedly become relatively less and less adequately equipped to meet the increasing demands of modern times. Such a state of affairs will weaken Australia's competitive position in the society of nations."

The A.L.P. Premier of New South Wales at the recent Premiers' Conference appealed to the Prime Minister to agree to establish a committee to investigate, and make an up-to-date assessment of, the needs of primary, secondary and technical education on a national basis and to suggest a long-term basis of assistance.

The Prime Minister has deliberately evaded his responsibility to do so and claimed the States had never appealed to him. The appeal has now been made.

In addition to that—and I do not intend to dwell on it now—several leading Ministers in his Cabinet have stressed the point from the floor of the House of Representatives that it is the State's own fault. They contend that if it wants to spend money on a free hospitalisation system it need not come expecting more money for primary education from the Federal Government. In other words, "Get rid of your free hospital system before you can expect an extra grant from us to assist primary and secondary education." Those are statements of responsible ministers and I have a horrible suspicion that is one reason why the Commonwealth Government are so loth to give Queensland its fair financial assistance.

When Arthur Calwell is returned as Prime Minister on 9 December he will as quickly as possible set up a committee to inquire into the needs and requirements of primary, secondary and technical education throughout the Commonwealth.

The warning given by the Treasurer in that respect on pages 11 and 12 of the Financial Statement is simply alarming and it would have been much better for this Committee if the hon. member for Kurilpa, instead of spending a full hour in reading trashy and sexy literature—and I am not

disputing his motive, mind you—had devoted his time to speaking on the Budget and to directing the attention of the people of the State and the Commonwealth to the position as it exists, and as set out so clearly by the Treasurer, and the problems that confront the Queensland University. It is a sad commentary upon the political administration in this country by the Menzies-Nicklin combination.

I also place on record the Treasurer's statement that—

"... the capacity of the State to keep pace with this rapid growth is exhausted."

I do not want to be personal but if the hon. member for Windsor finds any humour in this matter it is a sad commentary on him, too. I am sure it does not please the Treasurer to have it placed on record that the capacity of the State to keep pace with the rapid growth of educational development is exhausted. He goes on to say—

"Our inability to cover the full matching Grant is a signal to the University to mark time."

I think that in itself calls for a full-dress debate in the Chamber. The Treasurer has not suggested a way out. He says student enrolments have risen from 5,329 in 1956 to 9,525 in 1961. What does it mean? It means that because of the increased expenditure that will be called for if every child in the State who proves by examination to be worthy of further training is to have his just right in this democratic country, the signal has been given, the word has gone out, that he will not be able to have it. The University will have to mark time. And who is to blame? Who has had control of the Commonwealth Treasury benches for 12 years? And who has had control of the State for five years? At no time in the history of Labour administration has any Treasurer had to put such words as that in a Financial Statement. What greater condemnation could there be of the administration by the Country Party-Liberal Governments than a statement such as that?

Before it slips my mind I should like to draw attention to a very serious statement by the Postmaster-General, Mr. Davidson, referred to by the Leader of the Opposition. It is a grave charge and should be answered by the Treasurer. It relates to the Mt. Isa rail rehabilitation project, and the scandalous treatment given to Queensland by the Menzies-Nicklin combination in regard to this project is one of the black spots in the history of the State. Most of those black spots, such as the failure of the Queensland Bank in the nineties, have appeared when Tory Governments have been in office. The Leader of the Opposition referred to this statement by the Postmaster-General, Mr. Davidson—

"For the last two years money has been available to Queensland for work

on the Mt. Isa line . . . (but) there have been no drawings in the last two years against the £20,000,000 that we have been prepared to advance. Certain works on the line have been undertaken by the Queensland Government and financed out of funds which could have been used for other purposes."

Obviously, the £2,775,364 that was expended on that work could have been drawn from the Commonwealth and could have provided much more employment, particularly in housing, and assisted private enterprise. If the statement is not true, then the Postmaster-General, Mr. Davidson, should be acclaimed a political imposter.

I wish again to draw the attention of the Committee to the deficits that have occurred under this Government. They are a deficit Government—deficits in the Budget, deficits in the Railway Department. I remind the Committee that from 1915, whenever there was a deficit in the Queensland Railways, publicity was always given by the Press and by the Country Party, the Nationalist Party, the Liberal Party, the U.A.P., and other parties of that type, to the deficit on the working expenses, plus the interest bill. If there was a £2,000,000 loss on working expenses and an interest bill of £3,000,000, the total deficit was £5,000,000. But the Government now give the railway deficit as so much on working expenses and make no mention of the interest bill. I wish to place all the details on record. In the last four years of Country Party-Liberal administration, the railway deficits on working expenses total £8,427,608. In the two years prior to that there were deficits, and in the two years before that there were surpluses under Labour administration. In the four years before the Country Party-Liberal Government took office the deficits totalled £2,959,197. Under the administration of the financial geniuses, business experts and accountants of the Government, the deficits total £8,427,608. Adding the interest bill, as hon. members opposite used to do when Labour Governments were in office, the total losses under the Country Party-Liberal Government were £23,812,553, and under Labour Governments £14,183,772. I can imagine the howl that would be raised by members of the present Government parties if we were in control of the Treasury benches and presented losses such as those.

Mention is made in the Financial Statement of the reduction in freight charges for carrying fodder for starving stock. In 1960-1961 the amount required to meet claims for such rebates amounted to £238,171. Provision of £200,000 has been made for 1961-1962. If transport to and from the drought-stricken areas were left to road transport I wonder how private enterprise operating road transport would measure up in giving that sort of help to people who are suffering from the ravages of drought?

I notice that the Commonwealth Government will contribute £2,650,000 towards the cost of new coal-loading facilities at three ports in New South Wales, £1,000,000 by way of grant and £1.65 million as advances, to allow expansion of coal exports. I also notice that the State has made a complete case for special assistance by the Commonwealth Government on similar lines to that afforded to New South Wales. The case has been submitted but a reply is awaited. It looks as if it will be another Mt. Isa type of thing—we will wait and wait! Why should we have to wait when New South Wales already has been granted assistance along those lines? Because of the maladministration of the Queensland Government the State is suffering so much at the hands of the Menzies-Nicklin combination. If more had been done by the Country Party, particularly by Mr. McEwen and members of the Country Party here by standing up in the interests of the country and the development of vast tropical areas, we should have achieved much to overcome the dominating influences of the powerful forces in Victoria. The former Minister for Public Lands, Mr. Muller, stands by this statement that he made—

"It is a fight to help the Country Party take bearings afresh and to bring the party back to its time-honoured principles from which it has departed because of the domination of other narrowing influences."

Throughout the State, how many farmers are on Country Party executives? Most of them are solicitors, business men or merchants, not farmers. They are mostly men who allow other people to do the work. That applies throughout the length and breadth of the State. The Country Party is merely a branch of the Liberal Party, dominated by the Liberal Party. Was that not proved at the Cairns conference? What happened? There were headlines at the time. Mr. McEwen pulled the wool over their eyes. The stick was certainly wielded over the unruly members.

The CHAIRMAN: Order!

Mr. DAVIES: Another difficulty facing the Treasurer is the alteration to the taxation reimbursement scheme and the financial arrangement with the Commonwealth Government. We remember how he endeavoured to make Queensland a claimant State, but Victoria upset the apple cart. The Commonwealth Treasurer saw how ridiculous everything would be with nearly every State a claimant State. Let me quote from the bulletin of the Bureau of Census and Statistics. I hope the Treasurer is not going to tell me that these are not reliable figures. For the last quarter in 1960 3,162 more people left the State than came into it. Then, turning to the quarter ending 31 March, 1961, and comparing it, there was a natural increase of 6,579. The actual increase was 3,759 which indicated a loss of 2,820. 2,820 more people went out of the State than came into it.

The same situation existed in 1915 when the Brisbane Press, the leading Press of the

State, pointed out that it was a tragedy that so many people were leaving Queensland. Of course, the people gave their answer to that Government in 1915 by returning a Labour Government. I draw hon. members' attention to a fact that, possibly deliberately, escaped their notice because it reveals what we have said. In the Government there are men who should be capable of handling the finances of the State and balancing the Budget but it has not proved so since the year 1859.

Looking back to 1859, budgets were not balanced and there were deficits. In the last four years, this Government have accumulated deficits totalling £3,488,082. At no period of Labour Governments has there been a period of four years with four successive deficits. In the 19 years prior to the advent of this Government Labour Governments had an excess of surpluses over deficits for the period of £109,079.

Mr. Windsor: The hon. member for Bundaberg has already given us that.

Mr. DAVIES: Not in that detail. I shall go further than that and remind the hon. member that from 1915 to 1937-1938 the Labour Government had a small deficit of £165,000 and prior to that a surplus, whereas in 1929-1932 there was amassed a deficit of £3,640,410 by the Tory Government of the day.

Reverting again to the years 1859 to 1915 when we had the really blue-blooded Tories in charge of the affairs of this State, they got muddled up in the bank scandal in the nineties but came out of it pretty well themselves while other people suffered. They had a total deficit of £4,219,708. Their surpluses amounted to £2,604,102, so they were in the red from 1859 to 1915 by £1,615,606. So, in that period they could not handle the affairs of the State. They took charge again in 1929 to 1932 and again bungled, their three deficits amounting to £3,640,410. In the next period of their taking over, since 1957, they have more deficits and one might well ask, "Where is it going to finish?"

Mr. Duggan: In their dismissal.

Mr. DAVIES: These are the people who, when in Opposition preach to us. I can remember, from the first day I can remember anything about politics, hearing about the Labour people who could not handle the affairs of the State and balance budgets. Now this Government have four successive deficits. They shelter behind the Federal Government but it is the Nicklin-Menzies combination of political forces that is responsible for the position.

One can feel sorry for the Treasurer but he is part of the political machine and he must accept his share of the responsibility. The people will give their answer at the first opportunity that they get. They realise that there has been waste, bungling and irresponsibility enough to produce a state of

inefficiency and weak administration. No legislation of note has been introduced by them, yet in all legislation we find they have been hesitant and faltering and have introduced amendment after amendment. They are not prepared to make a declaration and stand by it. There are even rumours about a Bill that is still to be introduced. They have been spending with the abandonment of a drunken sailor as the Leader of the Opposition pointed out. What explanations have they to offer the man in the street? The Treasurer, in his suave, plausible and intelligent manner will no doubt endeavour to convince the Committee that no other policy could be adopted, but what explanations have they to offer for the record deficits of Tory Governments? As I have pointed out, in the period from 1859 to 1915 the Tory Government bungled the affairs of the State, the deficits for that period being £1,615,606 greater than the surpluses. In the 1929-1932 period the Tory Government again bungled the affairs of the State. The present Tory Government have once again indicated that they cannot handle the affairs of Queensland. They have had record railway deficits that have caused consternation in the ranks of the Government parties. When in Opposition Government members spoke of the interest bill per head of population. When they assumed office it was £9 per head, compared with the figure of £10 per head at the present time. These things are over the heads of Cabinet members, but they are not over the heads of the people. They will want to know why such situations exist.

I am pleased to learn that the Maryborough ports have shown a profit. I assume they would be the river port and the Urangan deep-water ocean port, one of the best along the coast although neglected by the Minister for Labour and Industry in his plans for industrial development. The profit was £50,043 1s. 3d.

In the few minutes still available to me I should like to draw attention again to the failure of the Nicklin-Menzies combination to look after the shipyards of the State.

A Government Member interjected.

Mr. DAVIES: If the Commonwealth Government had seen that the sea-lanes were chartered correctly, that little boat would not have hit rocks or got into its present trouble. It was built in the Capricorn Charters shipyards and we can be proud of them. If the hon. member for Roma would like to spend a little of his unspent wealth in the purchase of a boat of 40 to 50 feet, Capricorn Charters is the very firm to build an ideal boat for him.

I am talking about the Maryborough shipyards. There are two shipyards in Queensland, Walker's being the nearest to the tropics. Ships up to 6,000 tons can be built there. The Government say much of their policy of decentralisation but I point out that when they assumed office Walker's

shipyard employed nearly 300 men. Today I doubt where 70 men are employed there. At the moment they are engaged in building a ship of about 100 feet in length. Shipyards are necessary as a matter of defence. Subsidies of 33½ per cent. are granted only for ships over 500 tons, but how many Government members have protested against the Commonwealth Government's refusal to grant a subsidy on ships under 500 tons. That matter has been taken up with the Treasurer and the Premier, and even with the Deputy Premier, the Minister for Labour and Industry. On one occasion he asked me to leave Walker's office, in case I overheard some secrets, but there was none evidently, for he has done nothing for Walker's. He is the only Minister who has ever done such a thing to me.

Although no ship can be imported into Australia without the consent of the Minister for Shipping and Transport, we find according to the publication "Australian Shipping and Ship Building Statistics," only seven ships have been built at Walker's shipyards, two being completed in 1948, two in 1949, one in 1950, one in 1957 and the last one in 1959. Those figures reveal that five orders were placed by the Chifley Government and only two by the Menzies Government. I have already pointed out that the ship now being built at Walker's shipyard is only 100 feet long and employment is available for only 75 men. The Minister's permission was given for it. These yards are worth while preserving so that they may be used for our defence in time of war. Hong Kong and Germany will not come to our defence at such a time. Walker's shipyards will once more be called on. Subsidies are given to the dairy industry so why not a subsidy on ships under 500 tons particularly as a large number are imported into the country. In 1958-1959 six ships were imported with the Minister's permission. He also gave permission for one ship to be imported in 1955, another in 1956, two in 1957, one in 1958 and one in 1959. Some of the ships were of considerable size with a gross tonnage of 5,459, 2,881 and 2,099 tons. Permission was granted in two of those cases in 1955, in ten cases in 1959 and once in 1960. One was of 4,125 gross tons, another 2,085 tons, a third 1,500 tons and there were three between 300 and 500 tons. I was told this year that nine ships were imported in 1960-1961 with the approval of the Minister. Another point is this, that in New Guinea we have big private enterprises like Burns Philp and other firms, and the Minister has no say about the import of ships to New Guinea. They have not to get his permission to import ships. Nevertheless these firms must realise that Australia gives them many privileges and therefore they should give the shipyards in Australia some consideration. In June last, three vessels were imported from Hong Kong by Burns Philp, an Australian Company to carry on trading activities. To whom will Burns Philp scream

out for protection in the event of war? Naturally, they will appeal to the Australian Government for ships to be built at Walker's to protect them, yet they have run to Hong Kong to get ships for their trade. It may be true that they are getting them slightly cheaper, which may enhance their profits, but every one of them could be built in Australia. The hon. member who interjected should listen to me because I am presenting a case for the decentralisation of industry. However, it is true that only an A.L.P. Government will do anything about decentralising industries. Private industry will not do it, nor will the present State or Federal Governments, but the Australian Labour Party will see it done when they come to power.

What have the present Government done about Weipa? All the benefits from Weipa are going out of the country. Five years have passed, and nothing has been done. We all remember the stories told to us by the Minister in his first year of office about Weipa.

Some slightly larger ships imported to New Guinea for the island trade during this Government's term of office by the Commonwealth Menzies Government were the "Vina," "Papuan Explorer," "Etmor" and "Natone," all 300 ton ships registered in New Guinea constructed outside Australia in the last 10 years. All three hundred ton ships registered in that territory were constructed outside Australia in the last 10 years. It is tragic that the shipyards in Queensland have been neglected while the Whyalla shipyards and the Newcastle shipyards have orders and are being looked after. Just as Queensland has been neglected in other ways, so have the Queensland shipyards been neglected. We have received scandalous treatment from the Nicklin-Menzies combination, and the Premier must shoulder his responsibility for it.

Another matter I should like to refer to that affects my area greatly is the timber industry and the disastrous effects that the policies of the State and Federal Governments have had on the sawmilling and timber industries. I am quite satisfied that the warning given by Mr. Grenning in his annual report last year for the Department of Forestry fell on deaf ears. The Government do not seem to realise that timber is a crop. It is a slow-growing crop, nevertheless it is a crop that greatly enhances its value every year. In a forest where regular plantings take place, from the time the first thinnings are taken, until logs are taken 40 or 50 years later, there will be an even flow of logs from the forest. However, if one year 1,000 acres are planted, and next year only 500 acres, that is not sound economics, but that is what is being done. At Tuan the rate of planting is only half what it was under the Labour Government. The number of men employed there was about 40, whereas the Labour Government had up to 100. In 1953 there were 1,165 acres planted.

The Forestry area was started in 1948. It is expected that the first merchantable thinnings will be taken from the area in 1964. Unless the planting rate is kept up, the crop taken in 40 or 50 years' time will be very uneven and will mean bad economics for the industry associated with it.

I wish I had time to dwell in some detail on the activities of Sir Thomas Playford, the Premier of South Australia, in connection with forestry plantings and the development of the paper pulp industry and other associated industries. I have the whole story here and it is very illuminating. It is in marked and sad contrast with the inability of the Menzies Government to help with finance and the neglect of the present Queensland Government in the development of the State's forestry. The attitude seems to be, "We have a big area now. Reduce the plantings or it will take more men to look after the extra timber." Instead, it should be realised that we must maintain and strive to increase production so that when the time comes to reap the crop we will have the required acreage being cleared each year.

A Government Member: Who told you that?

Mr. DAVIES: My figures are accurate and it ill behoves the hon. member to be sarcastic on such a serious subject.

In his annual report last year the Director of Forestry, Mr. Grenning, said—

"The major problem is how to increase forest capital and forest increment of utilizable material (i.e. annual log cut) at the earliest possible time. The best answer is the establishment of plantations of softwoods."

Further on he said—

"However, unless continually increasing funds are made available there is no alternative to decreasing the annual programme of new reforestation work.

"This is a serious matter from the point of view of the State's future timber supply. The best information available would indicate that the annual planting programme should be increased to 6,000 acres.

"This will require still further funds each year."

Mr. Low interjected.

Mr. DAVIES: In a time of crisis it is easy enough to get the money. It is no trouble in wartime when the country is in danger and surely the hon. member has the intelligence to realise the seriousness of a timber shortage.

Mr. Low: You were crying poverty before and now you are crying the opposite.

Mr. DAVIES: I am crying about the hypocrisy and inconsistency of hon. members

opposite. When they were in opposition they cried down any deficit and now they try to hide behind the drought as an excuse for unemployment.

The report goes on to say—

"As timber is a long-term crop long distance planning is essential and this can only be carried out efficiently if funds are assured for a period of years and not determined from year to year.

"The Department's plea is, therefore, for sufficient additional funds on a guaranteed basis"—

not a stop-and-go basis like that of the friends of hon. members opposite in the Commonwealth Government, but a guaranteed basis for a period of years to—

(a) Step up the programme of new reforestation work.

(b) Meet the increasing maintenance costs entailed in the proper management of the increasing area of plantations and silviculturally treated forest.

(c) Meet the increasing cost per man year.

And so it goes on.

The report is a splendid document worth reading by every hon. member.

There are two points I want to make in discussing sawmilling and they indicate what we have said—that the housing programme has fallen well behind. They are—

(1) The output production from sawmills has fallen tremendously this year; and

(2) Timber imports also have fallen.

The two together prove a falling in housing that is alarming and disturbing and it should be part and parcel of the policy of any central Government to overcome any problems that might arise as have arisen in Australia in the last 12 months.

We find the following figures of the number of men employed in the sawmills:—

1958-1959	8,804
1959-1960	8,841
To 31 March, 1961 .. .	7,821

Or 1,000 fewer than the previous year. I referred previously to the acreage planted under the administration of the Department of Forestry. In 1960, 4,860 acres were planted. As at 31 March this year the figure had dropped by 227 acres to 4,533 acres. Taking 640 trees to the acre, it is obvious that a tremendous number of trees is involved. This policy is having a depressing effect on the community generally. In 1932, at the end of the depression, leading people in the timber industry in Maryborough said that the industry generally was in a state resembling a morgue. It took the Forgan Smith Government to inject life into it, and the effect was amazing. As I said, the position now prevailing is alarming all responsible members of the community.

I have here an article headed "Wide Distress in Sawmills." It says that after a

representative of State Government had told a convention of the Master Builders' Federation that the "green light is now showing for the building industry", the Queensland Sawmillers' Association Secretary (Mr. D. W. Linklater) predicted mass sackings in the State's mills. It goes on to say—

"The Sawmillers' Association chairman (Mr. J. F. Brett) said: 'The whole industry, from Cairns to the New South Wales border, is in distress, and is carrying stocks twice as heavy as ever before.'"

It then says that Mr. Parry, the President of the Queensland Master Builders' Association, said that the parliamentary representative's figures were based on an unrealistic period, and further says—

"The period reflected the result of the sudden allocation of finance for building following the recession. He said that the parliamentary representative quoted the figures of building applications, and these did not represent the number of buildings actually completed."

After attacking what the parliamentary representative had said, those men said in effect that the industry was in chaos.

Mr. Freeth, the Minister for the Interior, released a half-yearly review by the Forestry and Timber Bureau only recently. He said that the production of timber, fibre board and plywood had been reduced by 20 per cent. in the six months from January to June, 1961. In 1954-1955, just before Labour left office, there were 700 mills in Queensland, but there are now only 619. As a result of the Commonwealth Government's policy, the figures relating to other States are somewhat similar. They are taken from the Timber Supply Review published by the Forestry and Timber Bureau of the Commonwealth of Australia. In the plywood industry, production was reduced by about 30 per cent.

Then we have the problem of road hauliers taking wool into New South Wales and bringing back many thousands of superficial feet of timber. They are able to do this because of the number of sheep they have carried south, and possibly because of the lower royalties in New South Wales. This has a bad effect on the industry in Brisbane and in the State generally. As I have admitted, the quantity of timber imported has fallen, but the production of timber has fallen to such a degree that it emphasises that much less building is taking place in the community than some figures seem to indicate. The Table in the Timber Supply Review covers log production and production of sawn timber, plywood, veneer, sawn railway sleepers, and so on. In Queensland, to the end of June, 1960, the total log production was 27,843,000 cubic feet. Strangely enough, instead of using superficial feet, they work them out in cubic feet. In 1961 the figure dropped to

15,589,000 cubic feet. The figures for the other States show a similar drop. They are—

State	January- June, 1960 (Thousands of cubic feet gross true volume)	January- June, 1961
New South Wales	36,927	33,440
Victoria	29,626	24,566
South Australia	11,708	9,615
Western Aus- tralia	21,782	22,455
Tasmania	18,274	11,660

As I said, the plywood position has also been most disturbing, and all this is the result of the administration of the Nicklin-Menzies combination.

I believe that the Vote for Education will not be discussed, so I should like to mention one other point now in regard to education.

We have looked carefully at the report handed to the Government covering the contemplated changes in the general subject of education in Queensland. We were very pleased to be able to devote so much time to that important subject. A special committee was appointed by the A.L.P. and a report furnished. Judging by what we have read in the Press it is quite evident that although all our recommendations may or may not have been accepted much notice has been taken of the report submitted for the consideration of the Minister for Education.

To confirm my statement about forestry I shall refer to an article that appeared in the Press in 1959. It reads—

"Queensland's demand for timber would double by the year 2000, the State Forestry Director (Mr. V. Grenning) predicted today.

"He said not enough was being done to ensure that the demand could be met."

It does not matter from what angle it is looked at, it is very evident that the parties controlling the State's destiny today represent so many varied interests, pulling this way and that way, that it is impossible for them to have a solid Australian policy aimed towards a definite end. Therefore we are witnessing these fits and starts that are so detrimental to Australia in general. When the Australian Labour Party reoccupy the Commonwealth Treasury benches it will take them a long while to get the country into shape again. Their first task will be to make an equitable approach to taxation. The State Treasurer is exploring every avenue to exploit the ordinary man by indirect taxation, thus following in the footsteps of Mr. Menzies and his Treasurer. The Australian Labour Party's attitude is completely different. When we are returned to power on 9 December we shall act quickly and see that justice is restored to the ordinary family in the community.

Hon. T. A. HILEY (Chatsworth—Treasurer and Minister for Housing) (7.47 p.m.): I have listened for some considerable time to the very lengthy observations that have been made on the amendment moved by the Leader of the Opposition. In all the years that I have sat in this Parliament, on both sides of the Chamber, I am bound to conclude that no Budget is ever right for any Opposition. If a Treasurer budgets for a surplus he is heartless; if he budgets for a deficit he is described as a poor manager or as one who lacks courage for not spending more. If he spends on a project he is assailed with the assertion that he should spend more freely on that project. If he stops spending on a project to spend more somewhere else he is charged with creating unemployment in the first locality. Never is he given one word of thanks for new employment created somewhere else. If he followed what appears to be the persistent run of Opposition attack nothing new would be started anywhere because the State would be tied to existing employment on existing projects, without any thought or regard for the fact that it might be creating greater employment on new projects elsewhere. If he taxes more he is putting a burden on the people, but if he reduces the taxes he is charged with being bought by sectional interests. If he declines a suggestion he is complacent and stubborn, but if he accedes to a request he is charged with being weak and not knowing what he wants. After watching this for a long period I have come to the conclusion that the only way to approach it in the eyes of the Opposition is for budgets to be measured somewhat in the way in which old Rastus came home and spoke to his Mamma after he had had his period of service in Uncle Sam's army in the quartermaster's store. He told his old Mamma that in this store he had all the equipment—boots, he mentioned—for 200,000 men. His mother said to him, "My goodness, Rastus, that must be a tremendous task. You must have an awful lot of sizes there." He said, "No mamma, there are just two sizes." "Just two sizes for 200,000 men?" "Yes, just two sizes, too big or too small."

That appears to be the attitude of the Opposition on virtually everything contained in the Budget. It is not surprising that the Opposition chose in 1960-1961 to reduce the Vote by £1. The Federal elections are coming on and we knew long before this session commenced that there would be attempt after attempt to take advantage of the assistance of this State Parliament to have some sort of trial run in anticipation of the contest approaching in the Federal arena. I expected some real attack, some concerted line from the Opposition. I must say, after listening patiently for days, that I have not detected any really vital point of attack relating to the Budget.

I have listened to a group of words, often vague and widely varied and in the main mutually destructive. For every man on the Opposition side who has attacked us on a point, another has got up and said that

we should have done the very reverse to that for which we are attacked. That has been particularly so in the attack on the deficit.

For every man who has complained of the deficit another has immediately arisen and said that we should have spent more and created a bigger deficit.

The Leader of the Opposition spent most of his time presenting his comments on a widely-drawn series of thoughts that I had expressed on previous occasions. I think, on an important subject like the Budget, there must surely be from him a bit more original thought of his own for which I do not think he lacks the capacity.

He left the impression that, on financial matters, if I had not made a series of speeches in past years he would have been forever dumb. What are his criticisms? On what does he base his censure motion? First of all, he attacked it as a booze and betting Budget. Well, he has had the first test by a division and how did his party vote? They voted for it.

Mr. Hanlon: We did not; we are waiting until we have seen the figures.

Mr. HILEY: Yes they did. They voted for the Bill of which the principles were fully outlined by the Minister.

Mr. Hanlon: We are waiting until we can see.

Mr. HILEY: We have to test them on the betting aspect and we will see in due course to what extent they raise objection to that.

It is perfectly true that the Budget does impose heavier taxation on liquor and betting. On the balance, it is the conviction of the Government that our proposals will not lead to an extension of either. We think that there will not be added consumption of liquor or added volume of betting. Indeed, the interests concerned are both apprehensive to the contrary.

If I had reduced the tax on liquor and gambling hon. members' comments would have been justified. We are increasing the taxation on them and imposing whatever discouragement higher taxation imposes on the practice of both these features.

Now, the second line of his attack was that we were spending too freely and increasing the public debt. The Government make no apology for introducing a record Budget. We make no apology for spending to the limit of our resources whilst unemployment is severe. We are not prepared to hold funds idle. As for the rising public debt, our whole endeavour has been to spend more in directions that are reproductive—on electricity, on housing and on the Agricultural Bank, all of which are splendidly reproductive. Yet when we ease a little on the rate of local authority subsidies—not too much in the amount as I shall show later—where no direct financial recovery is ever obtained, the Opposition screams for

us to push up our public debt, with no prospect at all of recovery. I say our handling of the increasing public debt has shown a real concern for the growing burden of interest on the public debt, and the arguments of the Opposition show a complete abandonment of concern in that particular direction.

The Leader of the Opposition next attacked what he called my real estate ventures and reminded me of something I said on the previous occasion. It is perfectly true that some years ago I criticised, and strongly criticised, the use of Government funds to buy an existing building in Sydney for trifling use by the Queensland Tourist Bureau. Most of it was let to commercial tenants. Then he compared that with what we have done. Culwulla Chambers provided no work at all for Queensland, but all our real estate efforts have been in Queensland and have produced much valuable work for Queenslanders. It has produced 24 new high schools and 14 secondary departments, 1,085 extra primary classrooms, £3,200,000 of extensions for the University, the expenditure of £280,000 on the new university at Townsville; it has produced £6,000,000 of bulk sugar facilities and—something that Labour Governments never properly faced up to—229 extra residences built by the Department of Public Works for Crown servants at a cost of almost £1,000,000.

In the field of State insurance where the objection was taken, it is quite true that we have spent during our term of office £586,000 on buildings in eight centres and provided better accommodation for staffs and better provision for future expansion. Every building has provided work for Queensland tradesmen. All the matters to which I objected provided not one pennyworth of work for Queenslanders.

Mr. Duggan: What about the building you bought in Victoria for the Tourist Bureau?

Mr. HILEY: We bought nothing.

Mr. Duggan: You are trying to buy one.

Mr. HILEY: We have not and as far as I am concerned we will not.

Mr. Hanlon interjected.

Mr. HILEY: He has not succeeded, for the very reason I have given, the very reason I advanced for criticising the Labour Government on the occasion referred to by the Leader of the Opposition, when the Labour Government chose to spend hundreds of thousands of pounds on the purchase of an existing building outside the State. For the reason I have given we will not do it.

Mr. Duggan: I guarantee there is no complaint on the return from the investment in Culwulla Chambers.

Mr. HILEY: That is not the matter the hon. member complained about. The Leader of the Opposition complained about my

real estate ventures, and I say the Government are proud of their record of real estate development in Queensland.

The other point of the Leader of the Opposition was something that on reflection I think he must have been really ashamed to mention. He charged us with having made people retire at a younger age, but he produced no evidence of it, and not one hon. member who spoke subsequently has pressed it. I say categorically that his charge is not true.

He then attacked the deficit. I remind him, if he needs reminding, that the Labour Government in New South Wales this year is budgeting for a deficit of £1,849,000 and that the Labour Government in Tasmania is budgeting for a deficit of £395,000. Does he condemn those Governments?

Mr. Duggan: They have more to show for their work than you have.

Mr. HILEY: With the present unemployment our view is that a balanced budget would have been cruel, and we were not prepared to take that course. In view of all his talk about a succession of budget deficits, I ask the hon. gentleman to ponder the overall cash position. I will have something more to say about that later. He will find from the tables that cash and investments at 30 June, 1957, amounted to £14,952,000. That was the nearest balance date to when we took office. At 30 June, 1961, cash and investments amounted to £15,008,000. Far from their being run down, they were £50,000 better. The cash position of the State has not deteriorated and I give a complete and emphatic denial to those shallow thinkers who get up and describe the State as being broke and bankrupt. All I can say is that if the State is bankrupt with a cash balance of £15,008,000, that term should have been applied to the Treasury on 30 June, 1957, when the cash balances invested were £50,000 less. On Labour's accounting methods not one deficit would have been shown by this Government—not one. Each year would have shown a surplus. Indeed, I think it is fitting that I should remind the Committee that with all this talk of five deficits in a row we have still to produce another deficit to equal Labour's record from 1932-1933 to 1937-1938, when Labour produced six consecutive deficits—six in a row. Looking back over the published record which appears on page 17 of the Treasurer's tables, it is perfectly true that the biggest single annual deficit was produced by the Moore Government in 1931-1932. The second biggest deficit in the history of Queensland was in 1955-1956 when the deficit was £1,723,000. The third biggest deficit in the history of Queensland was when Labour was in power, under the Hon. W. Forgan-Smith, in 1932-1933 when the total was £1,554,000. The fourth biggest deficit was in 1957-1958 when I was in charge.

The next thing that we were charged with was that the reduction in subsidies has caused unemployment. Not one local authority has yet declined its allocation and the total programme of loans and subsidies has not been reduced; it has been increased. Last year debenture borrowings totalled £21,847,000 and Treasury loans amounted to £343,000. The subsidy reached a record figure of £6,322,000, and those give us a total of £28,500,000. This year approved debenture borrowings are £23,900,000. Treasury loans are slightly higher at £383,000 and subsidies are £5,345,000, giving a total of £29,635,000, an increase of £1,121,000, or 4 per cent. on last year's total. This year, there is an increase of 42 per cent. over 1956-1957, which was Labour's last year in office. The subsidy this year, at the reduced rate, requires £5,345,000, which is more than one-third greater than Labour's greatest figure in 1956-1957.

An A.L.P. Member: How much has your revenue gone up in that period?

Mr. HILEY: We will look at that in a minute.

The Leader of the Opposition referred to fibrolite pipes for water reticulation. I do not know what excuse his informant gave him, but I want to say that the basic facts are not right. Last year the subsidies that we paid for water supply amounted to £1,583,978. This year our subsidies approved for water supply amount to £2,100,000. In other words, as I pointed out on an earlier occasion, most local authorities are concentrating their expenditure in the high-subsidy field of sewerage and water supply. The Brisbane City Council is the only exception.

Mr. Duggan: I can assure you that Hardies have put off their third shift.

Mr. HILEY: I do not think it is because we are providing less subsidy. They are not right in blaming the reduction in subsidy because we are not reducing the amount of subsidy for water supply. We could be paying out £500,000 more this year than last year.

The Leader of the Opposition complained that we had used State loan money for the Mt. Isa railway construction and neglected to draw from the Commonwealth. Once we knew that the Mt. Isa project was going ahead—and we committed ourselves to it, remember, in advance of any guarantee of assistance from the Commonwealth—we decided to set aside each year a sum to spread our commitment evenly over six years. I make no apology for deciding that because if we had not done it we should have had to have a surge and stop experience in other loan projects to balance up the years of high demand and the years of low demand on the Mt. Isa project. We simply divided what the State had to find evenly over six

years and set about paying not precisely, but near an even sum, in each of those years.

Mr. Davies: Do you think Mr. Davidson's reproach is justified?

Mr. HILEY: Technically we could not draw from the Commonwealth until the agreement was signed, but even if it had been signed two years ago, there is no good reason why we should hurry to draw Commonwealth money at 5½ per cent. when our own money was available at a lower cost. This year is the first really heavy year of spending and we will be able to draw Commonwealth funds to cushion the impact. If we had done what Mr. Davidson suggested and used our money that we had set aside for Mt. Isa heavily in the earlier years, this year would have been a very grave year for other loan programmes.

As I listened to the Leader of the Opposition I realised that there was no real attack, no enthusiasm and no force. Indeed, as I heard the last-minute presentation of the amendment it seemed to me that he almost forgot to move it.

The hon. member for Baroona raised two matters that I want to deal with. It is obvious that in the hour at my disposal I will not be able to deal with all the comments of the 44 speakers. However, the hon. member for Baroona complained about a deficit budget estimate that was double the final result early in June. Every month each department furnishes to the Treasury its estimate of receipts and expenditure for the remaining months of the year. Those estimates are prepared by departmental officers but they are not, and can never be, precise. Our month's Railway revenue depends entirely on whether a customer posts a cheque in time to reach us on the last day of the month or whether he posts it to reach us on the first day of the next month. Moreover, probate duties are dependent not merely on the assessments that are issued but also on when the executors can raise the money to pay. Indeed, a check shows that when Labour was in office the railway estimate for June, 1957, was £800,000 out in the one month. In that case, according to the estimate furnished by the Railway Department, they expected receipts to total £3,375,340 for June and they actually collected £2,958,250. They expected an expenditure of £2,884,700 whereas in fact they spent £3,265,992.

Mr. Hanlon: Do you know if there was any particular reason for that, discovered later on?

Mr. HILEY: Just the type of accident to which I refer. Take a big customer's cheque. Mt. Isa when it is operating pays us to the order of £250,000 a month. If that cheque reaches us through the mail before the last day of the month the amount is included in the June figure. If it reaches us on the first

day of July, it is in July. The accuracy of the estimate can be affected by transactions of that character.

The hon. member made much of the winding up of the Workers' Home Fund. I examined that item because I thought at first there was some merit in his criticism. I found that the amount could not be determined until the accounts were finalised, and the records show that the accounts did not reach the Treasury until 29 June. I take it the Treasury could not take into account in its advanced estimates a figure of which it had still to be notified.

Mr. Hanlon: If you had wanted to get rid of a couple of hundred thousand pounds you would probably have arranged not to bring it in.

Mr. HILEY: Considering that in the Consolidated Revenue Fund alone transactions are in excess of £218,000,000 in a year, the variation between the Budget estimate and the final result was remarkably low—approximately one-quarter per cent. for the whole year. That is a tribute to the worth of a body of experienced and capable officers. I never hesitate to accept their progress estimates and nothing has happened to shake my confidence in them.

His next main point dealt with subsidies, where he used much extravagant language during which he described the State as "broke". I ask him quite seriously, if that is justified, what terms would he apply to the Treasury when his Government handed over? As at 30 June, 1957, investments and cash totalled £14,952,000. As at 30 June last, we held £50,000 more.

Now that he has raised it, let us look at the cash position. As at 30 June, 1955, Labour held cash and investments totalling £25,700,000. In two years they reduced that total to £14,900,000—a total reduction of £10,800,000. That is when I made the comment about spending like drunken sailors. Of course, there were good reasons for that. There was a critical election in 1956, and they tried to spend their way back into power. But still worse, they had the breath of the Trades Hall unions hot on their necks on the subject of three weeks' annual leave. So violently opposed was the parliamentary Labour Party to that prospect that the then Government, of which the hon. member for Baroona was a member, set out deliberately to spend themselves out of funds to kill the pressure from the Trades Hall unions for three weeks' annual leave.

I ask the hon. members to contrast the records. In four years we have maintained cash and investments; indeed, we have added the trifling sum of £56,000. In their last two years in office, Labour ran down the funds by £10,836,000. I would not say that Labour left the Treasury broke, but I do find their spokesmen bankrupt in capacity to assess finances and fairly review the Budget.

Mr. Hanlon: On that argument, if you are so well off, how did you hope to convince the State Grants Commission?

Mr. HILEY: If the hon. member studies the Budget carefully the meaning of some of the figures will gradually dawn on him.

On subsidies, he was equally flamboyant in his language and equally wrong. He said, "Although some local authorities are better off than others, all local authorities are in a desperate position." Later he said, "Having received extra revenue himself, he has completely disregarded local authorities and has cut down their revenue." He is hopelessly wrong. If he took the trouble to refer to the publications of the Commonwealth Bureau of Census and Statistics he would discover this—

	Total of Rates and Charges for Services	State Government Grants to Revenue
	£	£
1956-1957	27,060,349	547,458
1957-1958	27,832,579	568,591
1958-1959	29,463,343	880,956
1959-1960	31,500,000	1,086,000

The figures for 1959-1960 are the latest figures available in this publication. The grants to revenue were quite apart from capital grants as subsidies. In other words, the State Government's grants to revenue increased by 98.37 per cent. and the Councils' own revenue charges increased by only 16.41 per cent. So if the hon. member's purpose was to suggest that our assistance was lagging sadly behind the councils' own money-raising efforts and they were being treated unfairly, he is very wrong.

Mr. Duggan: The Toowoomba City Council increased its general rate by 25 per cent. the other day.

Mr. HILEY: That may be so. I say to the hon. member for Baroona that, as a responsible member of Parliament, he should realise that the sort of rubbish he talks is harmful to local authority credit. Indeed, but for the tragic period when a former Lord Mayor, Alderman Jones, was in charge of Brisbane, there has been no bad blot on local authority financial performance. Indeed, the only case we have encountered, and that we inherited, was that of Cook Shire. We realised that here was a huge undeveloped area. It had large tracts of mission reserve which were exempt from rates. Therefore the Government have accepted less than the full interest to help them through, and already they have succeeded in materially improving their affairs.

Mr. Hanlon: Do you agree that it is fair that a man paying £7 18s. in income tax should have to pay £40 or £50 in rates in the same year—an ordinary worker?

Mr. HILEY: That is not the question.

Mr. Hanlon: That is the question I asked.

Mr. HILEY: That is the question the hon. member is asking now. His case was that we had cut down our assistance and thrown the burden onto local authorities. In that he was completely and utterly wrong. To describe all local authorities as being in a desperate position is absolute rubbish. It is harmful to local authority credit, and the hon. member for Baroona should be ashamed of his extravagant, dangerous language. The hon. member for Cook leads me to say that I have had to complain before that some hon. members do not take the trouble to read the Budget. He said that there was no reference in the Budget to any grant of money for the extension of the Tinaroo Falls irrigation project. If he cannot find it I will tell him. Let him have a look at page 88 of the Estimates. If he cannot read I will read it for him. "Irrigation and Water Supply Construction Fund—Mareeba-Dimbulah Irrigation Area, required for 1961-1962 £501,000." It is the second heaviest provision for irrigation and water supply in the State. It is merely a continuation year for Tinaroo, making the total expenditure now up to £12,930,000. If that is the standard of approach, if hon. members will not trouble to read the figures put before them, I think I could well disregard their criticism.

The hon. member for Kedron was almost hopelessly astray and needs a lesson in simple arithmetic. He said that our Loan Fund balance had increased from some £83,000 to £120,000. He looked at only part of the picture. Last year the published figures show quite clearly that we held in Loan Fund a balance of £123,348, made up of cash £83,612, Commonwealth Government inscribed stock £39,736, a total of £123,348. Our balance at the end of this year was £120,597, so that our Loan Fund cash balance fell during the year by £2,751. We did not run it up at all. Now he has raised the matter I am prompted to contrast that quite slender and well-managed balance with what happened when Labour were in power, because they had the sorry record of never using loan money available to them to the full. Here are the figures—

	£
1951	2,172,000
1952	2,453,000
1953	1,483,000
1954	1,501,000
1955	1,496,000
1956	1,277,000

Then, of course, they set out as a parliamentary group to pull the wool over the eyes of their Trades Hall masters. The year 1957 was spending year and they promptly reduced the Loan Fund to a balance of £278,000. Every balance since has been under £500,000, and at 30 June, 1961, the fact of the matter is it was the lowest carry-forward and the highest degree of Loan Fund usage ever since the war.

To end the story, he was badly mixed up when he complained about a reduced grant for the University. My colleague, the

Minister for Education and Migration, described his remark across the Chamber by interjection as "Rubbish." The trouble with the hon. member for Kedron is that he reads only part of the Budget. He said that we reduced the vote from £1,000,000 to £800,000. A very pretty statement! Last year it was not £1,000,000; this year it is not £800,000. It is a very pretty statement; it sounds well. Here are the facts. At page 54 of the Estimates he will find that the Queensland University Revenue Vote last year was £1,749,000; this year it is increased to £2,178,000. On page 98 of the Estimates the University Completion of Buildings from Loan Fund Vote last year was £1,086,000. This year the estimate is £792,000. Aggregating the two, last year we provided in all for the University £2,835,000 and this year we provide £2,970,000, an increase of £135,000. Can one have any respect for a man who is either incompetent in his assessment or not honest in his presentation, because that is the only conclusion that can be drawn?

Something has been said in the course of the debate on the subject of the census. There have been sundry attacks on the Government's policy of decentralisation and our failure to develop certain parts of the State. Let us look at the facts beginning to emerge on an unshatterable basis. First of all, let me say that the Budget was based on the tax reimbursement that would flow from the Statistician's estimate of population. My Premier and I have said, backed by the advice tendered to us by our officers, that that year's population estimates of the Commonwealth Statistician have failed to cover accurately the population of this State. That is not a new feature. In 1947, there was a minor deficiency involving some 3,725 thrown up by the census. In 1954 the census then taken showed a major error in the Statistician's calculations. Allowing for the making of an intermediate correction during the inter-censal period he had to acknowledge that his estimates fell 28,000 persons short of the actual population of the State, and on that, because our tax reimbursement was geared to the Statistician's estimates, Queensland lost, in the period between 1947 and 1954, £355,000 in tax reimbursement. That, by every moral right, was ours, and we should have got it.

Between 1954 and the new agreement in 1959 we applied several tests that suggested that again the Statistician was underestimating our population and we contended that, till the new agreement came into force, we had lost through underestimation by the Statistician, a further sum, certainly over £500,000. Our calculation was £652,400.

Between 1959 and 1961 it becomes conjectural. Certainly, there is a further degree of loss. I believe that, within the next few days, the final census figures will be out but already we have so much information concerning the major cities, towns and shires of this State, that I have no hesitation in saying

that when the census figures are fully available the Statistician will have been proved to have underestimated the population of the State by at least 31,000 people—maybe as high as 36,000 people—and if the correct figure had been known to me when I prepared this Budget, we would have been entitled, on the basis of our tax reimbursement, to an additional sum of somewhere between £900,000 and £950,000.

Mr. Walsh: Do you think those errors would have occurred in other States as well?

Mr. HILEY: They are compensating errors so that if we are short-weighted somebody else is over-weighted. We were told quite plainly on a previous occasion, the trouble occurs because it is physically impossible to cover the movements of people across interstate borders. Some walk across, some go across in private cars.

Mr. Walsh: That applies to every State.

Mr. HILEY: It applies to every State, but unfortunately, experience over the years has been that certain States tend to be disadvantaged by the present method of calculation. We have been consistently disadvantaged, as I have shown, and, whilst it may be unwise for me at this juncture to name the States in whose favour the figures have consistently run, I do say that there are States which, on dependable evidence, have never been consistently under-weighted. There is at least one and possibly two States that have been consistently over-weighted.

Mr. Walsh: Would South Australia be one of those?

Mr. HILEY: No, South Australia has been in the position that is usual to us.

I have listened for month after month and year after year to attacks on the Government by hon. members of the Opposition on the subject of decentralisation. Decentralisation is not our narrow prerogative. It was the practice of our predecessors in office and we always agreed it was the right policy. All I regret is that our efforts to continue and expand that policy have been met with Opposition contentions that we have been going against our policy and throwing it into reverse.

The Statistician has obligingly made available the figures for the inter-censal period 1954-1961. Brisbane showed a population increase of 17.9 per cent. That is the increase in the great capital octopus that we hear so much talk about, the octopus that is swallowing up development and population and starving the other portions of the State. The following table shows the increases in 29 towns during the same period:—

Town	Percentage increase.
Mt. Isa	79.1
Gold Coast	70.0
Redcliffe	55.7
Biloela	45.8

Town	Percentage Increase.
Mareeba	35.8
St. George	30.3
Caloundra	31.1
Hughenden	31.6
Mitchell	29.6
Beenleigh	29.3
Roma	28.8
Caboolture	25.7
Townsville	25.4
Cloncurry	24.9
Ipswich	24.9
Emerald	24.4
Murgon	23.2
Beaudesert	22.7
Miles	21.6
Ingham	21.3
Gatton	21.2
Dalby	19.6
Chinchilla	19.4
Pialba	18.7
Gympie	18.4
Atherton	18.4
Winton	27.3
Mackay and North Mackay	17
Bowen	47.6

Biloela is in a country rural district. It showed an increase of 45.8 per cent. The increase in St. George, another country town, is 30.3 per cent. In Hughenden, another north-western town the increase was 31.6, and in Mackay and North Mackay—and we heard a good deal this afternoon from the hon. member for Mackay—the increase was 17 per cent.

Those figures show that the population of 29 towns in Queensland increased at a rate equal to or greater than the relative rate of Brisbane, and ten of them were in North Queensland. The comparison has been made between the 1954 census figures and the 1961 census figures, not over a year or a few months but over seven years, and shows conclusively that the work that I credit Labour Governments with having started has been magnificently continued, and I am bound to say that that record of progressive decentralisation is the proudest seven-year period in the history of the State.

The hon. member for South Brisbane said—

“Between 1952 and 1955 we used all the subsidies. In those years we had a Labour State Government, who gave us generous subsidies, and we were able to use them to the fullest. Never was water and sewerage reticulation and never was water and sewerage capitalisation work produced or proceeded with with such vigour and ambition as during those three years.”

What trite rubbish! His first point was that all the subsidies available to the council were used. The fact is that in 1952-1953 it was able to raise only 78 per cent. of the loan allocation. In 1953-1954 it was able to show a better result of 89 per cent., but in 1954-1955 it slipped back horribly and raised

only 64.6 per cent. In those three years the subsidies available from the Labour Government to the Council, which lapsed because the Council had not spent the money to draw them, totalled £1,001,078. So much for the tripe and the suggestion that we used all the subsidies we were entitled to—

Mr. Bennett: Do not misquote me. I said that we used all the subsidies that were available, and they were available only on the amount of loan money you got.

Mr. HILEY: The hon. member should listen and he will swallow his words.

Mr. Bennett: I will not swallow my words.

Mr. HILEY: The hon. member would have trouble swallowing them. He said that in those years they had a Labour State Government who gave them generous subsidies, and they used them to the fullest extent, but we find that £1,001,000 were lost in three years. Let us take the comparable position since we became the Government. The local authorities raised their full debenture programmes in the four years. The Brisbane City Council still lost £500,000 in subsidies available to it. In other words, in four years they lost half the amount that they lost under a Labour Government in three years.

The second matter raised by the hon. member was that we had spent heavily on water supply and sewerage. Let us look at this statement: in the year before Labour—that was 1951-1952—the capital works on water supply and sewerage for the Brisbane City Council amounted to £2,089,000. In their first year they came practically up to that figure. They spent £2,057,000. The next year the total fell to £1,698,000, and for the third year expenditure fell to the sorry figure of £1,555,000. Every year they were in office expenditure on water supply and sewerage fell consistently. What happened when we were in power during the Groom administration? In 1956-1957, the last year that the Labour Government were in power in the State, the Brisbane City Council spent £742,000 on water supply and sewerage. Every year since then the figure has improved. For our first year in office, it improved slightly to £797,000. In 1958-1959 it improved to £1,659,000, and in 1959-1960 it improved to £2,521,000. In 1960-1961 the figure improved to the all-time record of £3,259,000. Hon. members can see the record when Labour was in power at the City Hall—down went the expenditure on water supply and sewerage. After we came to power, and the Groom administration was in charge of City Council affairs, the expenditure rose to a record level.

Mr. Walsh: If I understand the point you are trying to make, you will agree, without making any apologies, that there was a credit restriction in 1952.

Mr. HILEY: In other words, they spent more on water supply and sewerage during

the credit restriction years than they spent in subsequent years when money was easier to get. That is a very interesting point and I am grateful to the hon. member for raising it.

The hon. member for Carnarvon raised a number of points but time does not permit me to deal with them at length. He chided me with not showing a clear picture of State taxation. If he had been in the chamber when the hon. member for Bundaberg spoke he would have found that he quoted extensively from Table C5 of the Treasurer's Tables which gave most elaborate figures of the expenditure per head of population. He will find there all the information he wants.

He made some reference—and I am sorry that his words escape me—to the raising performance by local authorities. He said, if I remember it correctly, that interest rates were raised during his Government's last year in office and that enabled them—

Mr. Hilton: In recent years the interest rate has risen considerably.

Mr. HILEY: I draw attention to the fact that during the four years until very recently there was no rise in interest rates from the last increase during the term of office of the previous Government. There was no increase in the semi-governmental rate in the first three years we were in office. In other words, we continued at the same rate as that set by the hon. gentleman's Government before we took office. His point was that, once that rate was set, that provided the answer and they raised all the money they needed.

Mr. Walsh: That is the Loan Council raising.

Mr. HILEY: That is right. In 1956-1957 the projected programme was £16,400,000. The raising was £15,581,000, which was 95 per cent. of the total. There was still £800,000 lost and lost for all time.

The hon. member for Bundaberg made a great deal of a minor variation in figures in the expenditure on the Mt. Isa railway project in 1960-1961. He quoted the figure of £2,775,364 drawn from the Estimates and compared it with the figure of £2,767,968 contained in the report of the Auditor-General.

Mr. Walsh: Fair enough.

Mr. HILEY: There is a very simple explanation, which should have been clear on the documents. The Estimates refer obviously to the gross expenditure. That is an expenditure figure. If the hon. member reads the Auditor-General's report he will see that the Auditor-General states that his figure is not the gross expenditure. It is the net expenditure after deducting recoveries.

Mr. Walsh: Not in regard to that particular sentence.

Mr. HILEY: That is the vital sentence.

Mr. Walsh: It says over £3,000,000 gross expenditure.

Mr. HILEY: In fact the gross expenditure was £2,775,364. The recoveries were £7,396. That is the explanation he was seeking of why the net expenditure is quoted at £2,767,968.

Frankly time prevents my going through so much of what was raised, quite a good deal of which was of interest, and there is much to which I should have liked to reply if more time had been available.

Mr. Walsh: I must draw your attention to the fact that the Auditor-General's report says—

“Expenditure certified by the Engineer, is made by the Department of Railways and totalled £2,767,968 for the year 1960-61.”

That is the Auditor-General's statement, not mine.

Mr. HILEY: If the hon. member will turn over the page he will see the Auditor-General's detailed explanation. Let him just keep on reading. It is all there. Let him not read just part of the Auditor-General's report.

Mr. Walsh: I hope he does not vary it the minute he goes over the page.

Mr. HILEY: If the hon. member will not take the trouble to turn the page and read the fuller explanation, of course he will think the figures inconsistent. I am trying to help him, to show him where to find the information. It is all there.

Mr. Walsh: It is the actual expenditure, according to the Auditor-General.

Mr. HILEY: If the hon. member will keep reading he will find it is all fully explained. I know he has a great habit of smoking niggers out of the woodpile and patting his pocket. If he just keeps on reading what the Auditor-General has to say he will be sadder and wiser.

The motion for the reduction of the Item by £1 I find singularly unconvincing. In fact it is a record Budget introduced with more courage than at times I should have liked to command, partly in face of the challenge of the difficult times through which we are passing. I do not need to develop the theme that it is a classically correct step for Governments to be prepared to go into deficit when things are hard in the private sector. Hon. members opposite have been kind enough to quote extensively from authorities that lay that down as a standard and desirable practice of public finance.

As I have already shown that in the majority of cases their attack has been based on false premises or is the result of a lazy and incompetent examination of the voluminous figures put before them, I say that there is no case to answer, and I invite the Committee to reject the amendment.

Question—That the Item “Aide-de-Camp, £1,594” be reduced to £1,593 (Mr. Duggan's amendment)—put; and the Committee divided—

AYES, 25

Mr. Adair	Mr. Houston
„ Bennett	„ Inch
„ Bromley	„ Mann
„ Byrne	„ Marsden
„ Davies	„ Melloy
„ Dean	„ Newton
„ Donald	„ Thackeray
„ Dufficy	„ Tucker
„ Duggan	„ Wallace
„ Graham	„ Walsh
„ Gunn	<i>Tellers:</i>
„ Hanlon	Mr. Burrows
„ Hilton	„ Sherrington

NOES, 36

Mr. Armstrong	Mr. Low
„ Bjelke-Petersen	„ Madsen
„ Camm	„ Munro
„ Carey	„ Nicklin
Dr. Delamothe	Dr. Noble
Mr. Dewar	Mr. Pilbeam
„ Evans	„ Pizzev
„ Gilmore	„ Rae
„ Harrison	„ Ramsden
„ Hart	„ Richter
„ Herbert	„ Row
„ Hewitt	„ Smith
„ Hiley	„ Tooth
„ Hodges	„ Wharton
„ Houghton	„ Windsor
„ Hughes	<i>Tellers:</i>
„ Jones	Mr. Campbell
„ Knox	„ Ewan
„ Lonergan	

PAIRS

Mr. Baxter	Mr. Fletcher
„ Lloyd	„ Chalk
„ O'Donnell	„ Sullivan
„ Diplock	„ Hooper

Resolved in the negative.

Item (Aide-de-Camp to His Excellency the Governor) agreed to.

Progress reported.

The House adjourned at 8.49 p.m.