

Queensland



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THURSDAY, 27 SEPTEMBER 1962

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

QUESTIONS

CAUSES OF TRAFFIC ACCIDENTS

Mr. DEAN (Sandgate) asked the Minister for Labour and Industry—

“In view of the alarming report which appeared in ‘The Sunday Mail’ of September 23, that Queensland’s road toll has reached the death-a-day level for the first time on record—269 killed in 266 days this year—and his statement in the same publication that he believed from a study of accidents that 75 per centum or more of them were caused because of a momentary careless action by a driver, will he supply a detailed list to the House of the causes of deaths and accidents under the following headings:—(a) motor drivers suffering from faulty eyesight, (b) travelling at excessive speed, (c) number of drivers involved in accidents who were found to be under the influence of alcohol, (d) number of accidents and deaths occurring at week-ends and (e) number of accidents and deaths occurring between the hours of 6 p.m. and 5 a.m.?”

Hon. G. F. R. NICKLIN (Landsborough—Premier), for Hon. K. J. MORRIS (Mt. Coottha), replied—

“The answer to the question of the Honourable Member in regard to the whole of the State for the financial year 1961-1962 is as follows:—(a) No information is available on this aspect. (b) Carelessness, with in some cases excessive speed, caused 2,105 accidents and 86 persons were killed in such accidents. (c) Six hundred and nine accidents occurred in which the drivers of motor vehicles and motor cycles were under the influence of alcohol, and twenty-nine persons were killed in these accidents. (d) Seven thousand one hundred and seventy-four accidents occurred during week-end periods (Saturday and Sunday); and 146 persons were killed in these accidents. (e) The analysis of accidents is available in two-hourly periods, so that the figure for the period 6 p.m. to 5 a.m. is not available. However, there were 8,312 accidents which occurred between the hours of 6 p.m. and 6 a.m. and 183 persons were killed in these accidents. I would also add that during 1961-1962 the total number of traffic accidents for the State was 20,231 and 341 persons were killed in these accidents.”

REPAIR OF HIGH SCHOOL TYPEWRITERS

Mr. COBURN (Burdekin), for **Mr. AIKENS** (Townsville South), asked the Minister for Education and Migration—

“(1) Is it a fact that typewriters and other similar equipment used in State High Schools and Technical Colleges in country towns and provincial cities are sent to the State Stores Board in Brisbane for reconditioning and repair?”

“(2) In view of the expressed Government policy of decentralisation, why cannot this work be done in the country towns and provincial cities concerned, where the requisite trained personnel and equipment are available?”

Hon. H. RICHTER (Somerset—Minister for Public Works and Local Government), for **Hon. J. C. A. PIZZEY** (Isis), replied—

“(1) Typewriters and science equipment are brought to the Central Technical College for repair.”

“(2) When enquiries were made last year concerning the practicability of having typewriters repaired in country centres, the costs were found to be excessive.”

FAULTY CONSTRUCTION, AYR HOSPITAL

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

“(1) Has he been advised by the Secretary to the Ayr Hospitals Board that, at a General Meeting of the Ayr Hospitals Board held on September 19, 1962, the Works Committee reported that three cracks had appeared in the main supporting columns between the first and second floors at the Ayr Hospital and that there are indications that cracks will also appear in the supporting columns on the top balcony?”

“(2) Has the Architect to the Ayr Hospitals Board, Mr. L. J. Freer, stated that, in his opinion, the concrete in many respects is of sub-standard quality, in particular through lack of properly graded aggregate, and that it would appear the defects are in hoods, beams, balconies and floor slabs throughout the building and that some sections are positively dangerous?”

“(3) If so, will he act immediately to have the necessary work undertaken on the hoods, beams, balconies and floor slabs and thus remove conditions that are deemed to be positively dangerous?”

Hon. H. W. NOBLE (Yeronga) replied—

“(1) Yes.”

“(2) Yes.”

“(3) The Department of Public Works has been asked to undertake the necessary work to remedy the defects as soon as possible.”

FACILITIES AND ACCOMMODATION AT GATTON AGRICULTURAL COLLEGE

Mr. DAVIES (Maryborough), for **Mr. BENNETT** (South Brisbane), asked the Minister for Education and Migration—

“Is he aware that the facilities and accommodation for staff and students at the Gatton Agricultural College are antiquated and hopelessly inadequate? If so, what remedial measures does he propose to take in the immediate future?”

Hon. H. RICHTER (Somerset—Minister for Public Works and Local Government), for **Hon. J. C. A. PIZZEY** (Isis), replied—

“It is not true that the facilities and accommodation at the Gatton Agricultural College are inadequate. There is sufficient classroom accommodation and the science and other equipment is up to the best modern standards. Eminent authorities have volunteered the opinion that the quality of the livestock at the College could hardly be improved. It is true, unfortunately that owing to the continued neglect of the previous Government, many buildings became outmoded and should have been replaced. It was found, when this Government came into power, that it had inherited a problem of such dimensions as to allow of no immediate solution and that only a major programme involving large loan allocations for capital works over several successive financial periods could provide the replacements necessary. It was decided therefore to develop long-range plans to be implemented as and when funds could be made available. Since this Government assumed office, buildings and amenities provided comprise the following:—(a) Three new residences erected for College staff. (b) Improvements to the water supply. Further improvements are at present under investigation. (c) Extensions and improvements to the electricity supply. (d) Installation of sewerage in the residential area. (e) New roadways recently constructed. (f) New milk and handling room. (g) Dairy Service Laboratory built on to factory. (h) New wool classing shed. In addition to the above a new Sports Oval and Swimming Pool with ancillary dressing sheds and stands were provided with the assistance of Government grants. In general, services have been improved during the past five years. A comprehensive replanning development embracing administration, staff and classroom accommodation has been prepared and it is intended that this shall be effected in stages. The first stage of this major programme will provide for a new dining hall and kitchen followed by

construction of new dormitories. In view of the heavy commitment of funds for Secondary Education and other purposes during this financial year, it has been necessary to accord priorities in the light of the most pressing needs and it has not yet been found possible to embark on the first stage of the planned building programme. The Honourable Member may rest assured that the problem created by the neglect of previous Governments will be attacked as soon as circumstances permit and that, in the meantime, as indicated by the improvements recently effected, the overall efficiency of the College will be fully maintained."

PAPERS

The following paper was laid on the table, and ordered to be printed—

Report of the Fish Board for the year 1961-1962.

The following papers were laid on the table—

Order in Council under the Public Curator Acts, 1915 to 1957.

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

Orders in Council under the Fisheries Acts, 1957 to 1959.

IMPLEMENTATION OF SOCIALISM

Mr. TOOTH (Ashgrove) (11.5 a.m.): I move—

"That this House, appreciating that the practical implementation of Socialism would not be distinguishable from the coercive apparatus of Communism, is of opinion that any attempt to introduce Socialism threatens both the basic concepts of individual freedom of our democratic State and also our security as a bastion of civil and personal liberty in a world area threatened by a rising tide of Communism."

If we turn to the Bible in the 33rd Chapter of the Book of the Prophet Ezekiel we find these words—

"... if the people of the land take a man of their coasts, and set him for their watchman:

If when he seeth the sword come upon the land, he blow the trumpet, and warn the people;

Then whosoever heareth the sound of the trumpet, and taketh not warning; if the sword come, and take him away, his blood shall be upon his own head.

He heard the sound of the trumpet, and took not warning; his blood shall be upon him

But if the watchman see the sword come, and blow not the trumpet, and the people be not warned; if the sword come, and

take any person from among them, he is taken away in his iniquity; but his blood will I require at the watchman's hand."

Those words contain a stern admonition and a warning to any man in a public position. If, from his special point of vantage, he can see anything that appears to be a danger it is laid upon him to use that vantage point to sound an alarm. Otherwise some, at least, of the responsibility of what follows is his. So, it is under a heavy sense of this responsibility that I submit this motion because, in common with thousands of others, I believe that we face not only external dangers of a pressing nature, but internal dangers of a most insidious and, indeed, of an ingratiating kind. I say this, because a week ago I was chided by the Leader of the Opposition with bad taste in submitting this motion.

Let me say that I am not submitting this motion in any spirit of light-hearted perverseness. These things transcend completely any question of good or bad taste. They touch on matters, in my opinion as important, almost, as life and death. So, in submitting this motion, I am asking the House to accept three propositions explicitly stated therein. Firstly, that the establishment of a Socialist society would involve such a degree of regimentation and direction in our economic and social life that, ultimately, it would be difficult to distinguish our way of life from that of countries where militant Communist parties claim to be building Socialism, as a prelude to the Communist millennium; secondly, that it follows therefore that the basic principles of individual personal freedom upon which our system of parliamentary democracy is founded will be endangered by any attempt to establish Socialism in Australia, and thirdly, that such a weakening of the democratic structure of the Australian Community must weaken our will and impair our capacity to resist the external dangers that we face from the rising tide of Communism in South-east Asia.

These propositions will be accepted as valid only if we accept a further proposition which, though not stated, is implicit in the motion before the House, namely, that there is a basic identity in fundamental principle in Socialism and Communism, that they are so closely related in nature and purpose that if logically and unswervingly pursued they must issue in the same result.

Mr. Evans: The one objective.

Mr. TOOTH: Precisely. Let us look, therefore, firstly at the last of these propositions. A dictionary definition of Socialism reads as follows—

"A theory or policy of social organisation which aims at or advocates the ownership or control of the means of production, capital, land, property, etc., by the community as a whole, and their administration or distribution in the interests of all."

The definition of Communism from the same dictionary reads—

“A theory which advocates a state of society in which there should be no private ownership, all property being vested in the community and labour organised for the common benefit of all members.”

Going a little further afield, we find that the *Encyclopaedia Britannica* says—

“... confine the words socialism and communism to those systems and movements which aim at communalizing the means of production, justify their pursuit of this by a scientific analysis of the capitalist system of economics and in their efforts to reach it, count principally on the support of the masses of industrial workmen, the proletariat.”

Thus, authoritative works of reference treat these two words as being almost synonymous in meaning. This, of course, is not to be wondered at, for both groups believe that the main characteristics of society issue from its economic characteristics. Whilst they may not accept wholly and entirely the theory of economic determinism, they hold generally the view that “the mode of production in material life conditions the general character of the social, political, and spiritual processes of life.”

It is apparent, therefore, that the basic proposition that there is a fundamental identity in principle between Socialism and Communism has strong support.

At this point it may be appropriate to observe that great and widespread confusion often arises in the popular mind between Socialism and social justice, a confusion which the protagonists of Socialism often endeavour to promote. To the young, unsophisticated idealist the idea that there is a way—namely, the common ownership of the means of production, distribution, and exchange—by which poverty would be eradicated, that all would be given equal opportunities to develop their talents and that the fruits of the earth would be shared equitably, has an irresistible appeal. It is natural that this should be so. Indeed, anyone who believes in the Fatherhood of God and its corollary, the brotherhood of man, cannot help but be attracted by any theory that claims to promote universal prosperity and happiness.

It is necessary, however, in all proposals where glittering prizes are offered, where great rewards are promised, that the way, the method—the *modus operandi*—be examined with meticulous care. Otherwise it is possible—and history has many examples of this—that our feet may be turned to a path beset by dangers and pitfalls, where we completely lose our way

and ultimately descend into an economic and political morass where the glittering goals towards which we have started are lost to view.

We on this side of the House feel that it is on to that kind of path that the doctrinaire Socialists in our midst and the Communists would lead us. In the last century or so in the western world we have made progress—slow, it is true, even laborious at times, nevertheless steady progress towards greater prosperity, higher standards of living, and greater happiness of the kind that comes from material well-being. These are solid achievements, indeed in some cases spectacular. In Australia in the last decade we have learned, and are still learning, how to use great scientific and technical advances for the ultimate benefit, in greater or lesser degree, of all.

This has been done, and is still being done ever more effectively, under a system that has moved by a slow process of political and economic evolution from the almost completely unplanned economy of a century or more ago with its absolute reliance on the price mechanism in the free market, and the motivation of personal self-help and gain, to a semi-planned economy where the bitter inequalities have been ironed out, where the recurring cycles of bounding prosperity and adversity are being controlled, and where the public conscience demands that social justice shall be accorded to all.

It should be noted that, in the unplanned economy of a past generation, there was some planning. As one authority says, “There never has been, nor could there be, complete ‘laissez-faire’ in a country of any size.” But this planning was kept at the absolute minimum consistent with the organisation and integrity of the community. The basic feature, in theory at any rate, was that the initiative in economic matters rested entirely with individual men and women. The automatic in-built mechanisms of the price-regulator and the so-called profit motive kept the machine running on the bases of almost uncontrolled freedom of enterprise and of choice in what one would buy and sell and do. This system, of course, resulted in great inequalities, periods of economic adversity for large sections of the community and other forms of great social injustice. There would be few, if any, who would wish to return to it—certainly nobody on this side of the House.

At the opposite extreme, the concept of a completely planned economy envisages a society in which private rights in property of any kind are completely abolished. Types and quantities of goods to be produced and consumed are decided not by the desires or preferences of individuals but by the Government to fit in with its particular

plans of the moment; and direction of labour into channels thought most desirable is an accepted feature of life.

At this point it may be agreed that, just as the completely unplanned economy is inconsistent with the existence of an organised social community, so the completely planned economy is so repugnant to human nature as to be unworkable. It is unlikely that human beings could ever be regimented to the status of the denizens of an ant-hill. Every organised human community will stand somewhere between these two extremes—the completely unplanned society on the right and the completely planned society on the left. The questions we must ask ourselves are: "Where do we stand now as between right and left?" "In what direction are we moving?" and, of course, "Where do we want to stand, and in what direction do we wish to move?"

I suppose it would be correct to say that we on this side of the House stand to the right of centre, some farther than others and that members of the A.L.P. stand to the left of centre, again some farther than others, and that the basic difference in our thinking concerns the relative importance of the individual and the State.

This question, namely, the place and status of the individual in society, is the great political issue of our time. The personal freedom we possess in the parliamentary democracies of the Western world seems to the average man and woman as something permanent and immutable—always was and always will be. But when we survey the long vistas of history we realise what an illusion that idea is. Our freedom is, in truth, a recent development in an age-long story of tyranny and slavery, and we are at this moment, though few recognise it, engaged in a mortal struggle for its preservation. If this struggle be lost, then freedom as we understand it will have been merely a brief interlude in the long martyrdom of man.

Someone may ask, "How does all this relate to the motion before the House?" In reply, let me quote from a speech by Sir Stafford Cripps, Chancellor of the Exchequer in the Attlee Labour Government. He was one of the intellectual giants of the British Labour Party. Speaking in the House of Commons on 26 February, 1946, Sir Stafford used these words—

"No country in the world, as far as I know, has yet succeeded in carrying through a planned economy without compulsion of labour."

Then, speaking of the policy of the Socialist Government of which he was a member, Sir Stafford said—

"Our objective is to carry through a planned economy without compulsion of labour."

I ask hon. members to note that final sentence, because the sequel is a melancholy one. I think it can best be described by a lengthy quotation from a sensational book, "Ordeal by Planning", written by Professor Jewkes of the University of Manchester and published in 1948. Professor Jewkes said (page 198 et seq.)—

"If there is a plan in the sense of a closely integrated set of controls to bring about a predetermined economic end, then clearly there must be no recalcitrant element. For that would upset the whole of the plan. Labour is one of the resources which must be forced to fit into the scheme as a whole. Some forms of State restriction, such as those on raw materials, on consumer's income, on the use of property, can often be imposed without creating, at least at the outset, the sense of servitude. But direction of labour is one control which, to most minds, stands out so grossly as slavery that the battle for freedom will probably be lost or won at this point. It is not, of course, true that a society is free so long as there is, legally, no direction of labour. Other forms of coercion may render the legal freedom of the worker meaningless. But if the worker is told what to do and when to do it, then clearly nothing remains to defend. Now direction of labour is inevitably bound up with a plan courageously followed to its logical conclusion. How powerful are the forces driving in that direction can be well exemplified by the story of how the British planners, against all their best instincts, were driven to the restoration of conscription of labour in 1947. At that time, largely due to the Plan, labour was seriously maldistributed in the sense that consumers were being offered the goods of one type of industry—notably engineering—when they would have much preferred the goods of other industries—such as the textile industries. This problem was variously, and misleadingly, described as 'the problem of the undermanned industries' or 'the problem of the overall shortage of man-power'. The fantastic position in which the economic system was making the wrong things was clear to everybody. It was also clear that redistribution of labour was required to avoid the enormous real economic waste involved. What was to be done about it? Every route appeared to be blocked. Mr. Attlee, than whom there could be no sturdier democrat, tried to find his way out of the dilemma, by making a moral appeal, by throwing the insoluble problem back on the worker. In a broadcast to the nation on 18 March, 1947, he said:

"Ask yourself whether you are doing the kind of work which the nation needs in view of the shortage of labour. Your job may bring you in more money but be quite useless to the community. You

may complain of the shortage of coal or houses . . . towels and underclothing . . . but have you any right to complain if you are content to do some better-paid but quite useless work?"

"But, clearly, to ask the individual to decide what is socially useful work, outside the price system, leads straight to chaos. In the event few, if any, members of the public seem to have taken any notice of the appeal.

" . . .
"At the beginning of 1947 no public figure would have dared to declare himself in favour of labour conscription in peace-time. By the autumn of that year it was the law of the land that (with the exception of a small proportion of the working population) no man between the ages of 18 and 50 years and no woman between the ages of 18 and 40 years could change his or her occupation at will."

I repeat that because it is a particularly important point. The result of the Labour Party's post-war legislation in Britain was that no man between the ages of 18 and 50 years and no woman between the ages of 18 and 40 years could change his or her occupation at will.

"Every such change had to be registered at the Employment Exchange, and the Minister of Labour had the power to direct workers changing their jobs to the employment he considered best in the national interest."

Mr. Lloyd: Who said that?

Mr. TOOTH: That was the effect of the law that was passed at that stage, in 1947. Obviously, the hon. member is not listening.

"It is extremely significant, and indeed sinister, to watch how, by the logic of events, the ardent planner, still retaining his respect for individual freedom acquired from his upbringing in another type of society, was driven to hedge, to temporise, to qualify and finally to capitulate before the inexorable demands of the Plan. This can, perhaps best be seen through the speeches of Sir Stafford Cripps."

I ask hon. members to take particular note of this series of extracts from Sir Stafford Cripp's speeches—

"In February, 1946, he had said:

'Our objective is to carry through a planned economy without compulsion of labour.'

"In the debate in the House of Commons in March, 1947, when the fuel crisis had given us a foretaste of what was to come, he had said:

'We are attempting to make a success of democratic planning and, save for emergency measures such as are necessitated by war, or may be necessitated

by some urgent economic crisis, we have decided not to employ, as a normal matter, methods of direction or compulsion of man-power outside the necessities of defence.'

"On August 7, 1947, during the debate on the State of the Nation, and one day after Mr. Attlee had indicated that it was intended to resume powers of direction of labour, Sir Stafford made this statement:

'It has been decided to stop, by negative control, further people from going into the less necessary industries. If, at some future date, further and more stringent measures become necessary, we can then consider the question of the direction of labour, but my right hon. friend the Prime Minister said it was only in a marginal case connected with the negative control that that power might possibly be used under existing circumstances, not as a general proposition.'

Hon. members will see the weakening, and the drift from the original stand that Sir Stafford had taken.

Professor Jewkes continued—

"On September 12, 1947, still refusing to face the fact that the Government had been forced to choose between planning and freedom of occupation and had plumped for planning, he said:

'We do not propose to introduce industrial conscription unless it is proved there is no other way out.'

"Attempts were made to minimise the significance of what had happened. The power of direction was to be employed 'to a limited extent.' The control was to be 'negative' and 'marginal'. Direction was not to be used as 'an instrument in itself' . . .

"The barriers, however, were down. For the first time Great Britain had accepted labour conscription in time of peace. It was evident from the start that if the direction of labour was 'limited' then it would not serve the purpose of the plan. Although it had been indicated that workers would not be expected to leave jobs they were already in, Mr. Isaacs, by the middle of September, was saying:

'If more extensive direction were found necessary, the Government would not hesitate to use it.'

That is very interesting in view of something Mr. Chifley said about the same thing. I propose later to quote it.

"Although it had originally been understood that workers would not be moved from their own districts, it was soon announced that single men and women and married men 'in special cases' would be liable to be sent away from home."

Mr. Graham: It is a pity they would not send you away from home.

Mr. TOOTH: I can quite appreciate the hon. gentlemen's desire to get rid of me.

The quotation continues—

"Although it had been originally stated that direction would be applied only to unemployed persons refusing to take essential work, it quickly became evident that the Government intended to take full advantage of its slightly nauseating campaign against 'spivs and drones' by including within this term workers who were making 'no contribution to the national wellbeing' as well as persons not gainfully employed who were capable of work."

It is a very important picture.

Mr. Houston: Tell us about Australia.

Mr. TOOTH: I will. When I do, the hon. member probably will not like what I say.

"So long as the aim is a planned economy there can be no doubt of the trend of social pressures: it will be towards a progressive restriction in the choice of occupation. The path can be cleared by very obvious devices: by imposing additional restrictions during the periodic planning crises when sacrifices can be called for in the national interest; by claiming that the control will be applied sympathetically; by falling severely on the less well-organised workers who cannot resist effectively; by running heresy hunts against the 'drones' in society who happen to be doing jobs of which the State does not approve; by public belittlement of some kinds of work as against others."

All those things can be used to create the necessary atmosphere. I would suggest that the hon. member for Bulimba listen to this because I think he possibly could study these problems with some advantage to himself.

The basic reason for the about-face by the British Labour Government within a short period of two years on the issue of conscription of labour is to be found in a few short sentences penned by another member of that Government, Mr. E. F. M. Durbin. I want to quote his words because they hold the key to what happened at that time. Mr. Durbin said—

"One consequence of abandoning the direction of labour is quite unavoidable. The economic life of the nation cannot thereafter be arbitrarily changed or planned. It is not possible to order the production of x million tons of coal a year or to fix a programme of £y millions of exports with any certainty that these quantities will, in fact, be produced."

That is the key to the question that the hon. member for Bulimba asked.

Mr. Durbin continued—

"If individual men and women are free to choose what work they will do, and where they will do it, the fulfilment of any set of tasks depends in the last resort

in persuading them to enter certain occupations, and to carry out their duties in them. The solution of this technical problem of persuasion is, as we shall see, the main challenge facing the whole Labour movement at the moment."

He was speaking in the late 1940's.

He went on and said—

"Unless it can be resolved in the next few years, our principles will have proved inconsistent and our policies impracticable."

There was the assessment of one of the members of the British Cabinet.

As has already been shown, this end was not achieved; persuasion failed and, to the great dismay of many old-time Labour men in Great Britain and, indeed, in other parts of the British Commonwealth, the British Socialists took power to conscript labour. On 3 November, 1947, in the House of Commons, Mr. Rhys Davies, a Labour member, moved to disallow this action by his own Government. In an emotional speech, Mr. Davies used these words—

Mr. Houghton: Is that the hon. member for Maryborough?

Mr. TOOTH: No, I do not think they have any association other than a common name, because obviously this man is opposed to one of the direct results of Socialism.

Mr. Rhys Davies said—

"It will be obvious to all hon. members that this motion is intended to challenge the right of the Government to choose their jobs for the unemployed instead of allowing the unemployed to choose their own occupations."

Mr. Davies interjected.

Mr. TOOTH: I must begin the quotation again. Apparently the hon. member for Maryborough is interested in the expressions of Mr. Rhys Davies in the House of Commons. This is what was said by Mr. Rhys Davies, an old stalwart of the British Labour movement, about the policies then being enacted for the conscription of labour—

"It will be obvious to all hon. members that this motion is intended to challenge the right of the Government to choose their jobs for the unemployed instead of allowing the unemployed to choose their own occupations . . . I want next to challenge the new philosophy about industrial conscription that has arisen in our party. This is the argument which I hear on all hands; people say to me, 'If you are to have a planned socialist society, you must accept compulsion of labour'. But the gospel which I have preached all along the line . . . is that socialism would provide greater personal liberty and freedom

for the worker than capitalism. If hon. members today will convince me that we cannot have as much individual freedom in a socialist society as we could get under capitalism, I am opposed to a planned socialist state."

That was the anguished cry of an old man who had waited 50 years to taste the fruit of a Socialist victory, only to find it turn to gall and wormwood in his mouth as he realised the bitter truth that the planned Socialist state must inevitably lead to the loss of many liberties that exist under a free economy. These things, of course, should not cause any surprise, to those who understand the fundamental nature of Socialism. Under any economic system decisions must be made as to what goods shall be produced, by what men, at what wages, for what prices, in what places, and how much of the total product shall be saved for investment and how much shall be consumed.

In a free economy the price mechanism and the profit motive operate to make those decisions automatically, and that is how our economy works at present with just sufficient governmental planning and control to smooth off the harshnesses and level out the fluctuations, which would otherwise bear heavily on less fortunate members of the community and offend our standards of social justice.

An Opposition Member interjected.

Mr. TOOTH: I believe in a semi-planned economy with the emphasis on individual initiative. Hon. members opposite believe in a planned economy—planned to the greatest possible detail—with emphasis on the plan rather than on the individual.

Mr. Houston: I think you believe in Santa Claus.

Mr. TOOTH: It is really amazing to hear a doctrinaire Socialist say that we believe in Santa Claus. It is the Socialists who think that, by planning, Santa Claus will become an everyday visitor. Under our semi-planned economy the principle, however, remains unchanged—the maximum measure of freedom for individual initiative.

The Socialist, however, rejects this in favour of conscious central planning, as described by Mr. John Strachey in his book, "The Theory and Practice of Socialism"—

"If we reject the self-acting mechanism of profitability as too unjust and too wasteful, we must find some other mechanism of regulation. The sole alternative method by which complex, highly-developed economic systems such as those of Britain and America can be regulated, is by means of the deliberate decisions of

some central body as to what goods, and how many of each of them, shall be produced. The organisation of production by means of such conscious decisions is called a system of 'planned production for use'. This is the type of economic system being built up in the Soviet Union. It is socialism."

Thus speaks one of the prophets of Socialism. There is no attempt to disguise what is involved and the example quoted in the Soviet Union. If it is to that country that we are referred if we seek a picture of the Socialist state, is it not also reasonable to look there if we want to find out how it will all be done? Let us make no mistake about it; the basic nature of Socialism and Communism are so much the same that, however moderate or democratic our own Socialists may hope to be—and I concede that many of them in the Right-wing group desire to be moderate and democratic—once they set out on the path it will inevitably lead them into the same situations as those in which the Russian planners have found themselves and in which the Chinese are now floundering. Of course, neither the Russian nor the Chinese planners have any doubts as to what should be done in such a situation, because, as has been truly said, "Communists are Socialists with the courage of their convictions."

In 1949 it was stated in the United Nations that there were between 8,000,000 and 14,000,000 people in Russian labour camps, and this was not challenged by the Soviet delegates. So much for 12 years ago. For the present, day-to-day reports of the Chinese situation—one as late as last Monday on page 2 of "The Courier-Mail" reporting the transfer of 20,000,000 workers—all demonstrate the same reaction to the problem, the compulsory direction of labour. The Plan must go on regardless; such trivial things as consumer-freedom and freedom of choice of labour must be brushed aside.

Now we come to the 64-dollar question. What will our Socialists do if they are ever again entrusted with power and get so far along the road with their plans that they face the same dilemma—as they ultimately will—of abandoning their plan or directing labour into those channels necessary to save it? This is not a rhetorical question, because records of our political history in Australia show that a Labour Prime Minister and his senior colleagues not only considered such a solution but openly espoused it.

I point out to the hon. member who asked me a moment ago to talk about Australia that I propose now to call some attention to a similar situation which occurred in Australia. I ask the House to recall the

latter days of the Chifley Government—a Government which included the Hon. Arthur Calwell in its higher ranks.

Mr. Duggan: Do you say that Mr. Calwell is anti-Australian?

Mr. TOOTH: Certainly not. I am sorry to say that interjection seems to indicate either a failure to know what I am saying or a failure to understand it.

Mr. Davies: That is not what you said at the last election.

Mr. TOOTH: It is no use asking the hon. member what I said at the last election. He was too busy worrying about what somebody else was saying in Maryborough.

I ask the House to recall the latter days of the Chifley Government, which, as I said, included the Hon. Arthur Calwell in its higher ranks. At the very time the Attlee Labour Government in Great Britain was moving for the conscription of labour, the Chifley Labour Government in Australia was fiercely resisting all efforts to get it to relinquish the war-time controls which had enabled it to continue rationing and other Socialistic practices long after the war was over.

It was about this time that, taking courage no doubt from what their conferees were doing in England, A.L.P. leaders in Australia began to talk openly about the need for the conscription and direction of labour. There was to be a Plan—a big Plan—and it was to go through regardless.

(Time, on motion of Mr. Hodges, extended.)

Mr. TOOTH: I thank hon. members for their indulgence, and particularly the Leader of the Opposition for his kindly remarks in respect of it. Let me quote what Mr. Chifley, the Labour Prime Minister, said in Sydney when speaking at an A.L.P. Conference in October, 1948.

Mr. Mann: The best Prime Minister Australia has ever had.

Mr. TOOTH: Mr. Chifley had great qualities.

Mr. Mann: My word he did!

Mr. TOOTH: Anybody who would deny that would be indeed foolish. But Chifley was a doctrinaire Socialist and anybody who would deny that would be equally foolish. I propose to demonstrate that now. I do not take the line that because a man is a Socialist he is an evil man, nor do I take the line that because a man is a Socialist he is moved by evil motives. I merely say he is mistaken.

Let me return to what Mr. Chifley said in Sydney in 1948. He said this—

“No guarantee can be given to anybody that they can stay put in a particular industry. There will have to be transfers of workers, and in many cases, transfers of whole communities to other forms of work.”

Mr. Houston: Is that wrong?

Mr. TOOTH: The hon. member for Bulimba obviously does not think it is wrong. That is the sort of evidence I am seeking. It is quite obvious that we have in the ranks of the Opposition today members who take the view that direction and conscription of labour are not wrong. It is very interesting. I thank the hon. member for the interjection.

Mr. Chifley continued and said—

“I am quite certain that everybody will not be able to stay at home because there will have to be transfers of labour, if there is going to be expansion.”

As I said a moment ago, Mr. Chifley was a straightforward, down-to-earth, honest Australian. He would not deceive anybody, so he went on and said—

“I am not going to fool anyone in that regard. It may even involve a plan of movable towns to provide reasonable living conditions and amenities while big projects are in progress.”

Opposition Members interjected.

Mr. TOOTH: I wish that the hon. member for Salisbury would not talk about nurses when we have an important problem such as this before us. There is a time and place for everything.

Some five months later, speaking of such projects as the Snowy River scheme, Mr. Chifley said—

“If necessary, an organisation similar to the war-time Allied Works Council will be created.”

He said that in 1949.

It will be remembered that during the war, when ordinary liberties had to be surrendered in the face of terrible national danger, a feature of the Allied Works Council was its use of conscripted and directed labour in urgent military projects. At that time, when other men were facing death in the battle line, no-one demurred, but it was never regarded as anything but a desperate measure in a desperate situation—except by the Socialists. They undoubtedly regarded it as good training for the Australian community against the day when the fully-planned Socialist economy would be attempted, and so in March, 1949, Mr. Chifley said—

“If necessary, an organisation similar to the war-time Allied Works Council will be created.”

And, lest there be any misunderstanding, Dr. Evatt commented—

“The right of the individual to choose his own vocation and employment is only one of the freedoms which the Australian people must forgo in the interests of the State.”

So much for whether it could happen here! So much for applying this lesson to the local scene!

Up to this point, I have endeavoured to show that centrally-planned economies, whether established by Socialists or Communists, are basically similar. They exalt the welfare of the state above that of the individual and they try to organise the state to a set pattern—to a plan which then becomes sacrosanct. Everything must be subordinated to it, particularly the needs and the longings, the preferences and the desires, the whims and the foibles, of individual men and women. And so the planners invade every sector of private life to make the plan tidy and watertight. An example of this occurred during the rule of the Attlee Labour Government in Britain, which in retrospect seems slightly amusing if we can forget for a moment the deadly implications it revealed.

I think I can best give the House a description of this little episode by quoting from “The Socialist Tragedy” by Ivor Thomas. On page 130 he writes—

“The issue of consumers’ choice versus planned consumption has been seen most clearly over cheese. The planners have been determined to say what cheeses the public shall eat, and the discriminating public have been no less determined to eat what cheeses they like. Dr. Edith Summer-skill, Parliamentary Secretary to the Ministry of Food, has declared: ‘The function of the Ministry of Food is not to pander to an acquired taste, but to ensure that the people who have never had time to acquire these tastes are suitably fed.’ It is also the line taken in an official Labour Party publication, ‘Feet on the Ground’, which manages to inject into a discussion of foreign policy the following assertion: ‘Many of the dollars now spent on American cheese would be saved if Europe concentrated on producing cheap cheeses for mass consumption instead of luxury cheese like camembert and gorgonzola.’

“Here is the whole frightful doctrine of the planners put in a sentence. How convenient it would be if everyone were content to eat one kind of cheese, which could then be produced in hundreds of thousands of tons, sliced into identical slabs, and wrapped in identical wrappers! Pool cheese like pool petrol! After all, what is the difference between ‘mouse-trap’ and blue Cheshire!”

This is important, so I ask hon. members to listen. It is not a trivial issue. If hon. gentlemen think it is trivial, I am sorry, but it shows, I feel, their very poor assessment of important problems we face in this Chamber.

To continue, Mr. Thomas said—

“Human beings are tiresome creatures from the planner’s point of view—always wanting something different; and, to make it worse, the wicked capitalist supplied what they wanted. The planner would have it the other way round. Instead of supplying what people wanted, he would make them want what they are supplied with.

If it is thought that this is a caricature of socialist planning, let us consult Mr. D. P. T. Jay,——”

Mr. Houston: Was he a public servant?

Mr. TOOTH: Mr. Jay was Economic Secretary to the Treasury and, if the hon. member will listen, he will see that he was a Fellow of All Souls and had been editor of the Labour movement’s newspaper, so we are sure that there will not be any challenges of his authority. He was one of the ablest members of the Labour Government.

This is what he wrote—

“Housewives as a whole cannot be trusted to buy all the right things, when nutrition and health are concerned. This is really no more than an extension of the principle according to which the housewife herself would not trust a child of four to select the week’s purchases. For in the case of nutrition and health, just as in the case of education, the gentleman in Whitehall really does know better what is good for people than the people know themselves.”

Mr. Thomas then said—

“Do we need further confirmation that socialist planning must mean the end of consumers’ choice?”

If we turn to the production side in the planned economy, the ill-fated ground-nuts scheme of the Attlee Socialist Government presents a vivid picture. There was a world shortage of fats at the time. The Socialists prepared and presented to Parliament a Plan—that blessed word again—for the mechanised production of ground-nuts in East and Central Africa. Nearly 3½ million acres of virgin soil were to be cleared over a period of several years at a total cost of £24,000,000.

This grandiose scheme in ground-nuts rapidly ground almost to a halt. In the first year less than one-fifteenths of the year’s objective had been achieved, and, at the end of the second, about one-twelfth. The planned result for the second year had been 57,000 tons but the result was little more

than 5,000 tons. And, just as the achievements fell woefully behind expectations, so the cost soared ominously, the capital cost at the end of the second crop-year being over four times the amount budgeted for. As a critic at the time wrote—

“These experiences in a scheme widely trumpeted as a model of socialist planning must make us doubt whether socialist planning has any advantage over business planning, or indeed whether planning in such detail is possible.”

I make this brief reference to planned production only in passing, because the hon. member for Roma, who will second the motion, will cover it in some detail with special reference to the local scene. I feel that I must, however, remind the House that the British Socialist planners—and this is coming back to Australia—in co-operation with our own Labour Government, attempted a large-scale planned-production scheme in Queensland, which was to produce vast quantities of sorghum and pigmeats. This also collapsed in chaos. As one public figure with a gift for salty comment remarked, “They got no pigs. All they got were the squeals.”

Now, I hear someone saying “All this is in the past; it has no relevance to the present.”

Opposition Members interjected.

Mr. TOOTH: I can see that hon. members opposite disagree. They disagree that this is not relevant to the present because they have a bounding confidence that before long they will be in the seats of the Government. It is true that when the people of Australia in 1949, and the people of Great Britain a little later, rose in anger and swept their Socialist Governments out of office, all this kind of thinking went with them. The people of England can now buy any cheese to suit their tastes, the rolling fields of Peak Downs and adjacent areas, under freedom from central planning, are producing such bounteous crops that the only problem is one of storage and transport, and, as for conscription and direction of labour, it has receded to the point where the whole thing is either forgotten or remembered only as a bad dream.

Why has it, and all the other paraphernalia of Socialist planning, been forgotten? Why do the children of 12 years ago—voters today—know nothing of these threats and dangers? The reason is clear. We have had, for over a decade, a Government devoted to fostering the sturdy individualism and self-reliance which is the true reflection of the Australian character; and during that time, memories being so short, people have come to regard our present social structure as permanent and unchangeable.

How dangerous that idea can be is shown by a recent statement from the most powerful man in the Australian Labour Party, the Federal Secretary, Mr. F. E. Chamberlain. He said—

“While it is true that the task of winning seats and finally the government is important, it should only be secondary to the primary task of formulating policy based on the Socialist objective.”

Mr. Mann: Quite true, too.

Mr. TOOTH: The hon. member agrees?

Mr. Mann: Yes.

Mr. TOOTH: We have the support of the hon. member for Brisbane, who is completely behind Mr. Chamberlain. I am glad of that because recently some members of the A.L.P. in Queensland have pretended that the Socialist objective is a thing of the past. I understand that the hon. member for Brisbane said that they should be ashamed of themselves.

Mr. Mann: I did not. We must never lose sight of our objective, or change our objective.

Mr. TOOTH: In the years that they have been in the political wilderness the members of the Federal Executive of the A.L.P. and the Q.C.E. in Queensland have moved farther and farther to the Left.

Mr. Houston: Which way is that?

Mr. TOOTH: In the sense that I specified in the beginning of my speech.

Mr. Houston: You are not talking any sense.

Mr. TOOTH: It is a little difficult to discuss matters with the hon. member when he uses a word in a completely different manner from the way in which I use it. That sort of smart retort does not help us to get a clear view.

As I said, in Australia and in Queensland they have been moving farther and farther to the Left. Each internal struggle for power seems to result in extension of the influence of the doctrinaire Socialists in the A.L.P. We have had two examples of that within the last few days. I trust that when I enumerate the examples, I will not arouse anger on the part of hon. members opposite. I am merely going to refer to things that have happened. I shall give two examples of this moving to the Left that have occurred within the last few days. Mr. F. J. Waters, an acknowledged radical—I am sure no-one will challenge me on that—has emerged as the leader of the dominant group in the Q.C.E. and Mr. B. Milliner, the treasurer of the Trades and Labour Council, soundly defeated the State secretary of the A.W.U., Mr. Edgar Williams, for a vacant seat on the seven-man Inner Executive. Mr. Williams received only 10 votes out of a total of 46.

These two gentlemen, by the way, are both residents of my electorate, Mr. Waters being president of the Oakleigh-Dorrington Branch of the A.L.P., and Mr. Milliner president of the Newmarket Branch of the A.L.P.

These developments are only two of a long series of incidents which reveal the ever-increasing power of the Left-wing Socialists in the A.L.P. in Queensland. Since the expulsion of Mr. V. C. Gair and his followers in 1957, the moderating influence of a group of able right-wing politicians has been removed and the slide into extreme radicalism has continued at an ever-increasing pace. Of course, it was an open secret for many years in Queensland prior to 1957 that the State Labour Party paid only lip-service to Socialism. No-one in his wildest imaginings ever thought that Forgan Smith, Clarrie Fallon, Frank Cooper and, later, men like E. J. Walsh, W. M. Moore, and P. J. R. Hilton were really Socialists. They merely rode the band-waggon and helped to guide it into the paths of moderation and practical common sense.

This situation no longer exists. Today the Q.C.E., and indeed all the levers of power in the Queensland A.L.P., are in the hands of convinced Socialists, and if they were to be entrusted with authority the whole process of central planning, with all its petty tyrannies and oppressions, would begin.

I have made no reference in this motion to international problems, but I think that at this stage I should terminate my speech in support of the motion and let my seconder carry on.

Mr. EWAN (Roma) (12.13 p.m.): I have much pleasure in seconding the motion, which has been moved so admirably by the hon. member for Ashgrove. I congratulate him on his magnificent speech. One of the outstanding features was the intoneness of the silence exhibited by hon. members opposite. I thought it was going over their heads, but I realise now that they were drinking in every word, realising that the sins of the fathers are visited upon the children unto the third and fourth generations.

Let us calmly dissect and fully consider the implications contained in the motion now before the Chamber. Firstly, it is claimed that "the implementation of Socialism would not be distinguishable from the coercive apparatus of Communism, and threatens our security and freedom, economic and otherwise."

What do the terms "Socialism" and "Communism" really mean? The hon. member for Ashgrove told us, but I think it would be wise at this juncture for me to repeat the dictionary definition of those two words.

Mr. Walsh: Which dictionary? They differ, you know.

Mr. EWAN: Every dictionary in the House. I consulted three dictionaries in this House and I find basically that this is their interpretation—

"Socialism: A theory that aims at public collective ownership of land, industry and capital; and public collective management of all industry. Socialism is collective-ism Communism seeking to divide all things including the profits of individual labour amongst members of the community. Many of its advocates would even abolish marriage and family relationship."

Mr. Donald: Whom are you quoting? You are no authority.

Mr. EWAN: The hon. member is not prepared to accept the dictionary interpretation.

Mr. Donald: I asked you whom you are quoting.

Mr. EWAN: I am quoting from the dictionary. If the hon. member is too ignorant to read the dictionary, I ask him not to interrupt. "Communism" is defined as follows:—

"Communism: A theory of Government and social order according to which all property and the instruments of production are held as a Common Trust, and the profits arising from all labour devoted to the general good. A doctrine or practice calling for the complete abolition of all private property of every description and the absolute control by the community in all matters pertaining to labour, religion, and social relations."

From those interpretations, I assume it will be readily conceded—although I admit it is difficult to insert something into a sealed container—that the Socialist aims at, or seeks, absolute control, while the Communist is more direct in his approach. In other words, the Communist is uncompromising in attitude and takes the more direct course to attain his ends. On the other hand, the Socialist is more cunning and aims at a propitious time to institute partly, or fully, his aims and objects, which in fact are precisely the same. Thus Socialism is founded on the basic principles of Communism, and all the vain verbiage one hears so often cannot materially or fundamentally alter this fact.

Until 1921, when the Communists succeeded in infiltrating the ranks of the Australian Labour Party, the Labour objective, which had stood for many years, laid down that State Socialism was to be attained through the extension of the industrial and economic functions of the State and local-governing bodies. Thus, Socialism was to be introduced gradually and that is what the Labour Governments who were elected between 1910 and 1915 in South Australia,

New South Wales, Western Australia, and Queensland proceeded to do, and even to this day they are continuing their efforts. However, the Chifley Labour Government's attempt to socialise the trading banks was a clear departure from the former method and sought, with one fell swoop, to achieve Labour's Socialistic objective. Labour's platform and objective, as amended in 1949, reads as follows—

"The socialisation of industry, production, distribution and exchange" by "the constitutional utilisation of Federal and State Parliaments, municipal and other Government-created authorities." "The national planning of the economic, social and cultural development of the Commonwealth, the complete control of banking and credit of the nation."

Labour's socialisation plank was again amended in 1957 by the insertion of the word "democratic" so that it read—

"The democratic socialisation of industry, production, distribution and exchange."

That was simply sugar-coating what the Labour Socialists intend to do if the people of Queensland are ever so foolish as to give them another chance. There is no room for doubt on the meaning of that objective. It covers a complete programme for the overall socialisation of Australia. All money and credit are to be in the sole control of the Labour Socialist planners. All industry, whether primary or secondary, is to be taken over and run on a Socialistic basis without room for the individual. The Socialist planners will boss everything—farms, factories, shops, transport, and services, and every man, woman, and child in the community will be mere servants of the Socialist State. They will do as they are told; they will go where they are sent and come when they are called. And that was admitted by several members on the Opposition benches when the hon. member for Ashgrove was speaking. Can any thinking person doubt that the Labour members of Parliament are serious about their platform? We cannot doubt it because it is what they are basically here in Parliament to do; it is their objective. Surely they cannot go out on the hustings and claim that they do not mean, or subscribe to, the pledge that they signed to gain their endorsement!

The Labour Prime Minister, the late Mr. Chifley, had this to say in the Federal House on 16 November, 1948, when answering a question by the hon. member for Balaclava—

"I would remind the hon. member that the Government has a mandate from the people, a political platform, principles and convictions. It proposes to carry out those principles and its political platform."

Now let us consider what Mr. Pollard had to say when Minister for Commerce. Do not forget that the Federal Labour Party have sent him over for a bit of a run round the U.K. on the European Common Market matter, so he is not out of favour. This is what he had to say in April, 1948, in Ballarat—

"The Labor Party has a master plan for total Socialisation. We will go on and on, until eventually in Australia you will have a great Co-operative Commonwealth. Its wealth will be owned by the people, and will be operated in a Socialistic manner for our people as a whole."

But the hon. member for Ashgrove indicated that I would deal with local matters, and I intend to. It would ill become me to ignore the Leader of the Opposition. This is what the present Leader of the Opposition had to say in answer to a question asked in this Chamber on 4 August, 1949—

"The objective of the Labour Party is clearly defined in the platform, and no-one on this side of the Chamber"—

he referred to the Labour side of the Chamber—

"need come out and be ashamed of the objective of the Labor Party"—

the democratic socialisation of industry, the means of production, distribution and exchange.

Then, as my friend the hon. member for Ashgrove mentioned, Mr. Chamberlain, then president of the A.L.P.—superseded lately, of course—in opening the Labour Conference in Brisbane on 11 March, 1957, indicated that the Labour Party would push Socialisation to the forefront of its policy. I quote this to bear out the words of the hon. member for Ashgrove.

Mr. Chamberlain said—

"The target must not be parliamentary seats at any price, but parliamentary seats to be occupied by members of this Party who will go fearlessly into the electorates of the country and expound the cause of democratic Socialism."

Opposition Members: Hear, hear!

Mr. EWAN: We hear hon. members opposite cheering the words of Mr. Chamberlain. The Labour Party will push Socialism to the forefront of its platform and carry it out. At least they are honest. So despite what the Labour Socialists might say, and despite their pledge, their platform and their objective, which endanger our liberty and economic security, Socialism, whether of the past or the present, spells failure—utter and complete and spectacular failure.

Speaking on this subject on 23 July, 1949, that great British statesman, Rt. Hon. Sir Winston Churchill, had this to say—

"Nationalisation (in England) is a failure. Every major industry which the Socialists have nationalised, without exception, has

passed from the profitable or self-supporting side of our national balance sheet to the loss-making debit side."

I am sure you will agree with me, Mr. Deputy Speaker, that Sir Winston uttered sound common sense.

Overwhelming evidence exists in Australia, and particularly in Queensland, both in our day and in the past, that Socialism is unpractical and consistently unsuccessful, whether in competitive or monopoly form. Of course, hon. members opposite want a monopoly form, as I shall indicate later in my speech. The Labour Socialist Commonwealth Government from 1945 to 1948 showed a trading loss of £10,188,720 on its socialised shipping venture. New generations of people do not understand these things because they did not see them in practice. Let us enlighten them and tell them the facts about early State Socialism that both Labour Socialists and Communists hoped were hidden and forgotten. They hoped that they were past history and would never be resurrected, but I think I should be failing in my duty as a duly-accredited representative of the people if I did not attempt to tell the younger voters of Queensland what was done in the past by successive Labour Socialist Governments.

Let us go back to the days when the first Labour Governments took office in Australia, loudly confident that they could run industry more efficiently than the despised persons who were operating under a system of free competition and individual enterprise. How amusing! Let us look at the facts. From 1912 to 1933 Labour Socialist experiments in industry in New South Wales lost £1,862,850 of the people's money, and from 1912 to 1932 in Western Australia they lost £3,538,445. From 1910 to 1913, a period of three years, they lost £32,600 in South Australia. Of course, South Australians are very canny people. They did not give the Labour Socialists any further opportunities to play ducks and drakes with the State's economy. Again, the people of Victoria and Tasmania did not allow the Labour Socialists to attain enough power to implement their policy of socialisation until after the costly failures of State Socialism had been completely demonstrated in other States.

Now let us come to Queensland—and I am proud to be a Queenslander. Of course, Queensland was the "daddy" of them all in many ways, and from 1915 to 1961 we lost the colossal sum of £6,441,335. That figure does not include, of course, the losses on the ill-fated Peak Downs collective-farm experiment that the hon. member for Ashgrove mentioned—it will give me great pleasure to deal with that aspect separately—but does include all the Socialistic mining ventures up

till the time of the sale of the Collinsville mine last year. I intend to deal with a few of these Queensland Labour Socialist experiments in order to refresh the memories of my Labour Socialist friends opposite and in what is perhaps the vain hope of assisting them to reject their Socialistic dreams. I am a very sympathetic fellow, a very helpful fellow; that is my nature; and I shall try to assist them by taking their minds back over these experiments.

Their State cattle stations venture—this is a matter near to my heart—was perhaps the most ambitious and hazardous of their Socialist undertakings. It was begun by the Ryan Government in 1916, and 20 State cattle stations were acquired between 1916 and 1919. I want to name them for the record. There was Mount Hutton, of 554 square miles, which cost £773,000; Dillalah—I managed a property once removed from Dillalah while the State was trying to carry on there—contained 514 square miles and cost £51,960; Kenmore, of 84,000 acres, cost £20,000; Wando Vale contained 1,108 square miles and cost £82,000. I can see the hon. member for Brisbane has a smile on his face. He knows this just as I do. The next group was Dotswood, Brooklyn, Maitland Downs, Merlunda, York Downs, and Silver Plains, which aggregated 10,780 square miles, for a cost of £228,000. The aggregate containing Vanrook, Stirling, Strathmore, and Dunbar, of 9491 square miles, cost £253,000; Lyndhurst, 1,031 square miles, for £170,000; Maccaroni, 299 square miles, at a cost of £31,000; Buckingham Downs, 3,067 square miles, for £140,000; Keeroongaloo, T. A. Field's property, 2,069 square miles, for £156,000; Wallinderry, 57,844 acres, for £5,000. That is a total cost of £1,909,960.

That leaves Diamantina Downs, where the lease was forfeited to the Crown and, instead of opening it up and allowing private individuals to run the show, the Government of the day used it as a State station. By 1929 the then Labour Socialist Governments could not run State stations and disposed of 11 of these properties. By 1930, the Country-National Government having come to office, the remaining nine properties were disposed of to save any further losses.

Mr. Hart: How much did they lose on them?

Mr. EWAN: I am coming to that.

I agree with the action of hon. members opposite in abolishing the Upper House, but no wonder they were anxious to have it abolished! As I say, it is one of the matters on which I agree with them, and both the Country Party and Liberal Party agree that we should not restore the Upper House. I

give hon. members opposite credit where it is due, but I do not give it where it is not due. Had I been there I would have done the same thing. Hon. members should not laugh. I know the noise probably comes from empty containers. To demonstrate why hon. members opposite were so anxious to abolish the Upper House, I shall quote from the Minutes of Proceedings of the Legislative Council for Wednesday, 5 September, 1917. On that occasion a motion was moved in the Council as follows—

“That this Council strongly protests against the practice of the Government in spending large sums of public money in acquiring freehold and other properties and carrying on various enterprises in violation of law (see unanimous judgment of Full Court on unauthorised expenditure last year), and subsequently inviting the sanction of this Council to such unauthorised expenditure by including it in Appropriation Bills.

(2) That such conduct on the part of the Government is unfair and unjust to the taxpayer, discourteous to the Council, and subversive of the principle of constitutional government; and, if persisted in, will justify the Council in dealing drastically with Appropriation Bills transmitted for their concurrence which contain such items of unlawful expenditure.”

Now let us deal briefly with the report of the select committee appointed by the Council to inquire into this practice by Governments.

Mr. Davies: What were their findings?

Mr. EWAN: The hon. member would not know. I have repeated it already and I will not repeat it again. I refer to the section of the report dealing with the evidence of Mr. Anning. It reads—

“He stated that the Government gave too large a sum for Wando Vale, and thus artificially raised the price of the stations subsequently purchased. His evidence with regard to the character of the country, and the herd (which he described as the worst in the district) has not been disputed, and there is no doubt that, taking the facts as known at the time of the purchase, it was a transaction which cannot be justified.

The State Stations pay neither Local Authority nor any other rates.”

and so on; I will skip that and go on to the finish of it, which reads—

“ . . . the Committee is strongly of opinion that no prudent company, firm, or individual with experience of station

properties would have made these purchases with the limited information at the disposal of the Government. Stock was sold from several of the Stations, but only a small number (about 800) was for Imperial purposes, and the great bulk of those cattle were sold to residents of New South Wales, who, as far as the Committee could ascertain, removed the cattle to that State. There is evidence that, taking into consideration the drought and other factors, the running of stations is more or less a risky enterprise, and, quite apart from the legal objection, it was not wise for the Government to undertake this class of business.”

Mr. Evans: That would be Socialism at work.

Mr. EWAN: My word! Do not let us forget that this scheme was launched under the cover of patriotism to feed our kinsfolk in Great Britain. I remember when we were told to grow 1,000,000 bushels of grain to feed 500,000 Socialist pigs. We were told also that we had to raise cattle. I remember the then hon. member for Aubigny, Mr. Sparkes, in 1950 condemning the whole thing out of hand when 800 head of cattle were sold in Brisbane for an average of £26 a head, while the same day Jim Sparkes's bullocks brought £36 a head. All that our kinsfolk got out of the whole thing was a miserly 800 head of cattle.

The Socialists, of course, must have some intention. They have to state some intention. Their avowed object in buying these cattle stations was to ensure a supply of cheap meat for the retail butcher shops that they were busy establishing, without any regard for our kinsfolk in Great Britain. They failed to realise that self-confidence based on ignorance is not nearly enough to ensure the successful conduct of a business. The State stations proved this to the point of national disaster. With unlimited capital, supplied at the taxpayer's expense from the Treasury, huge station after huge station was purchased by the Labour Socialists. They did not take into account seasonal hazards. They failed to appreciate the instability of market prices for cattle, which at that time were based on the demand and needs of our overseas armies. They knew so little of the cattle industry that they bought the cattle on book muster instead of actual, or bang-tail, muster. Hon. members opposite would not know what that was. They believed that a pastoral industry spread over 30,000 square miles could be conducted by Government clerks in Brisbane, many hundreds of miles away from the stations.

One of the main causes of the Labour Socialists' failure was the waste of capital in purchasing the properties. Although cattle prices were high at the time, experienced graziers knew that prices were not likely to hold for many years after the war. The then Labour Government, in many cases on the sketchiest of information, bought these stations at top-market prices and, in doing so, by accepting book muster instead of bang-tail muster, paid for thousands of cattle that were never accounted for.

Government Members interjected.

Mr. EWAN: Yes, they were absolute suckers.

Evidence given before a Legislative Council select committee in 1917 strongly suggested that, in the purchase of one station, £20,000 more was paid for it than the figure at which the owner was prepared to sell. If hon. members have enough interest in the matter they can read the evidence that was given before that select committee. It is all here in the volume I am holding. I remember being at Albion Park one Saturday afternoon. Both of the principals in that deal are dead and buried, so let their souls rest in peace. I shall not mention their names, but that Saturday afternoon a station was sold down at Albion Park without any inspection ever being made.

Opposition Members interjected.

Mr. EWAN: It was a Labour Socialist Government in power. Why did it not exercise its authority in its administration, or maladministration, on behalf of the people of the State?

On several stations actual musters showed that the figures disclosed in the book musters could not be justified. An actual muster on Mt. Hutton, six months after purchase, failed to disclose 2,500 head of cattle for which the socialisers had paid many thousands of pounds. If hon. members opposite doubt my word let them look at the Auditor-General's Report of 1917. The Socialistic planners either did not see, or did not care, that in their methods of purchasing, financing, and conducting the State stations they were hitting the State Treasury all ways at once. They had no sense of responsibility.

The great bulk of the total purchase price was paid in debentures on which the Treasury paid interest, but the State stations paid no taxes, no rates to the shires whose roads they used, no interest on the capital sunk in them, and were free from the imposition of ordinary trade conditions. This Socialist experiment cost the State £2,024,300, and

equally serious was the loss of taxation that would have continued to be paid annually by nearly £2,000,000 worth of pastoral properties, functioning profitably, had they been left in private hands. Nothing was paid, not even dingo tax or stock tax. They were freed completely from those obligations.

It is highly amusing, and necessary in the interests of those people who have had no experience in these things, to tell about Socialism and Labour policy in practice. It has been admitted from the front benches opposite that the Opposition intend to carry out this policy—and the members of the Opposition are proud of it—if the people of the State are so foolish as to return them to power.

Let us get on with this examination of Socialistic enterprises. We had no fewer than 90 Socialist butcher shops in the State, but the people did not get better meat, or cheaper meat. However, this policy succeeded in closing down 37 butcher shops operated by private enterprise, by ruining them and making them bankrupt. But still the people did not get any cheaper meat, and the conduct of the shops was anything but efficient, and, in many cases, anything but honest, as the hon. member for Brisbane said.

Mr. Evans: Did they make a profit?

Mr. EWAN: I am coming to that.

During a period of 10 years, the Commissioner for State Enterprises, Mr. W. H. Austin, had to sack no fewer than 60 of his 90 managers. The hon. member for Brisbane can bear me out on that. In some shops the overhead costs were outrageous and out of all proportion to the earnings. There was a tipping system in the State butcher shops. Those who tipped got the best meat, and excess weight, but those who did not tip could take only what they were given.

Then there was a loss of £97,442 on the Socialistic fisheries.

Mr. Sullivan: Don't tell me they were in the fisheries.

Mr. EWAN: Yes. The fish remained in the sea, and the Government got nothing out of it.

There was a loss of £68,887 on the Hamilton Cold Stores, and a loss of £139,666 on the Socialistic cannery. There was a loss of £1,582,307 on the State smelters at Chillagoe and Mungana, which stank to high heaven and was the subject of legal proceedings against the socialisers of that time. And let us not forget the State arsenic mine, which, although it did not poison any socialisers, cost this State £88,840.

Finally, there were the State coal mines which we were finally "shut of" only last year, when Collinsville was sold by the Minister for Development, Mines, Main Roads and Electricity. We congratulate him on his action, but hon. members opposite regret it, and objected to it at the time. This experiment in socialisation cost the State £2,217,623. I will now give the official losses, and the mines concerned—

	£
Warra	38,019
Styx No. 2	71,088
Baralaba	57,590
Mt. Mulligan	710,633
Ogmore	397,278
Collinsville	943,015
Total	£2,217,623

Of course, we know that by the exercise of the business acumen of the Minister for Development, Mines, Main Roads and Electricity, in 1961-1962 the coke works made a profit of £12,043 and the Ogmore coal mine made a profit of £6,722.

In addition to the Socialistic losses of £6,441,335 already accounted for, the Labour Socialists decided to have another fling. The late Mr. Hanlon's Labour Socialist Government, in collaboration with the then U.K. Socialist Government, decided to have a shot at collective farming on Peak Downs with the object of growing 1,000,000 bushels of grain sorghum a year to feed 500,000 socialised pigs and produce 500,000 pig carcasses a year. Of course, much as hon. members opposite try to play it down, Peak Downs was purely a trial run for the collective-farm system as it operated in Communist Russia. Just as in the Soviet Union, individual farmers were to be eliminated—chucked out.

Mr. Evans: Pork for Britain!

Mr. EWAN: They did not send one pig carcass to Britain, although they made a big squeal about it. As soon as anyone raises the subject of Peak Downs they squeal like stuck pigs. They would like to forget all about it but they will never succeed. Operations on Peak Downs were commenced in 1948. Cattle-fattening began in 1948-1949 and finished in 1956, when all the cattle were sold. Pig-raising finished in 1955. They had only 4½ years of that. They finished that quick-smart. They started agriculture in 1948 and continued it till 1955. All the assets were sold by 30 November, 1956. At 30 September, 1952, the Queensland Labour Socialist Government took over the assets and liabilities of the Queensland-British Food Corporation and it then became known as Queensland Government Central Queensland Estates. At that date—and remember they began in 1948—the accumulated loss was £826,161. This was subsequently, at the date of liquidation, reduced to a net loss of £602,305.

I cannot pass over this subject, even though my time is limited. It will be well remembered that a party of Labour Socialists visited Peak Downs, and their enthusiasm knew no bounds. They were wildly excited at seeing socialisation in practice. The then Minister for Public Lands, my old friend the Hon. T. A. Foley, was reported in the Brisbane "Telegraph" of 15 June, 1949, as saying—

"If this is Socialism, then give us a lot more of it."

That is what the members of the Labour Party are trying to foist on the people of this State.

The British Socialist Government instituted an inquiry and appointed the following to conduct it: Sir John Primrose (Chairman), A. F. Bell, D. N. Mathieson, A. H. Savile and T. H. Strong. Some of those gentlemen will be well known to hon. members. Their findings included the recommendation that the Moura piggery should be sold. The report went on to say—

"It is also recommended that the order of disposal of properties which would be necessary to provide working and developmental funds should be Marmadilla, Croydon and Wolfgang."

That is to say, they recommended that those properties should be sold in the immediate future. After £826,000 had been lost they decided to sell those places in order to get working capital. The late Mr. Hanlon's Government met the dilemma by taking over the assets. What a dismal failure it was! And it cost the people of this State another £602,305, making the loss in Queensland from this Socialistic experiment a grand total of £7,043,640.

(Time, on motion of Mr. Sullivan, extended.)

Mr. EWAN: I appreciate the privilege extended to me by the House. I repeat that the Socialistic experiments over the years cost the people of Queensland £7,043,640. It may be said that, taken over the years 1916 to 1961, that sum is not very great; but we must remember that the people of Queensland and Australia are still paying for it.

Let me summarise my remarks. Taking the losses in all the States of the Commonwealth, £22,666,255 has been lost in Australia since 1912 by Labour Socialist Governments in their endeavours to foist Socialism on to the Australian people. As I said, the people of Queensland and Australia are still paying for the millions lost in Socialistic experiments, yet members of the Opposition, posing as Labour men when they are really Labour socialisers, say with great enthusiasm through their own mouths and the mouths

of those sitting on the Opposition front benches, as did their predecessors in office—the past socialisers—that it is their intention to give effect to the policy of socialisation of industry and means of production, distribution, and management. They cannot get away from it. We shall tell the young people this story and educate them to ensure that the sins of the fathers are not passed on to the children unto the third and fourth generation. Nobody escapes when Government funds are wasted. Losses must be made good, and the people have to make up the deficiency through income tax or indirect taxes.

Hon. members opposite are proud of their objective. However, with the irresponsibility that they have shown, I say quite clearly that if they are returned to power they will again subject the people of Queensland to the deprivations of successive Labour Governments in their desire to institute socialism. I reiterate for the benefit of hon. members opposite, who have a very unsophisticated approach to the matter, that these are the basic principles of Communism, and they cannot get away from it. I repeat the words of a great Australian, a man of whom we are all proud—

Mr. Bromley: Ben Chifley. (Opposition laughter.)

Mr. EWAN: Sir Arthur Fadden. Despite the laughter of hon. members opposite, Sir Arthur was the greatest single factor in putting a spoke in the wheels of Socialism. This is what he said at a Country Party conference held in Brisbane on 28 July, 1949—

“I would remind you, and it is a reminder which should be emphasised in every corner of the State and Commonwealth, that the Socialists have lived side by side with the Communists, with a common objective. And the Communists have been allowed, even encouraged, to carry on their un-Australian activities without hindrance from any Labour-Socialist Government. Let it never be forgotten, let it be stressed wherever we move, that the Socialist objective is precisely the same as that of Communism.”

In conclusion, I commend the motion in its entirety to hon. members for their endorsement in the protection of our civil and personal liberties as free Queenslanders and Australians, despite what might be said by the Labour Socialists of this State.

Mr. DONALD (Ipswich East) (12.59 p.m.): In the short time left to me, I only wish to say that we have listened not to speeches but to the ravings of men who know nothing about the subject on which they have spoken. Neither the mover nor the seconder of the motion knows the first thing about Socialism, little about Communism, and nothing about the policy and objectives of

the Australian Labour Party. The policy and objectives of the Australian Labour Party have been endorsed by the people of every State of Australia. They have been endorsed by the people of the Commonwealth as recently as the last Federal election. At that election the Socialist objectives of the Australian Labour Party were endorsed—

Government Members interjected.

Mr. DONALD: —and at the last State election the people of Queensland endorsed that policy.

Mr. Ewan: Then why are you sitting over there?

Mr. DONALD. Hon. members opposite cannot take what I am handing out. The fact is that more electors voted for the Australian Labour Party at the last State election than voted for any other party.

At 2.15 p.m.,

In accordance with Sessional Order, the House proceeded with Government business.

TREASURER'S FINANCIAL TABLES

Hon. T. A. HILEY (Chatsworth—Treasurer and Minister for Housing) presented the tables relating to the Treasurer's Financial Statement for the year 1962-1963.

Ordered to be printed.

ESTIMATES-IN-CHIEF, 1962-1963

Mr. SPEAKER read a message from His Excellency the Governor forwarding the Estimates of the probable Ways and Means and Expenditure of the Government of Queensland for the year ending 30 June, 1963.

Estimates ordered to be printed, and referred to Committee of Supply.

SUPPLY

OPENING OF COMMITTEE—FINANCIAL STATEMENT

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

Hon. T. A. HILEY (Chartsworth—Treasurer and Minister for Housing) (2.17 p.m.), who was received with Government “Hear, hears!”, said:

A year ago, the combination of drought and credit restrictions made it necessary for me to present a picture of adversity. Reduced production of exportable primaries, and somewhat lower prices on export markets, when added to by restricted credit, together caused a sustained unemployment difficulty above the Australian average.

This year has shown out as a year of improvement and of considerable recovery. Stimulated first by the Commonwealth Government employment grant and associated measures in February last, employment commenced to improve and the measure of improvement has been above the Australian average. The greatest help was derived from a much improved season, with marked beneficial effect on most forms of primary production.

The years 1960 and 1961 will have a special place in the weather history of this State. Queensland, even in drought years, is accustomed to flooding on some of its great river systems. Yet not since 1959 has the Burdekin, the Fitzroy, the Burnett or the Brisbane run down to the sea in wrath. That year also witnessed the last real flooding on the tributaries of the Condamine. The year just concluded has been most generous in wide-spread rains to benefit pasture and cultivation; but has still left deficiencies in the rebuilding of sub-soil moisture and surface storage.

However, the benefit to production was most marked. The sorghum crop is estimated at a record $7\frac{1}{2}$ million bushels, or 50 per cent. above last year; the area under wheat this year is 800,000 acres, or 16 per cent. up on last year with a crop of better promise; maize production at $4\frac{1}{2}$ million bushels was 12.5 per cent. above 1961; available sugar cane could produce a record of about 1,601,000 tons of sugar, or 30 per cent. above last year and all this cane should be crushed; butter and cheese production for the month of July, 1962, were 33 per cent. and 76 per cent. respectively above production in July, 1961. August figures have been assembled and the trend continues, butter being 39 per cent. up on last year; cheese 57 per cent. Obviously, the Spring of 1962 will be remembered as one of the most favourable for many years.

In the Governmental section of the economy the additional expenditure resulting from Commonwealth participation in such developmental works as brigalow lands and beef roads will amount to £3 million, the Mount Isa project will expend about £3½ million more this year than last year, while some £2.7 million extra will flow from increases in the State's Financial Assistance Grant and roads and works allocations. The special employment grant of £3,640,000, an increase of £300,000 on last year, will also be available. The total additional expenditure from these sources amounts to over £9 million. It is apparent that Government spending is setting an example which we hope will be followed by the private sector, and quickly restore the economy of the State to a high level of activity.

Employment in this State is already making a more rapid recovery than other States as we pass through the period of high seasonal activity. An analysis of unemployment registrations compared with movements over the last few years shows that of the overall improvement of 17,386 since the peak unemployment figures in January last, about 11,400 represents the normal seasonal improvement and the balance, or approximately one-third of the total improvement, has been an above-normal absorption of labour due to such factors as increased Government spending and the more favourable seasonal conditions. Whereas in January last, our level of registered unemployment was some 60 per cent. above the Australian level, at the end of August it was less than 16 per cent. above.

Movements since January, 1962, in employment and in such economic indicators as new vehicle registrations, building approvals and dwelling commencements confirm the fast rate of improvement in Queensland.

We must be prepared, however, for a rise in unemployment around December when the sugar season ends. Arrangements are being made for the bulk of the Special Grant received from the Commonwealth to be spent during that period to provide employment and keep the level of activity in the general economy of the State as high as possible.

FINANCIAL RESULTS FOR THE YEAR 1961-1962

CONSOLIDATED REVENUE FUND

In the Budget presented last year a deficit of £643,574 was anticipated. However, due to several factors which I shall deal with later, the actual result for the year was a surplus in the Consolidated Revenue Fund of £109,719. Receipts totalled £117,325,027 and expenditure amounted to £117,215,308.

Indeed, it was a year of major changes from the budgeted predictions. The census confirmed our long standing claim to greater population and thus to increased Financial Assistance Grant; the industrial hold-up at Mt. Isa ate heavily into railway earnings; the decision to proceed quickly with the off-course totalisator delayed the move for off-course bookmakers and severely reduced the area of their operation; and a Special Grant to assist employment allowed the State to embark on a number of projects which had been out of reach financially.

On the revenue side the chief point of interest was the increase of £1,004,193 in the Financial Assistance Grant. The Government had claimed over the last few years that Queensland's population has been understated by the Commonwealth Statistician, with a consequent loss of revenue to the State.

Unfortunately, it is not possible to record interstate movements of population with a great degree of accuracy and it remained for the Census to demonstrate conclusively that our population was some 35,000 higher than had been estimated. As a result of the increase in population, the Financial Assistance Grant to the State was increased by £1,004,193. This amount now forms part of our basic entitlement and will be escalated in future. This increase in the grant was the most important single factor in converting the estimated deficit into a surplus.

If it is gratifying to be able to report that the correct level of population is now recognised, it is a sobering thought that had the correct level of population been accorded during the intercensal period, this State would not have sustained any deficit during the past three years. As other States, principally Victoria, have gained to the extent of Queensland's loss, there is no prospect of recovering these past losses.

In the field of State Taxation, Stamp Duty fell below the estimate by £306,944 due to the continuation of the effects of the Commonwealth's economic measures for a longer period than had been anticipated. Totalisator and betting tax fell short of its target by £345,041. Provision had been made in the Budget for six months' revenue from the turnover tax on bookmakers' transactions but, in fact, this operated for only four months during the financial year and was limited almost entirely during that period to on-course bookmakers. Allowing for these factors, the rate of collection during the period of operation fully supported the basis of the Budget estimate.

The Railways had another difficult year financially. Revenue failed by £928,176 to reach the Budget estimate and was £325,563 below the revenue in 1960-1961. Traffic was reduced by depleted harvests due to seasonal conditions, the industrial trouble at Mount Isa, the continuing effects of the credit squeeze and heavy road competition, particularly as regards transport of wool and of produce to Brisbane markets. The reduced Railway receipts were offset to some extent by reduced expenditure, which was £349,753 below the Budget estimate. Yet the gap between receipts and expenditure was held at £2,078,423 and, in the face of rising costs, reflected the beneficial effect of some shedding of badly uneconomic traffic and of improved locomotion and rolling stock.

On the expenditure side I would like to draw the attention of Honourable Members to the fact that by careful control every Department was able to live within its budgeted expenditure. I take this opportunity to commend Departments for their responsible attitude. Savings in the various Departments were:—

	£
Premier and Chief Secretary	15,346
Health and Home Affairs	208,441
Public Works and Local Government	6,178
Labour and Industry (adjusted for transfer of Police)	20,410
Justice	82,227
Treasurer and Housing (apart from special grant of £3.4 million)	43,040
Public Lands and Irrigation	29,274
Agriculture and Stock and Forestry	17,226
Education (including Police)	102,643
Development, Mines and Main Roads	42,543
Railways	349,753
Transport	37,601
Auditor-General	4,587

Receipts of the Consolidated Revenue Fund rose by £8,508,106 compared with 1960-61, while expenditure increased by £7,780,144. These figures include the receipt and expenditure of the Special Grant of £3,340,000 paid by the Commonwealth for the relief of unemployment.

As this Special Grant was made on a non-repayable basis it was taken into the Consolidated Revenue Fund and expended from a separate vote under the Treasury appropriation. Some was spent on such work as special maintenance which is a normal charge on Consolidated Revenue and the balance was spent on capital works, which it is more convenient to finance from Loan Fund. To make money available in Loan Fund for this purpose, payment of portion of the provision for Subsidies to Local Bodies was transferred to Revenue. Thus, the expenditure of the Special Grant appears in the Consolidated Revenue Fund as:—

	£
Subsidies to Local Bodies	2,814,854
Maintenance on Public Buildings	190,000
Maintenance on Public Hospitals	109,998
Railway Relaying	219,150
National Parks	5,996
	<u>£3,339,998</u>

TRUST AND SPECIAL FUNDS

Receipt of an additional allocation for Commonwealth-State Housing and the Special Grant for works to create employment, approved in February, 1962, had the effect of increasing the receipts and expenditure of certain of the Trust and Special Funds, particularly the construction funds, above their estimated levels. Cases in point were:—

EXPENDITURE

Fund	Estimate	Actual	Excess
	£	£	£
Commonwealth-State Housing Fund	5,620,000	6,633,142	1,013,142
Home Builders Account	1,371,000	1,619,983	248,983
Queensland Housing Commission Fund	4,109,440	4,296,149	186,709
Irrigation and Water Supply Construction Fund	1,886,000	2,296,721	410,721
Main Roads Fund	£ 16,431,743	16,491,121	59,378

Receipts of the Trust and Special Funds in 1961-1962 totalled £86,238,726, or £9,351,435 above 1960-1961, whilst expenditure amounted to £84,806,255, or £7,929,685 over the previous year.

Expenditure on the Mount Isa Railway Project was £7,062,362, which represented an increase of £4,286,998 over the 1960-1961 level. The substantial increase of £821,636 in expenditure from the Public Service Superannuation Additional Benefits Fund might also be mentioned. This increased expenditure was due to investment of monies in debenture loans to Local Bodies, a policy which has contributed to the success of Local Bodies in raising their full debenture loan allocations. Receipts of the Forestry and Lumbering Fund were £569,599 below the estimate, due to lower income from timber sales. As this is a self-balancing account expenditure from the Fund was reduced by the same amount.

Further information on the activities of the various Trust and Special Funds is clearly shown in the relevant Tables.

LOAN FUND

Loan Fund expenditure in 1961-1962 was £30,688,347, including credits of £623,889 in Loan Suspense Accounts, giving a loan expenditure on works of £31,312,236, or £536,986 above the estimate.

Disbursement of this record level of Loan Fund expenditure was spread over a wide range of activities with emphasis being placed on employment-giving works. Building is a particularly good industry from this point of view as, in addition to its direct effects, its influence extends over a wide range of industries supplying materials and services. Emphasis was accordingly placed on building in present economic circumstances. The sum of £7,542,689, or almost 25 per cent. of total loan expenditure, was spent on government buildings, while the Queensland Housing Commission received £2,690,000, the highest provision ever made for State housing. Other major items of loan expenditure were £2,237,000 for Irrigation and Water Supply Works, £2,057,639 on Forestry Works, £1,771,000 on the Barron River Hydro-Electric Project, and £880,781 for University buildings at St. Lucia.

The charging of £2,814,854 to Consolidated Revenue for Subsidies to Local Bodies, following the approval of the Special Grant to this State, relieved the Loan Fund of this expenditure, thus making an equivalent amount available for Governmental capital works.

Loan expenditure was financed from the following sources:—

	£
Loan Raisings	25,500,000
Loan Repayments	5,187,116
Loan Fund Cash	1,231
	<hr/>
	<u>£30,688,347</u>

LOAN RAISINGS

In June, 1961, Loan Council approved a Governmental Loan Borrowing Programme of £240,000,000 for the financial year 1961-1962. Queensland's allocation was £28,800,000, comprising £25,500,000 for Works and £3,300,000 for Housing.

At the February, 1962, Loan Council Meeting, the original programme was augmented by a further allocation of £7,500,000 for Housing of which Queensland received £900,000. Thus, the State's borrowing for 1961-1962 became £247,500,000, Queensland's share being £25,500,000 for Works and £4,200,000 for Housing.

The year was a particularly good one for public loan raisings in Australia. As a result, such loans, including Special Bonds, provided over 84 per cent. of Queensland's requirements compared with under 56 per cent. the previous year. Indeed, monies subscribed in the year to public loans represented a record peace-time figure. Because of a sharp lift in their liquidity, the Banks were heavy subscribers to these issues.

Another result of the high level of public loan raisings was that the Commonwealth was called upon to contribute only £6,992,500 by way of Special Loan to complete the Governmental Borrowing Programme of £247,500,000 for all States. The Special Loan was the smallest issued by the Commonwealth since the latter first contributed to Governmental programmes in 1951-1952. However, as Queensland's allocation had been fully met from our share of public loans, Special Bonds, overseas loans and domestic raisings, we did not need to participate in the Special Loan on this occasion.

LOANS IN AUSTRALIA

Three public loan issues were made in Australia during 1961-1962. The amount sought was £135 million and the amount subscribed, £202.4 million. The total raised by public loans in the previous year, including £5 million used for redemption of maturing securities, was £107 million. The amount sought and those subscribed in 1961-1962 were:—

	Sought £m.	Subscribed £m.
September, 1961	40	73.5
February, 1962	55	90.4
May, 1962	40	38.5
	<hr/>	<hr/>
Total	<u>£135</u>	<u>£202.4</u>

Interest rates for the September loan were in line with those ruling since rates were increased early in 1961, except that the short term rate was reduced from 5½ to 4¾ per cent. However, the level of subscriptions led to a review of interest rates in January last. The rates for the February and May loans were accordingly returned to their levels of some twelve months earlier, by reductions of 10s. per cent. for short and medium term maturities and 7s. 6d. per cent. for long term.

The pattern of rates and yields in the February loan was:—

	Interest Rate	Issue Price	Yield
	£ s. d.	£ s. d.	£ s. d.
Short Term	4 5 0	99 12 6	4 8 6
Medium Term	4 15 0	99 12 6	4 16 0
Long Term	5 0 0	par	5 0 0

Rates for the May loan were the same except that the short term was issued at £99 10s. to yield £4 8s. 8d.

Honourable Members will recall that, last year, I expressed concern at the high proportion of short term subscriptions to public loans. The position was vastly improved in 1961-1962 although still variable. In the last two loans in 1960-1961, no less than £53 million out of £74 million, or 72 per cent., represented short term subscriptions. In the September, 1961, loan this proportion fell to 39 per cent.; in February last it rose to 53 per cent., and in the May loan it again fell to 38 per cent.

Net proceeds of Special Bonds—Series F and G—for the year 1961-1962 totalled £19,765,467. Of this amount, the Commonwealth utilised £384,718 for Defence purposes and the balance, £19,380,749, was applied to the States' Governmental Borrowing Programme. Queensland participated to the extent of £1,630,400, as against £989,250 received in the previous year.

Loans available for the Queensland Works Programme in terms of the Commonwealth Savings Bank Amalgamation Agreement are classified as domestic raisings for Loan Council purposes. The amount received in 1961-1962 was £2,350,000, made up of £2,124,000 based on increases in depositors' balances for the September, 1961, quarter and £226,000 for an increase in the December quarter. Rate of interest and term for both loans were 4½ per cent. and 25 years.

Queensland's domestic raisings for 1961-1962 represented 82 per cent. of the total of such raisings for the six States.

OVERSEAS LOANS

The Commonwealth raised two overseas loans during 1961-1962. The first was a New York loan floated in July, 1961, and the second was raised in the Netherlands in November of the same year.

The New York loan for \$25,000,000 was issued at \$97 with an interest rate of 5½ per cent., maturing in July, 1981. Queensland participated in this loan to the extent of £1,153,788 Australian.

The Netherlands loan for 40,000,000 Dutch Guilders was issued at par with an interest rate of 5 per cent. and a final maturity date of December, 1981. Queensland's share of the loan was £526,695 Australian.

SINKING FUND

Net receipts to the National Debt Sinking Fund in respect of Queensland for 1961-1962 amounted to £3,910,457, including Commonwealth contribution of £843,823. Expenditure amounted to £3,897,804, including exchange on repurchases of overseas debt.

Securities of a face value of £3,372,455 were cancelled, comprising £2,975,389 domiciled in Australia, £65,000 in London and £332,066 in New York.

The Sinking Fund also met £26,016 discount on a conversion loan in New York and £106,894 as bonuses on conversion loans in Australia.

The balance held by the National Debt Commission in this State's Sinking Fund at 30th June, 1962, was £163,395.

TREASURY BILLS

Recourse was had to Treasury Bill finance during the year to the extent of £4½ million in the aggregate and the full amount was repaid before the close of the year.

CASH BALANCES AND INVESTMENTS

The increase in the State's overall Cash Balances and Investments during 1961-1962 was £1,540,958, comprised as follows:—

	30th June, 1961	30th June, 1962	Movement
Cash Balances	Dr. 3,528,084	Dr. 5,758,959	-2,230,875
Short Term Investments—			
Deposits with authorised dealers	6,350,000	11,150,000	+4,800,000
Short Term Securities	1,351,493	606,190	-745,303
Long Term Investments	10,306,322	10,223,458	-82,864
Total	£ 14,679,731	16,220,689	+1,540,958

The Cash Balances include the balances of Funds as follows:—

		£
Consolidated Revenue Fund	.. Dr.	673,199
Trust and Special Funds	.. Dr.	5,205,126
Loan Fund..	.. Cr.	119,366
		<u>Dr. £5,758,959</u>

This debit balance must be offset against the total of £11,756,190 in Short Term Investments, giving a total of £5,997,231 for Cash Balances and Short Term Investments.

The Long Term Investments amounting to £10,223,458, comprised £8,236,831 in Commonwealth Government Inscribed Stock, £1,745,777 in debenture loans to Queensland Local Bodies and £240,850 with Public Service Co-operative Housing Societies. The latter figure compares with £16,517 at June, 1961. Advances to these Societies will continue to increase as five have now been formed, with total requirements of approximately £500,000.

Interest earned on investment of the Treasurer's cash balances was steady in total, being £695,834 compared with £694,051 the previous year. However, interest on Short Term Investments, included in these figures, increased by £32,106 to reach £203,507 for the year.

Details were given last year concerning operations on the short term money market, but Honourable Members may not realise the volume of our transactions during a period of twelve months. The total invested during 1961-1962, what might be called our level of turnover, was £91,100,500, comprising £70,050,000 deposited with authorised dealers and £21,050,500 invested in short term securities. The sums involved would have remained invested for varying periods, as short as overnight in some cases. As funds are needed for day-to-day requirements, money on deposit is called or short term securities are sold.

Interest allowed in 1961-1962 on credit balances of various Trust and Special Funds amounted to £421,054, including £406,372 in respect of the Public Service Superannuation Fund.

PUBLIC DEBT

Following the various loan transactions during 1961-1962, the Public Debt of the State reached £363,820,873 at 30th June, 1962, an increase of £21,371,015 during the year.

This increase is explained as follows:—

		£
Cash Proceeds of Loan Raisings	25,500,000
Less Additional Proceeds of Overseas Loans	800,072
		<u>24,699,928</u>
Add Discounts on Loan Raisings	43,542
		<u>24,743,470</u>
Less Redemptions by National Debt Commission	3,372,455
		<u>£21,371,015</u>

It is customary to express overseas debt in terms of par rates of exchange. Thus, £1 Sterling is equivalent to £1 Australian, the dollar is converted at 4.8665 to the £ Australian, Swiss francs at the equivalent of par rate calculated from the gold content, and Dutch Guilders at the mint par rate of exchange.

These rates are not in accordance with current circumstances and steps have been taken in the Commonwealth Budget and in certain other States to show a more realistic picture. One effect of expressing debt at current exchange rates is to increase the Australian equivalent of the overseas component and hence the total debt. The use of current rates would also eliminate an item such as "Additional Proceeds of Overseas Loans" shown in the above table, which is really the difference between debt expressed in the traditional and the actual terms. A further effect would be to increase the annual interest charge on overseas debt to include what is at present shown as exchange on debt payments.

The Commonwealth Treasury approach to this question is to convert overseas debt to its Australian equivalent at the rates applicable on 30th June, as published by the International Monetary Fund. The effect of conversion on this basis as at 30th June, 1962, is as follows:—

Domicile of Debt	Public Debt, overseas portion being converted at—	
	Par rate of Exchange	Exchange rates at 30th June, 1962
	£	£
Australia	311,653,980	311,653,980
London	44,473,800	55,592,250
New York	6,251,927	13,582,589
Canada	437,686	879,584
Switzerland	652,468	652,443
Netherlands	351,012	524,122
	<u>£ 363,820,873</u>	<u>382,884,968</u>

Thus, conversion of overseas debt at the exchange rates ruling on 30th June, 1962, yields a figure of total debt which is 5.2 per cent. in excess of that computed at par rates of exchange.

The table also shows that, even at the more recent exchange rates, 81 per cent. of our debt is domiciled in Australia. This indicates that there is little to fear from overseas borrowings. In fact, the percentage of debt domiciled in Australia has shown a progressive increase to its present level. Over the past ten years, Queensland debt domiciled in Australia has increased by £173,341,837, or 125.3 per cent., while overseas debt has risen by £3,169,278, or 6.5 per cent.

The attention of Honourable Members is drawn to Table F3 of the Tables which accompany this Statement, which Table shows

the Public Debt at exchange rates current on 30th June, 1962, as well as at par rates and the amount of exchange involved on the interest commitment for 1962-1963.

The cost of servicing the Public Debt continues to mount. Total costs last year, including exchange on overseas interest payments, were £18,627,085, against which may be offset the amount of £4,575,629 received as interest payments on loans to Local Bodies, etc., giving a net charge to Revenue of £14,051,456 on account of debt charges. This figure represents an increase of 11.9 per cent.

Debt Maturing		£
September, 1961—		
3½ per cent., 15-9-61		7,396,730
4½ per cent., 15-9-61		2,086,000
		<u>£9,482,730</u>

Debt Maturing		£
February, 1962—		
4 per cent., 15-2-62		<u>3,602,000</u>

Debt Maturing		£
May, 1962—		
4 per cent., 15-5-62		3,455,000
4½ per cent., 15-5-62		3,516,000
		<u>£6,971,000</u>

In addition to the above, £558,360 of Commonwealth Government Instalment Inscribed Stock raised under the Commonwealth Savings Bank Amalgamation Agreement, issued at 3 per cent., was converted to the higher rate of 5 per cent., i.e., one and one-half (1½) per cent. above the prevailing rate of interest allowed on depositors' balances, and fluctuating with such rate. During the year the National Debt Sinking Fund redeemed £634,264 of this type of stock.

Overseas transactions included redemption and repurchases by the National Debt Sinking Fund in London and New York amounting to £397,066, together with the conversion at the latter centre of debt totalling £684,886 in 3½ths per cent. bonds which was refinanced at 5½ per cent.

RELATIONS WITH THE COMMONWEALTH GOVERNMENT AND THE LOAN COUNCIL

It is pleasing to report to the House that this year has marked the best year ever for Commonwealth Government assistance to, and interest in, Queensland's financial, economic and developmental problems. The

over the previous year. For comparison, the increase in receipts to the Consolidated Revenue Fund, apart from the special employment grant, was 4.75 per cent.

LOAN REDEMPTIONS AND CONVERSIONS

Inscribed Stock and Bonds domiciled in Australia totalling £20,055,730 on behalf of Queensland matured during 1961-1962. This debt was either redeemed by the National Debt Sinking Fund or converted during the year. The amounts involved are shown in the following table:—

Redeemed or Converted to		£
4½ per cent., 15-2-64		2,285,000
5½ per cent., 15-8-70		2,141,000
5½ per cent., 15-2-82		2,412,000
Special Bonds—Series F		399,000
Redeemed by National Debt Sinking Fund		<u>2,245,730</u>
		<u>£9,482,730</u>

Redeemed or Converted to		£
4½ per cent., 15-5-64		2,327,000
4½ per cent., 15-9-71		627,000
5 per cent., 15-10-84		554,000
Special Bonds—Series F		94,000
		<u>£3,602,000</u>

Redeemed or Converted to		£
4½ per cent., 15-4-65		3,151,000
4½ per cent., 15-9-71		2,494,000
5 per cent., 15-10-84		1,163,000
Special Bonds—Series G		113,000
Redeemed by National Debt Sinking Fund		<u>50,000</u>
		<u>£6,971,000</u>

Government has found a heightened awareness of Queensland's special difficulties and a desire to do something about them. The short term problem of unemployment has been recognised and special consideration has been given to our needs in the distribution of Special Grants. In the longer term, the Commonwealth Government is keenly interested in increasing export earnings to avoid recurrent balance of payments crisis. This has also directed attention to Queensland where undoubted opportunities for expanding export production exist but for which developmental capital has not been available.

As a result, the Commonwealth has provided direct assistance towards developmental works in Queensland, with emphasis on export production, and in other cases has supported Queensland's submissions to Loan Council.

For many years, Queensland received no such assistance, whilst other States received substantial amounts. For 1962-1963 the Commonwealth Budget provides for payments to Queensland of £11,821,000 out of an Australian total of £20,542,000. The per capita amount for Queensland is now the second highest of any State.

LOAN COUNCIL

Two meetings of the Council were held during the year, one in February, when special decisions were related to the relief of unemployment; and in June, when the 1962-1963 programmes were determined.

The February meeting, which increasingly demonstrated the current trend to blend a Premiers' Conference and the Loan Council, made or recorded a number of decisions as follows:—

A Special Grant by the Commonwealth Government of £10,000,000 of which Queensland received £3,340,000, or 33.4 per cent.

An increase in the Governmental Loan Borrowing Programme, wholly directed to Commonwealth-State housing. The total for Australia was £7,500,000, Queensland's share being £900,000.

The Commonwealth Government underwrote the additional raising.

An increase in the approved debenture borrowing programme for Semi-Governmental Bodies and the larger Local Authorities.

The total increase was £7,500,000, of which Queensland's share was £1,546,000.

In addition, smaller public bodies (those with an existing programme of less than £100,000), were allowed an extra allocation above their then raisings of up to £100,000 for each such authority.

The last of these decisions was a new feature in recent Loan Council practice. Queensland acted with speed and raised £1,457,420, the second highest total of any State, and equal to over 18 per cent. of the Australian total, a percentage above that of the State's population.

At the June meeting, the Australian Loan Council approved a Governmental Loan Borrowing Programme of £250,000,000, an increase of £10,000,000 on the original Programme for 1961-1962, but only £2,500,000 above the final Programme for that year allowing for the additional housing allocation.

In addition, a debenture programme of £105,155,000 was approved for Semi-Governmentals and Local Authorities with a Borrowing Programme of more than £100,000. For the smaller borrowers—those with programmes not exceeding £100,000—no overall target figure was fixed. The changed basis of control makes it impossible to compare the figures of Loan Council authorisation. The only yard-stick of borrowing is to compare the use which is made of the forms of authorisation.

Last year, Queensland's original allocation for all debenture purposes was £22,877,000. To this are added an extra

£1,030,000 approved in August, 1961, the February additional allocation to the major bodies of £1,546,000, and, in addition, the extra raisings by the smaller Local Bodies amounting to £1,457,420. The combination of these four forms of authorisation made a total allocation for 1961-1962 of £26,910,420.

For this year, the initial allocation to the major Bodies amounts to £21,287,000. Then, with the smaller Local Bodies, allocations have been authorised by the State totalling £6,343,269. The combination of these two totals means that the normal debenture raising programme for 1962-1963 can be quoted at £27,630,269, an increase of 2.7 per cent. over last year's total.

However, the new features of the functioning of Loan Council in relation to Local Authorities were not exhausted. For some years, I have had discussions with the Brisbane City Council on the problem of overtaking the tremendous lag in sewerage for the City of Brisbane. Arising from these discussions, a proposal was submitted to the Loan Council seeking its approval for an arrangement whereby a consortium of companies would carry out a sewerage project in the Wynnum-Manly area, finance being provided through the constructing companies and the debt to be serviced by the City Council, principally from the sewerage rates which it would collect in that area.

The Loan Council was not prepared to accept the proposal as submitted, but was sympathetic to Brisbane's needs and, as an alternative to the submitted proposal, it approved a special additional debenture allocation. The total cost of the scheme is estimated at £1,538,000 and construction will be spread over the period 1962-1965. This project will attract the normal 40 per cent. Government subsidy for this type of work. The debenture allocation sought and approved for the current year is £214,800.

Commenting briefly on these new features, there is no doubt in my mind that the decision to remove detailed control over the programmes of less than £100,000 is somewhat dubious. Should it persist for many years, it could encourage a partitioning of some of the larger public bodies, thus freeing at least some of their components from overall control. To illustrate this unequal effect, Greater Brisbane presents in a single corporate aggregation the combined affairs of well over half a million citizens. The smaller city of Perth has no greater civic administration—its civic affairs are broken up into a host of smaller distinct Local Authorities, many of which, no doubt, have programmes of less than £100,000. The borrowing requirements of every citizen of Brisbane are thus totally controlled—in Perth the probability is that quite a number will not be so controlled.

I would be the last to advocate any complete uniformity in approaching these matters. State Governments and Local Authorities should be free to determine how they can better meet their purely local requirements. My point is that the exercise of that freedom should not confer advantage or impose disadvantage on the side of the financial control which is exercised by the Loan Council. At this stage, I can report that the changed practice does not, in the circumstances of the moment, appear to be harming Queensland's share of the total Australian activity.

However, the certainty, which was the best feature of the old basis, is no longer present. The best that can be said of the new method is that so far it does not appear to be harming. The Government's view is that it would have preferred to retain the previous practice of a control of all debenture borrowings.

Returning now to the amounts that were allocated, both in the Governmental Loan Borrowing Programme and in the field of debenture borrowing, the share in each case preserved the basis of the previous year. The Governmental share remained at 12 per cent. The Semi-Governmental percentage fell slightly to 20.24 per cent., but the amount involved was more than offset by the additional allocation obtained for Wynnum/Manly sewerage.

I remind Honourable Members that the low share from the Governmental loan raisings is below the State's quota of population and it had been hoped that this year would have seen an increase in the share accorded to Queensland. However, the State found itself faced with a situation where it was asked to consider, in what can be described as the one packaged deal, proposals touching the Loan Fund, debenture allocation, and the Special Grant. It quickly became clear that any improvement in the State's share of the Loan raisings would involve, not only some reduction in our share of the debenture programme (the need for which Queensland had always conceded), but also it would have involved a reconsideration of the division of the State's Special Grant from the Commonwealth, from which it was proposed that Queensland would receive a relatively high share. In the circumstances, it was concluded that this was not the year to press for a revision of the State's share of the Loan Borrowing Programme and the correction of this must await a more favourable opportunity—preferably a year which finds a considerable uplift in the size of the Loan Programme, thus making it possible for Queensland's share to be corrected without any State receiving less money in consequence.

SEMI-GOVERNMENTAL BORROWING

As already explained, Queensland had an approved debenture borrowing programme in 1961-1962 of £26,910,420. This amount was fully raised, making the fifth consecutive year in which full advantage was taken of the amount authorised by Loan Council.

The Government has continued to assist Semi-Governmental and Local Bodies in the raising of their respective allocations by the provision of funds from sources under its control or influence and approaches to lenders and brokers.

It is confidently expected that the amount of £27.6 million, mentioned earlier, will be raised during the current financial year. Raisings to date are materially higher than those for the corresponding period in previous years.

COMMONWEALTH AID ROADS

Under the Commonwealth Aid Roads Act of 1959, which introduced a five-year plan for road grants, the sum payable to the States during 1962-1963 will increase by a further £4 million to a total of £54 million, of which £46 million is basic grant and £8 million is matching assistance payable on the basis of £1 for each £1 allocated by the State Governments from their own resources for expenditure on roads over and above their 1958-1959 allocations for roads.

Queensland's share of these amounts will be £8,344,488 basic grant and £1,451,215 matching assistance, a total of £9,795,703. This is an increase of £702,101 over the sum available for 1961-1962.

It is expected that sufficient State expenditure will be incurred to attract the full amount of matching assistance.

From the amounts allocated to a State under this scheme a proportion as prescribed by the Act may be utilised for works associated with water transport. The maximum amount Queensland could use for this purpose in 1961-1962 was £181,872, which sum was allocated to the Commonwealth Aid, Marine Works, Fund for use in developing facilities at many points along the coast.

CONSTRUCTION OF BEEF ROADS

Reference was made in last year's Budget Speech to the Commonwealth offer of £5 million over a period of five years for construction of roads to assist beef production.

During the year expenditure on beef roads totalled £980,939, of which £650,000 was received from the Commonwealth.

Expenditure in 1962-1963 will be almost entirely from Commonwealth sources as only £19,061 is necessary from State sources this year to complete the State expenditure of £350,000 required on those roads. It will be recalled that the original offer for the Normanton to Julia Creek road was £650,000, of which £300,000 was a base grant and £350,000 was to be matched £ for £ by the State from its own resources.

Expenditure approaching £1,500,000 is expected to be made on these roads in 1962-1963, of which £1,480,000 has been provided in the Commonwealth Budget.

The State continued work on Channel Country roads which will also assist beef production but are not included in the Beef Roads Scheme for which the Commonwealth is providing funds. Expenditure on Channel Country roads amounted to £300,000 in the last financial year.

SEALING OF BEEF ROADS

Once constructed, these beef roads will be costly to maintain, particularly after wet seasons. The case for bitumen sealing to reduce maintenance is strong, provided the finance is available. Fortunately, work on the Mount Isa project has proceeded so well that the cost is now expected to be considerably below the original estimate and the case for diversion of an equivalent amount from these savings to seal the beef roads was put to the Commonwealth Government and approved.

The Mount Isa money is repayable and the necessary amount for beef road sealing has been diverted on the same basis. Examination of the economics of bitumen sealing shows that savings on maintenance will cover the interest and redemption on the capital cost of sealing.

The total cost of sealing is estimated at £3,300,000 and £250,000 has been provided in the Commonwealth Budget for this work during the current year.

COAL LOADING FACILITIES

The port of Gladstone is undergoing a transformation to meet the requirements of the coal export trade to Japan. Plans are being prepared to reconstruct 435 feet of the wharf to enable a travelling gantry to be installed to load ships of the order of 25,000 tons capacity with a minimum of delay.

The Commonwealth Government has agreed to provide up to £200,000 of the total estimated cost of £405,000. Of these Commonwealth funds £100,000 is a grant and £100,000 is repayable over 15 years. The Commonwealth Budget has made provision for £145,000 for this work during the current year, or approximately half of the total estimated expenditure for the year. The balance of the funds necessary during the year will be raised by the Harbour Board under the debenture borrowing programme.

DEVELOPMENT OF BRIGALOW LANDS

The closer settlement of the Brigalow lands in the Fitzroy River Basin has been investigated and favourably reported upon by the Bureau of Agricultural Economics. The project has the support of the Commonwealth Government which has provided £1,750,000 in its Budget for expenditure on this project during 1962-1963.

It is the aim of the Government to provide some hundreds of new settlers with partly developed holdings in this region. The capital cost of development is high but it is intended to keep the element of Government capital as low as possible, by requiring selectors to have a reasonable equity in their properties and by using funds provided through banking and other financial channels to the maximum possible extent. Assistance from these sources will be encouraged by a sensible approach to size of holding and tenure. It is hoped that the Government capital requirement on Stages 1 and 2 will be limited to some £7½ million out of a total approaching £16 million.

Funds provided by the Commonwealth for this scheme will be on a repayable basis. Details have now been worked out and are before the Commonwealth Government. The necessary legislation will be introduced in due course.

MOUNT ISA PROJECT

Work on this project is proceeding apace. The deviation on the Burra Range was completed and opened for traffic; extension of all loops between Collinsville and Nome has been completed; a 75 ton weighbridge has been delivered for installation at Collinsville; relaying between Richmond and Duchess and work on the earthworks and drainage for deviations on the Stuart to Hughenden section have continued; work on bridges for the duplication of track between Nome and Stuart has commenced; the sub-structure of the Macrossan Bridge over the Burdekin River was completed and the installation of spans is continuing; the approach earthworks to the bridge were almost completed during the year.

Expenditure on the project during the year was £7,062,362, bringing the total to 30 June, 1962, to £10,548,172. For the current year the sum of £980,000 will be provided from State Loan Fund and £8,195,000 from the Commonwealth repayable grant.

During the year an approach was made to the Commonwealth Government to include in the project a portion of the cost of relaying 48 miles of track between Stuart and the 104 mile peg.

A report by the Consulting Engineers estimated that 60 per cent. of the cost was maintenance and 40 per cent. was attributable to raising the standard of the track to the level of the project as a whole. Our proposal was that 40 per cent. be financed as part of the project and that the State would find the balance. This was approved and the Commonwealth provision for the current year includes £460,000 for the capital component of this work. The State has provided the balance of £690,000.

The total expenditure on the Mount Isa project in 1962-1963 is expected to exceed £10½ million.

QUEENSLAND UNIVERSITY

Enrolments at the University this calendar year exceed 10,500 and will continue to expand as the surge in secondary enrolments passes through to the University.

As stated last year, this poses almost insuperable problems for the State Government in view of the limited financial resources available. To illustrate the difficulty more clearly, the State grant to the University in 1961 exceeded the provision for the previous year by 17.7 per cent., whereas the increase in State expenditure from Consolidated Revenue Fund in 1961-1962, excluding Railways and the special employment grant from the Commonwealth, was 7 per cent. The sum provided from Consolidated Revenue for State endowment and capital equipment grant for the academic year 1962 is £1,261,355, an increase of 15½ per cent. over the previous year.

On present estimates, the level of State grants and student fees in the 1962 academic year is sufficient to attract the maximum Commonwealth grant of £1,058,000.

A year ago, I had feared that our capacity to keep pace with Matching Grant entitlement was overstrained. Happily, the full requirement was met only because all Departments showed savings on their much more modest requirements.

There can be no greater measure of the contribution by the State to the University than to examine the record of the past six years. In 1956-1957, the provision by the State for University endowment was £576,845. For the current year, it is £1,317,316. In six years, the increase will be 128 per cent! In those same six years, the increase in State revenues was only 42½ per cent. In other words, commitment to the University is growing at three times the pace of our resources.

Obviously, the State cannot continue this rate of expenditure. The State has informed the Australian University Commission that the maximum increase it can predict in State University grant for the year 1963 is 6 per cent., which is approximately twice the predicted rate of growth in our resources.

COMMONWEALTH-STATE HOUSING AGREEMENTS

The total allocation for Commonwealth-State Housing in 1961-1962 was £4,200,000, comprising £3,300,000 following the June, 1961, Loan Council Meeting and £900,000 from the special increase of £7,500,000 approved in February, 1962. Thirty per cent. was advanced to Housing Societies in accordance with the Agreement.

The sum of £197,000 was received from the Commonwealth for construction of dwellings for servicemen, in addition to the amount of £4,200,000 mentioned.

During the year Queensland received £65,000 towards the Commonwealth's proportion of losses for 1960-1961 under the 1945 Agreement.

ESTIMATES FOR THE YEAR 1962-1963

The revenues for the year are able to count on a number of advantages compared with those of the previous year. For the Financial Assistance Grant, our base is the new and higher figure determined as the result of the census correcting the inter-censal estimates of the Commonwealth Statistician. The improved season leads in turn to better railway prospects. The slow climb out of credit restriction is being felt both in Stamp Duties and in returns from Succession and Probate Duty, whilst racing revenues will be more fully effective this year than was the case last year when the charges commenced to apply.

Because of these factors, the Government has been able to determine its budget against a somewhat easier background. There will be no new taxes. There will be an easing of some existing taxes. There will be favourable reviews of some of the existing provisions covering Workers' Compensation insurance and the functioning of the Queensland Housing Commission and provision will be made for the Crown to apply part of the percentage it derives from the Totalisator Administration Board towards meeting the capital cost of providing those facilities, and for part of the proceeds of the on-course betting tax to be allotted to the Race Clubs.

There will be a number of minor amendments to the Stamp Duties Act, wholly concessional in nature.

The most important reduction in taxation will be in relation to land tax. The benefit of the adjusted basis of land tax will continue, tax applying to only half the increase in valuation. In addition, exemptions will be lifted from £1,000 for city land, and £3,000 for country land used in the business of primary production, to £1,250 and £3,750 respectively. In addition, any sole holding of residential land on which the tax-payer personally resides will be totally exempted if the area is under 48 perches, which is the minimum area on which it is generally permitted to allow sub-division into two separate blocks. The maximum tax provision will be retained at £2, as previously. The effect of the recommended exemptions will be to reduce the number of tax-payers by approximately 2,900, whilst the value of the concession in reduced land tax will be approximately £75,000.

Workers' Compensation Insurance has had a particularly favourable year in its claims experience. The maximum benefit payable

on death will be raised from the present level of £3,000 to £3,300 and the maximum benefit by way of weekly compensation from £3,300 to £3,600. There will be an improvement in the table of benefits for stated injuries. There will be a general reduction of twenty (20) per cent. in the rates of premiums charged to mining companies in respect of the Section 14 (B) benefit (the Miners' Diseases Fund) and finally the Office is instituting a completely new practice of providing a merit bonus as a reward for occupational safety being reflected in low claims experienced. These bonuses commence to operate when the claims to premium percentage falls below 70 per cent. and rise to as high as 10 per cent. where the claims percentage falls below 30 per cent. The merit bonus is additional to the general discount which, at 15 per cent., will be the highest discount ever allowed by the Office.

With the State Housing Commission, lending advance limits will be lifted from £3,000 for a wooden house, £3,100 for a brick veneer house, and £3,350 for a brick or concrete house, to a uniform figure on all forms of construction of £3,500, and it is also proposed to increase the limit for entering up transmission without probate on contracts of sale with the Housing Commission where the gross value of the estate does not exceed £4,000.

One of the proposed amendments to the Stamp Acts provides for the complete repeal of provisions for additional Stamp Duty on the transfer of certain Crown leaseholds. Last year's amendment, which limited the tax to transfers where the property was held for less than seven years, reduced the number of cases affected to a small total and it is now proposed to repeal the provision totally. Introduced as a curbing factor when the property boom was at its height, it has lost all purpose and productivity under the changed conditions of today.

With the racing and betting revenues, it is proposed to provide out of the Crown's share of 5 per cent. of the Totalisator Administration Board's operation 2 per cent. to be paid to the Board towards the recoupment of establishment costs, such term not to include capitalised interest. With the on-course betting tax, which is at present 1½ per cent., it is proposed to allot 20 per cent. of the amount collected to the Race Club on which the bookmaker fields on the day on which the wager is laid. Evidence has now been produced which shows a small falling-off in race club attendances and in the number of bookmakers fielding on some race courses. At the present level of on-course operation, the share which would be payable to the Race Clubs will be of the order of £150,000 per annum.

In addition, the Government has decided to reduce the tax on betting tickets in the lesser metropolitan enclosures and on all race

tracks outside the metropolitan area. Some time ago the rates were 6d. for the paddock and 2d. elsewhere. The most recent amendment reduced it to 2d. in all enclosures. It is now proposed that the tax on betting tickets should be 2d. in the metropolitan paddock and that in all other localities and enclosures the tax on tickets should be 1d.

CONSOLIDATED REVENUE FUND REVENUE

Total receipts of the Consolidated Revenue Fund in 1961-1962 were £117,325,027. The estimated amount for 1962-1963 is £121,246,683, an increase of £3,921,656. This figure includes £673,200 to be paid to Consolidated Revenue Fund to extinguish accumulated deficits but excludes certain Commonwealth payments previously included.

Additional revenue is expected from the following main sources:—

	£
Railways	928,176
Totalisator, Betting and Turnover Tax	695,041
Licenses and Permits	463,806
Interest	417,642
Stamp Duty	331,944
Succession and Probate Duty	244,893
Fees for various services rendered	214,597

Honourable Members will notice from the presented Estimates that revenue received from the Commonwealth and paid to Consolidated Revenue Fund has decreased by £75,341. In explanation of this decrease, I wish to point out that under amendments to the Hospitals Act assented to in the last session of Parliament, a Hospital Administration Trust Fund was established to record the receipts and expenditure required to finance the operations of the various Hospitals Boards throughout Queensland. Consequently, Commonwealth payments for Hospital and Pharmaceutical Benefits and the maintenance of Tuberculosis Sanatoria and Annexes applicable to these Boards will now be paid to the credit of the Hospital Administration Trust Fund and the total of these payments is estimated to be £2,577,635. Thus, on a comparable basis, such Commonwealth payments to the State in 1962-1963 are £2,502,294 greater than for the financial year just concluded.

EXPENDITURE

Total expenditure is estimated to rise from £117,215,308 in 1961-1962 to £121,243,163 in 1962-1963, an increase of £4,027,855.

Two major factors affecting the level of expenditure may be mentioned. The elimination of the accumulated deficit raises the level by £673,200, while the financing of public hospitals through a Trust Fund has reduced direct expenditure from Revenue in respect of hospitals to £10,138,496, or £1,912,925 below last year.

The Government has been conscious of the problem in connection with the accumulated deficit, which totalled £673,200 at the 30th June, 1962. So confident were we of the improvement flowing from a correct measure of the State's population that, whilst we could not rely on same in bringing down last year's budget, it was our hope that the improvement would have been sufficient to clear the accumulated deficit. Largely due to drought and the loss of Railway revenue occasioned by the Mount Isa strike, the surplus in 1961-1962 was insufficient for that purpose.

It is now proposed to extinguish the deficit by withdrawing accumulated surpluses which have been allowed to remain in the Queensland Housing Commission and Agricultural Bank Funds and by repaying grants made from Consolidated Revenue Fund to the Harbour Dues Fund in 1950-1951 and 1953-1954. These adjustments will not affect the cash balances of the State.

The fact that a lower amount is provided for payment from Revenue to the Hospital Administration Fund than was provided from Revenue for Hospitals in previous years does not represent a reduced net cost to Revenue, since receipts from the Commonwealth previously paid to Revenue will now be paid direct to the Hospital Administration Trust Fund, as mentioned earlier. The amount involved in the current year is £2,577,635.

Increases in amounts payable by the State in Interest and Sinking Fund charges on the Public Debt account for a significant portion of the total increase. These charges are expected to increase by £1,709,939. Honourable members will notice that included in the estimated expenditure of £16,769,119, for the payment of Interest charges, is an amount of £786,000 for exchange on overseas interest payments. The corresponding payment in 1961-1962 was £752,657, which was charged against the appropriation for the Treasurer and Housing.

Provision has been made for the expenditure of £20,583,088 by the Department of Education and exceeds by £1,420,395 the expenditure of £19,162,693 by that Department in 1961-1962.

Thus, the increased cost of Interest, Sinking Fund Contribution and Education account for almost seventy-eight (78) per cent. of the total increased expenditure from the Consolidated Revenue Fund.

The aggregate expenditure from the Consolidated Revenue Fund in 1962-1963 is expected to be less than the anticipated receipts and a surplus of £3,520 is expected.

TRUST AND SPECIAL FUNDS

The estimated expenditure of £118,786,230 from Trust and Special Funds is an increase of £33,979,975 when compared with the previous year. However, some of the increased expenditure sought is due to the operation of certain funds recently established, the main ones being:—Hospital Administration Fund, £16,214,861; Fitzroy Brigalow Land Development Fund, £1,750,000; Beef Cattle Roads Construction Fund, £1,500,000; Electricity Development Fund, £960,000; and the Australian Cattle and Beef Research Fund, £70,719.

The largest increase is expected to be in the State Insurance Fund rising from an expenditure of £15,032,817 last year to an estimated £18,921,055 this year. Expenditure from the Mount Isa Railway Project Fund is estimated to be £9,836,000, as against £7,062,362 in 1961-1962.

Receipts available for credit to the Trust and Special Funds are estimated to be £115,372,456.

LOAN FUND

Receipts from Loan raisings, £26,200,000, and repayments to Loan Fund, £6,756,000, are expected to be available to allow for expenditure from Loan Fund to aggregate £32,956,000, or £2,267,653 in excess of the expenditure in 1961-1962. Included in the figure of £6,756,000 for loan repayments are Commonwealth recoupments totalling £2,875,000.

£4,145,000 has been provided for expenditure on State Primary, Technical and High Schools, £12,663,000 has been provided for payment to various construction and development Funds and £4,500,000 has been provided for expenditure on Railway Capital Works.

SUMMARY

Under every heading, by every possible test, it is a record Budget. It predicts record revenue. It proposes record expenditure. It contains more concessions and benefits to the taxpayers of this State than any Budget in the post-war period.

Its main features include—

Further concessions in land tax; and

A new principle of exemption for dwelling areas up to 48 perches.

Reduction in tax on most betting tickets.

Benefits to all Race Clubs and to the T.A.B.

Concessions in stamp and succession duties.

Improved workers' compensation benefits.

Record expenditure on beef roads; and
The commencement of sealing those roads.

Apart from beef roads, the Main Roads Department this year will carry out the greatest road building programme in the history of the State.

There will be record spending on the Mount Isa project; and

The missing links will also be upgraded.

Commonwealth assistance to development in this State will be a record and the second highest per capita for any State.

Gladstone's improved coal handling facilities will be commenced.

The brigalow fattening scheme will get under way.

A new wharf will be built at Port Alma.

Great new power houses will start construction at Swanbank and Callide.

The Callide water supply dam will be built by the Department of Irrigation and Water Supply and, as a result, activity by that Department will be at the highest level for four (4) years.

Work on the Borumba Dam will be carried close to completion and there will be major activity on the Leslie Dam as well.

The Works Department Loan Vote of £8 million is a record figure.

There will be a heavy school construction programme, bringing the number of High Schools to seventy-three (73) and High Tops to fifty-six (56) catering for 40,600 pupils, compared with thirty-six (36), thirty-four (34) and 14,300, respectively, six years earlier.

The reclamation of the Bulwer Island refinery area will be completed and construction of the oil refinery will commence.

The performance of the Railways in narrowing the gap between revenue and expenses should produce the best result for eight years.

The construction of an oil pipeline from the Moonie field to the coast will commence.

The port of Weipa is opened and direct shipment of bauxite will commence.

Twelve new diesel locomotives will be delivered during the year.

Tenders will be called for a further 300 fast freight louvered wagons.

New boat harbours will be started at Townsville and Bowen.

A deeper channel will be cut through 17 Mile Rocks on the Brisbane River to open higher channels to sand and gravel dredging.

The debenture programme is at record level.

All outstanding deficits are to be cleared without any funding from Loan Fund.

University endowment has been lifted to record level.

Coal and brigalow are a major breakthrough in Central Queensland development.

A bulk sugar installation will proceed at Cairns.

Sugar storage at Mackay will be doubled.

New hospitals will be built at Tara, Taroom, and Point Vernon.

New buildings and additions in practically every Hospital Board area include completion of a block at the Brisbane General Hospital for Diagnostic X-ray and Radium treatment units; and a block at Bundaberg for out-patients, operating theatre and administration.

Continuation of the Government policy of sound closer settlement by opening over 100 blocks.

Record expenditure on road building in town and suburban lands for subdivision as well as on stock routes water facilities and rural lands protection.

As a result of all these steps, employment through Governmental sources will be greatly increased. It is already clear that the private sector will lift its requirement with such projects as the oil pipeline, the oil refinery, export coal and activity at Weipa. In turn, record harvests of sugar and grain will stimulate employment in the fields, on the transport lines and in the ports.

Weighing all these things, the Government sees the year ahead as one of a real stimulation in the economy and in the level of employment. The carefully prepared plans are now bearing fruit. Oil, bauxite, coal, grain, meat and metals—these are the foundations of a real expansion in the economy of the State which will make the next few years a period of decentralised growth, unparalleled in recent history.

Government Members: Hear, hear!

Mr. HILEY: Mr. Taylor, I move—

"That there be granted to Her Majesty, for the service of the year 1962-1963, a sum not exceeding £1,594 to defray the salary of Aide-de-Camp to His Excellency the Governor."

Progress reported.

SPECIAL ADJOURNMENT

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

"That the House, at its rising, do adjourn until Tuesday, 9 October, 1962."

Motion agreed to.

The House adjourned at 3.32 p.m.