

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 24 AUGUST 1971

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

ELECTORAL DISTRICTS BILL

Assent reported by Mr. Speaker.

PAPERS

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

Reports—

- Agent-General for Queensland, for the year 1970-71.
- Under Secretary for Mines, for the year 1970.
- Anzac Day Trust, for the year 1970-71.
- Chief Inspector of Factories and Shops, for the year 1970-71.
- Chairman, Consumer Affairs Council and of the Commissioner for Consumer Affairs, for the period 1 January to 30 June 1971.

The following papers were laid on the table:—

Orders in Council under—

- Agricultural Chemicals Distribution Control Act 1966-1970.
- Meat Industry Act 1965-1969.
- The Wheat Pool Acts, 1920 to 1957.
- The State Electricity Commission Acts, 1937 to 1965.
- The Southern Electric Authority of Queensland Acts, 1952 to 1964.
- The Northern Electric Authority of Queensland Acts, 1963 to 1964.

Regulations under—

- Public Service Act 1922-1968.
- Meat Industry Act 1965-1969.
- The Primary Producers' Organisation and Marketing Acts, 1926 to 1966.

By-law under the Harbours Acts, 1955 to 1968.

QUESTIONS UPON NOTICE

NATIONAL PARK AND AUTHORITY TO PROSPECT, COOLOOLA

Mr. O'Donnell, pursuant to notice, asked The Minister for Mines,—

With reference to the statement by the Minister for Lands that it will not be possible to name a large section of the area proposed for a National Park at Cooloolola because it is covered by an authority to prospect expiring on June 30, 1972—

(1) Who holds the relevant authority to prospect?

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(2) As it is obvious that no lease will be granted and that an authority to prospect may be surrendered, why are the people concerned being obstructive to the implementation of the declaration?

Answers:—

(1) "Queensland Titanium Mines Pty. Limited."

(2) "The surrender of an authority to prospect is at the discretion of the holder and the reason why the company has not surrendered the authority to prospect is not known."

ANNUAL REPORT, DIRECTOR OF CULTURAL ACTIVITIES

Mr. Aikens, pursuant to notice, asked The Minister for Education,—

Is the Director of Cultural Activities required, as are other departmental heads, to supply this Parliament with an Annual Report and, if so, when was the last one laid upon the Table of the House and ordered to be printed?

Answer:—

"The Honourable Member is referred to the Annual Report of the Minister for Education and Cultural Activities for 1969 tabled in this House, where it will be noted that my report covered the various services within my responsibility including cultural activities."

ELIGIBILITY OF JEWS FOR MEMBERSHIP, QUEENSLAND CLUB

Mr. Bennett, pursuant to notice, asked The Minister for Justice,—

Are Jewish persons excluded or blackballed from membership of the Queensland Club? If so, what is the reason for this differential treatment and what action will be taken to eliminate the anomaly?

Answer:—

"There is no rule in the Constitution of the Queensland Club which discriminates against any person being admitted as a member on account of his race. The Licensing Commission has no knowledge of any complaints that a person of the Jewish race was excluded from membership of the club."

COURT REMARK BY UNIVERSITY LECTURER, D. O'NEILL

Mr. Bennett, pursuant to notice, asked The Minister for Justice,—

(1) Has his attention been drawn to the remark made in the Magistrates Court by Dan. O'Neill, a lecturer from the University, "It gives me great pleasure to leave a Court that is not impartial"?

(2) If so, has his attention also been drawn to the remark made by a derelict in the "drunks' parade" in 1953, when he said to the stipendiary magistrate, "You are too hard. I want to be tried by another magistrate" and to the fact that for this remark the poor old drunk derelict was fined £25 (\$50) on conviction for contempt, which was upheld by the Full Court when Mr. Justice Philp, S.P.J., said, "To impute injustice to a justice is to insult him in respect of the very title he wears"?"

(3) Was O'Neill's remark an imputation of injustice and an insult to the title worn by the Chief Stipendiary Magistrate? If so, what action does the Minister intend to take to preserve the prestige of the courts?

Answers:—

(1) "Yes."

(2) "Yes."

(3) "There is ample power in *The Justices Acts, 1886 to 1968* for a court or justice to deal with any person who wilfully insults a justice during its or his sitting as a Magistrates Court. The preservation of the prestige of the courts may be safely left to the courts themselves."

FORMER UNIVERSITY ECONOMICS TUTOR,
P. D. THOMPSON

Mr. Bennett, pursuant to notice, asked The Minister for Education,—

(1) Has he read the article by Patience Thoms which appeared in *The Courier-Mail* of July 29, wherein she claimed that a certain economics tutor (he does not appear to wear shoes) had been demonstrating in the cause of civil liberties and that he was known to embarrass the only girl in his class by the use of the four-letter words and the discussion of subjects that have nothing to do with economics?

(2) Is this man Peter Thompson, whose photograph appeared on the outside page of *Sunday Truth* of July 25, showing frizzy, unkempt hair and an unwashed, bearded appearance and no shoes?

(3) How much longer have students to put up with filthy tutors of this nature who seem to believe that they are being paid by the taxpayer to embarrass and distress the morals of decent young girls?

(4) As to my knowledge this tutor is not the only one given to this type of conduct, which results in decent young women leaving the University, will he ask the Vice-Chancellor to root out of his staff those lecturers and tutors whose intellectual pursuits do not rise above the level of pornographic talk?

(5) In regard to this type of tutor, will he ensure that the Vice-Chancellor washes them white and makes them bright?

Answers:—

(1) "Yes."

(2 to 5) "The Vice-Chancellor advises that Peter Donald Thompson was formerly a tutor in the Department of Economics but has not been employed in that capacity in 1971. If any student is prepared to provide specific details of a University tutor abusing his position, he or she should communicate directly with the head of the appropriate department. You can wash them white, and give them a fright, but is this right?"

NEW HOME FOR AGED PERSONS AND
PUBLIC HOSPITAL, WYNNUM

Mr. Harris, pursuant to notice, asked The Minister for Health,—

In view of a statement in *The Sunday Mail* of July 4 in relation to Government plans to erect a new 250-bed home for elderly men and women at Wynnum—

(1) Will this new large complex be erected on land currently held by the Brisbane Hospitals Board at Wynnum Road, Wynnum?

(2) Was land adjacent to the above land offered to the Queensland Government for hospital purposes at a very reasonable price? If so, on what date was the contract of sale signed and on what date did it expire?

(3) If negotiations have broken down in relation to the purchase of this land, what was the reason?

(4) When is it expected that this complex at Wynnum will be completed and what is the anticipated cost?

(5) Is the erection of the new home the "kiss of death" to the public hospital which was promised by this Government to the people of Wynnum and the surrounding district during the electioneering campaign by the Liberal Party?

Answers:—

(1) "Yes."

(2 and 3) "Action is being taken by the Land Administration Commission to acquire land adjoining that presently held by the Hospitals Board at the corner of Wynnum and New Lindum Roads, Wynnum as a future hospital site."

(4) "Planning for this project is still in the preliminary stages and whilst a firm estimate is not available costs could approximate \$2,800,000. The time of commencement will be dependent on the time taken in the detailed planning and on the

availability of finance. At this time no indication can be given of a date of completion."

(5) "I have previously indicated that there has been no change of policy relating to the provision of additional hospital accommodation in the metropolitan area and that priority will be given to the establishment of a general hospital in the Mt. Gravatt-Sunnybank area."

RAILWAY LEVEL CROSSINGS, WYNNUM CENTRAL AND LINDUM

Mr. Harris, pursuant to notice, asked The Minister for Transport,—

In view of the long delay in erecting boom gates at both the Wynnum Central and the Lindum railway station rail crossings—

(1) Will he urgently consider calling for another investigation in an endeavour to have boom gates provided at these dangerous crossings?

(2) In the interim, will he have the existing "Stop" signs removed and replaced with a sign reading "Stop on the Red Light only", in an endeavour to speed up traffic from the industrial areas of Hemmant, Lindum, Murarrie and Cannon Hill, especially during peak hours?

Answer:—

(1 and 2) "Half-boom gates for Kianawah Road, Lindum and Florence Street, Wynnum Central, will be included in the tentative programme for the financial year, 1972-73. The existing 'Stop' signs can be removed if the road authority so requests and accepts responsibility for accidents which happen at the crossing because of failure of motorists to stop prior to crossing the level crossing."

TOILET FACILITIES, BRISBANE SUBURBAN RAILWAY STATIONS

Mr. Harris, pursuant to notice, asked The Minister for Transport,—

(1) Is he aware that a railway passenger who was travelling between South Brisbane railway station and Lota was, because of the lack of toilet facilities on the train, forced by an attack of dysentery to leave the train at Lindum railway station and found it necessary to break into the toilets to avoid embarrassment and was later charged in the Wynnum Court House with breaking and entering and wilful damage to railway property?

(2) Will he ensure that ladies' and gentlemen's toilets on suburban railway stations are kept unlocked whilst suburban services are in operation?

Answers:—

(1) "There is no knowledge departmentally of a passenger having alighted at Lindum on the date in question for the reason stated. The report of a man having been observed making a forced entry to the gents' toilet was conveyed to the police at Wynnum and subsequently a man appeared in the Wynnum Magistrate's Court charged with wilfully and unlawfully damaging a door jamb. He was convicted and fined the sum of ten dollars."

(2) "Because of misuse and vandalism which is prevalent it cannot be agreed that departmental premises, including toilets, be left unlocked outside the hours of staff attendance."

TRAFFIC BREACH STATISTICS

Mr. Newton, pursuant to notice, asked The Minister for Works,—

(1) What was the number of traffic breaches handled by the Traffic Branch of the Police Department for the years 1967, 1968, 1969 and 1970 and to June 30, 1971?

(2) For the first six months of this year, what was the breakdown of the breaches committed by offenders in each category for each month?

Answers:—

(1) "The total number of Traffic Breaches handled by police throughout the State for the years 1967, 1968, 1969, 1970 and to June 30, 1971, was as follows:— 1967, 163,662; 1968, 148,593; 1969, 122,427; 1970, 126,377; 1971, 75,781."

(2) "A dissection of the traffic breaches according to type of offence and month of offence from January to June 1971 for the whole of the State is not available. The Traffic Branch, Brisbane, does maintain such a dissection for traffic breaches handled by police attached to the Traffic Branch, Brisbane, and I table this information for such period."

Paper.—Whereupon Mr. Hodges laid upon the Table of the House the information referred to.

SICK LEAVE, POLICE FORCE

Mr. Newton, pursuant to notice, asked The Minister for Works,—

(1) What was the amount of sick leave taken during the past twelve months by members of the Queensland Police Force in each rank on a working-day basis?

(2) How many working days does this average to the actual strength of the Police Force?

(3) What shortage of police personnel does this make in the above period?

Answers:—

(1) "The total amount of sick leave taken by police personnel from March 1, 1971 to July 31, 1971 was 13,163 days. Records of sick leave taken prior to March 1, 1971 were not compiled. Sick leave granted to police covers working days and rest days. Sick leave taken during the period stated, according to rank, is Commissioned Officers, 309 days; Senior Sergeants, 445 days; Sergeants 1/C, 1,166 days; Sergeants 2/C, 2,576 days; Constables, 8,667 days; Total 13,163 days."

(2) "On the rate of sick leave taken during the period March 1, 1971 to July 31, 1971, it is calculated that the average annual sick leave taken by members of the force is almost 10½ days."

(3) "Using the rate of sick leave over the period March 1, 1971 to July 31, 1971, the shortage of police personnel because of sick leave is estimated at 86 men for a year."

RECRUITMENT, POLICE FORCE

Mr. Newton, pursuant to notice, asked The Minister for Works,—

(1) In the first six months of this year, for how many months was recruiting in the Police Department stopped following the Government's order that expenditure must be immediately reduced in that Department?

(2) When was the dispensation sought on this matter by the Commissioner of Police granted by the Government?

Answer:—

(1 and 2) "Police recruitment was not affected in the first six months of this year by any Governmental decision to curtail expenditure."

SURVEY OF PUBLIC SERVICE DISTRICT ALLOWANCES

Mr. Wallis-Smith, pursuant to notice, asked The Premier,—

Further to my Question on March 26 relative to Public Service district allowances, has a decision been reached following the survey and, if so, when will the details be made known?

Answer:—

"No. The matter is still under consideration."

APPOINTMENT OF CLERK OF THE COURT, DIMBULAH

Mr. Wallis-Smith, pursuant to notice, asked The Minister for Justice,—

In view of the amount of work which is carried out by the personnel at Dimbulah Police Station because of the absence

of the services of a clerk of the court, will he appoint a clerk of the court at Dimbulah?

Answer:—

"The recommending to the Governor in Council of appointments of officers of the Public Service as clerks of the court in the room of police clerks of the court is in the hands of the Public Service Board. Some years ago a recommendation that an officer of the Public Service be appointed clerk of the court at Dimbulah was made by officers of the Department of Justice to the then Public Service Commissioner but whether the work at Dimbulah since has diminished or not is at present unknown to this Department."

HOUSE CONSTRUCTION, MITCHELL RIVER AND EDWARD RIVER COMMUNITIES

Mr. Wallis-Smith, pursuant to notice, asked The Minister for Conservation,—

Further to my Question on March 26—

(1) How many of the new homes have been completed and occupied at Mitchell River and Edward River?

(2) Are these homes being fitted with insect screens?

(3) How many staff houses are not fitted with insect screens?

(4) Will he consider a scheme to have all homes built in these communities fitted with insect screens?

(5) What is the building programme for communities during 1971-72?

Answers:—

(1) "Mitchell River—Ten homes erected awaiting electricity reticulation. Two are occupied by Aboriginal families and one by builders. The remaining seven have been allocated families who are awaiting the arrival of furniture. A further five are in course of erection. Edward River—Ten homes completed and occupied. Some "finishing work" yet to be completed."

(2) "No."

(3) "All have some screening provided, generally by local personal effort."

(4) "The position remains unaltered from that indicated by the Honourable Member on August 26, 1969."

(5) "Pending introduction of the State Budget, no indications can be given."

LAW REFORM COMMISSION

Mr. Hughes, pursuant to notice, asked The Minister for Justice,—

(1) How many members constitute the Law Reform Commission and what are their names?

(2) How many staff are employed in duties for or associated with the Commission?

(3) What amount has been paid in wages and salaries to (a) staff and (b) members of the Commission to June 30, 1971?

(4) What is the total of other costs and charges which have been paid to June 30 to enable the Commission to function?

(5) Which Acts or amendments to Acts have been passed by Parliament as a result solely of the research and recommendations by the Commission?

Answers:—

(1) "The Law Reform Commission as constituted under the provisions of the *Law Reform Commission Act 1968* comprises a Chairman (the Honourable Mr. Justice W. B. Campbell) and three members (Messrs. P. R. Smith, B. H. McPherson and J. J. Rowell)."

(2) "The staff consists of the secretary and one clerk-typist."

(3) "(a) \$25,463; (b) \$91,239."

(4) "\$28,831."

(5) "The Commission has made eight reports to the Minister on its review of certain aspects of the law and has made a number of other suggestions concerning amendments to legislation. The only Act so far to have passed into legislation as a result of the Commission's recommendations is the *Common Law Practice Act Amendment Act 1970*."

FINANCIAL ASSISTANCE, FISHING
INDUSTRY

Mr. Sherrington for **Mr. Wright**, pursuant to notice, asked The Minister for Primary Industries,—

(1) Is the fishing industry regarded officially by his Department as a primary industry?

(2) What financial assistance has been given to this industry by the Government in each of the last five years and for what purpose was the assistance given?

(3) May persons involved in the fishing industry borrow money from the Agricultural Bank? If not, what avenue of Government finance is available to them?

Answers:—

(1) "The fishing industry is regarded as a primary industry within the ambit of my Department."

(2) "Expenditure by the Government relating to the fishing industry is incurred by a number of Departments and is shown in the Treasurer's Financial Statements,

which are tabled annually. To my knowledge, the Government has made no financial grants to the fishing industry as such or to individual fishermen, if this is the intent of the Question."

(3) "The Agricultural Bank is empowered by statute to make advances in respect only of farm lands. I am not aware of any Government or semi-Government avenue of finance available to fishermen other than limited assistance for boats and equipment which may be arranged with the Fish Board."

INVESTIGATION OF HOUSE-PAINTING
CONTRACTORS

Mr. Jensen, pursuant to notice, asked The Minister for Labour and Tourism,—

In view of his Ministerial Statement on August 4, will he look into the dealings of some firms using similar tactics in house-painting contracts, one case having been put to him in writing by me last year, and name these firms in Parliament to protect the people of Queensland?

Answer:—

"The Honourable Member is referred to the Report of the Consumer Affairs Bureau tabled this morning in which reference to the practices which he mentions is made."

COMMONWEALTH UNIVERSITY
SCHOLARSHIPS

Mr. R. Jones, pursuant to notice, asked The Minister for Education,—

(1) What is the number and percentage of senior candidates proceeding to tertiary studies on Commonwealth University Scholarships for (a) the whole State and (b) in each region, for the past three years?

(2) Of these, how many scholarships in the same period were (a) offered, (b) accepted and (c) re-allocated to Queensland, when not taken up?

Answer:—

(1 and 2) "The Regional Director, Commonwealth Department of Education and Science, whose office is responsible for the offer and award of Commonwealth University Scholarships has advised that statistics of Commonwealth Scholarship holders according to regions are not available. A block offer is made of Commonwealth Scholarships. This takes into account numbers likely not to take up offers and accordingly there are no

re-allocations of scholarships. The following table provides the information available:—

Year	(a) Number who sat for Senior	(b) Number who accepted Open Entrance University Scholarships	% (b) of (a)	Number in Block Offer
1968	10,770	1,045	9.7	1,125
1969	11,717	1,119	9.5	1,300
1970	12,349	1,216	9.8	1,380

STUDENT-DRIVER TRAINING COURSE, HIGH SCHOOLS

Mr. R. Jones, pursuant to notice, asked The Minister for Transport,—

Following the recommendation contained in the 1960 Report of the Senate Select Committee on Road Safety, in how many high schools in Queensland has a student-driver training scheme been introduced as (a) curricula and/or (b) extra-curricular activity?

Answer:—

“The Honourable Member should direct his Question to the Honourable the Minister for Education and Cultural Activities.”

SORGHUM EXPORTS TO JAPAN

Mr. Aiken, pursuant to notice, asked The Premier,—

(1) Why has Japan suddenly emerged as a huge buyer of Queensland's coarse grains, particularly sorghum?

(2) Has Queensland been at fault in neglecting to promote sales of coarse and other grains to Japan?

(3) To what uses are these grains put in Japan and what is the future potential of Japan's grain market as far as Queensland is concerned?

(4) Can a future programme of, say, five years' sorghum planning, be drawn up to enable hard-pressed grain growers to recover from the past bad seasons of poor rainfall and depressed markets?

Answers:—

(1) “There has been no sudden emergence of Japan as a major buyer of Queensland grain sorghum. Export sales have been made in quantity to Japan, subject to seasonal conditions, since the nineteen fifties. The Japanese market has, however, expanded considerably during the last ten years.”

(2) “No. The problem has been one of low production due to recurring drought in Queensland grain-growing areas. Information and publicity have been made available by the Department of Primary Industries for more than 10 years on the expanding size and scope of the Japanese market for grain sorghum and maize. The Queensland Graingrowers' Association and grain-growers generally have been well aware of the position.”

(3) “By far the main use in Japan of these coarse grains is as stock feed. It is expected that the market will continue to expand in terms of quantity and although prices will fluctuate from year to year in accordance with changes in world supply, values, on average, are expected to be satisfactory.”

(4) “There is no need for a ‘five-year plan’. The main limitation on Queensland production of grain sorghum is the weather and given reasonable seasons production can be expected to expand considerably.”

MUTTON EXPORT MARKET

Mr. Aiken, pursuant to notice, asked The Premier,—

(1) Is the world mutton-market position favourable for increased exports and are Queensland's killing and export shipping facilities able to cope with an increase of mutton carcasses?

(2) If the mutton market has good prospects overseas, what surveys have been made by his Government, regarding the export of mutton as a cheaper source of protein, to cover the present excess demand on beef exports?

Answers:—

(1) “Prospects are favourable for increasing the export of mutton, particularly to Japan. Queensland only accounts for a small proportion of total Australian exports of mutton, as there is not a large surplus of production available for export. Sufficient killing capacity already exists in South Queensland works to cope with any foreseeable increase in slaughterings. Mutton is not exported from Central or North Queensland and there is no abattoir in North Queensland licensed for export slaughtering of sheep. Shipping facilities could handle any foreseeable increase in tonnages.”

(2) “A continuing watch is kept by the Department of Primary Industries on market outlets for all rural commodities, including mutton. In addition, the Australian Meat Board and the Commonwealth Department of Trade and Industry keep a close eye on developments. Main market requirements for mutton and beef are quite distinct and the relative demand for each is determined by demand in the importing countries.”

ESTABLISHMENT OF TRADE CENTRES
IN CHINA AND JAPAN

Mr. Aiken, pursuant to notice, asked The Premier,—

(1) Because of the acute crisis developing to a destructive level in primary industries and the resultant threat to the general economy of this State, will he give fresh and urgent consideration to establishing trade centres, to promote what were traditionally United Kingdom exports, in both mainland China and Japan?

(2) With the imperative need for quick action to save the collapse of these industries, will he earnestly consider the sale of the V.I.P. aircraft recently purchased by his Government to help finance such a plan?

Answers:—

(1) "The Government is fully aware of the position of the State's primary industries and their export future and is doing everything within its power to be well prepared should the United Kingdom decide to enter the European Economic Community. The question of a Trade Office in Japan is a matter for determination at the appropriate time. I was interested to hear the Honourable Member's concern that consideration be also given to mainland China. The Honourable Member's representations, in view of recent events, are of course understandable."

(2) "It would be much more to the point if the Honourable Member would direct his attention towards the leaders of certain unions who, by their irresponsible actions, cause strikes and stoppages not directly associated with wages and conditions and which have cost this State many millions of dollars."

INDUSTRIAL SURVEY, REDLAND SHIRE

Mr. Baldwin, pursuant to notice, asked The Minister for Industrial Development,—

Is the industrial survey of the Redland Shire, which was apparently commenced earlier this year, now complete and, if so, will it be immediately made available to interested Members of this House?

Answer:—

"As the Honourable Member will no doubt recall, the survey to which he refers is not restricted to the Redland Shire but covers the whole of the Moreton region. The survey conducted by the Economics Department of the University of Queensland on behalf of the Department of Industrial Development has now been completed. The report is presently being processed and will shortly be placed in the hands of the printer prior to circulation."

RELIGIOUS INSTRUCTION IN STATE SCHOOLS

Mr. Bromley, pursuant to notice, asked The Minister for Education,—

With regard to religious instruction in State schools—

(1) What queries are made of ministers of religion prior to arrangements being made for their attendance at schools?

(2) What matters are taken into consideration concerning tuition?

(3) What and how many denominations provide teaching at schools each week?

(4) Is attendance by students compulsory?

(5) How much of the students' time is taken up in this way?

(6) Does theology only take precedence over theocracy and theosophy?

(7) When was the last survey taken by his Department into the pros and cons of the type of religious instruction given?

Answers:—

(1 to 5) "The Honourable Member is referred to Regulations 9 to 18 of "The Education Regulations of 1971."

(6) "The content of the religious instruction is the responsibility of the person giving it and of the religious denomination he represents."

(7) "This Department has not conducted any survey of the type of religious instruction given on behalf of the various denominations."

TRAFFIC LIGHTS, KELVIN GROVE
ROAD-L'ESTRANGE TERRACE
INTERSECTION

Mr. Davis, pursuant to notice, asked The Minister for Mines,—

(1) Has he received a letter from the Secretary of the Kelvin Grove Parents and Citizens' Association requesting the installation of traffic lights at the intersection of Kelvin Grove Road, L'Estrange Terrace, School Street and Prospect Terrace?

(2) As traffic lights at this intersection would serve the pupils attending the Kelvin Grove Primary School, the Kelvin Grove High School and the Teachers' College, with an approximate attendance of over 2,000 pupils, and as submissions have been made over a number of years by my colleague the Honourable Member for Baroona and myself, when will lights be installed at this dangerous intersection?

Answers:—

(1) "Yes."

(2) "It is planned to release a scheme covering installation of traffic lights in December 1971 with the intention of commencing work on same immediately after resumption of work following the Christmas closedown."

MOTOR VEHICLE REGISTRATION FEE
CONCESSIONS

Mr. Hanson, pursuant to notice, asked The Minister for Mines,—

(1) Is he aware of the very valuable concessions available to residents of out-back areas in South Australia concerning vehicle registration fees?

(2) As the applicable South Australian legislation, the *Motor Vehicles Act 1959-1967*, allows under its schedule of fees up to a 50 per cent. reduction for various power-weight ratios, has he or his Department noted this valuable concession and, if so, can the matter be studied in the light of obtaining similar advantages for outback residents in this State?

Answers:—

(1) "Yes."

(2) "I understand the South Australian concession applies, apart from Kangaroo Island, Whyalla and Iron Knob, to parts of the State which have no form of Local Government with responsibility for the construction and maintenance of local roads. The situation in Queensland is hardly comparable and I think the concessions granted here to primary producers, prospectors and vehicles on islands adjacent to the coast are adequate."

REPORT ON HOUSE AND FLAT
RENTALS, GLADSTONE

Mr. Hanson, pursuant to notice, asked The Minister for Justice,—

(1) Was a special report on house and flat rental charges in Gladstone recently compiled by officers of his Department?

(2) During what period was the survey conducted and has the report reached finality?

(3) Does he intend to make the report public on completion?

(4) What action does he intend to take to correct any anomalies or injustices?

Answers:—

(1) "Yes."

(2) "A report on a survey of rents for housing accommodation at Gladstone made during April 1971 was submitted to me."

(3) "No."

(4) "Bearing in mind that the Government, after careful consideration has removed controls on rents and that the Industrial Court takes rents into consideration when fixing wages, it is not proposed at this juncture to bring the rents of homes in rapidly developing areas such as Gladstone again under control."

QUESTIONS WITHOUT NOTICE

UNEMPLOYMENT PERCENTAGES

Mr. KAUS: I ask the Minister for Labour and Tourism: With regard to the unemployment situation in Australia, can the Minister supply details of the recorded percentages of unemployment in each State as at the end of July 1971, and also their relationship to the general Australian percentage?

Mr. HERBERT: Usually these figures are published very fully by the newspapers, but this month, for some unknown reason, they were not. That is rather unfortunate, because at present the Queensland unemployment figures are the second lowest in Australia. The figures are particularly significant because unemployment figures for Queensland usually are misleading. Because of the seasonal nature of much of the employment in this State, in which many workers earn good money for a period and then collect unemployment benefits for the remainder of the year, Queensland usually is well down in its employment figures. However, since Labor Governments have assumed control in Western Australia and South Australia, those States have slipped towards the bottom of the list. So that the unemployment percentages may be recorded in "Hansard", I inform the honourable member for Hawthorne that they are as follows:—

	Per cent.
National average ..	1.2
New South Wales ..	1.02
Queensland	1.14
Victoria	1.19
South Australia ..	1.48
Western Australia ..	1.6
Tasmania	1.71

BECKINGSALE REPORT ON RAIL FREIGHTS

Mr. BOUSEN: I ask the Minister for Transport: Has the Beckingsale rail-freight report been finalised? If so, what was its total cost?

Mr. KNOX: The series of reports that the Beckingsale consultants were asked to prepare has not been completed. Up to this stage some 40 reports have been received. They started coming in during March 1970. The consultants have been asked to look at a number of other items in relation to the submissions that have been made, and there are also matters which the Commissioner for Railways has requested the consultants to examine. The total cost of the consultants' reports is estimated at \$100,000.

FOOD SUPPLIES FOR RAILWAY REFRESHMENT
ROOMS

Mr. R. JONES: I ask the Minister for Transport: Has the Railway Department recently implemented a policy of supplying railway refreshment rooms with goods from Brisbane, thus bypassing, and discontinuing

preference for, locally manufactured goods? Will passengers now be expected to pay extra freight charges on the affected articles, such as soft drinks, which are now being supplied in cans?

Mr. KNOX: With the change in policy relative to railway refreshment rooms—that is, the closing of some and the provision of all facilities on trains—it has been necessary to centralise the purchase of some commodities that are used in them. Some of these purchases are made in Brisbane, some in North Queensland and others in Central Queensland.

MEMBERS' AIR TRAVEL ALLOWANCES

Mr. B. WOOD: I ask the Premier: In view of yet another increase in air fares and the fact that members' allowances for air travel in their electorates have not been adjusted accordingly, will he give consideration to an increase in these allowances commensurate with increases in air fares since the Done Report?

Mr. BJELKE-PETERSEN: This matter will be dealt with fully by the Treasurer when presenting the Budget.

Q.C.E. DECISION ON STATEMENTS BY MEMBERS OF PARLIAMENT

Mr. R. E. MOORE: I ask the Premier: Has his attention been drawn to an article in today's "Courier-Mail" in which it was reported that at a meeting of the Q.C.E. of the Australian Labor Party yesterday a motion was carried that was seen as a rebuff of the action of the honourable member for Baroona in making a public criticism of the A.L.P. State president, Mr. Egerton, in a statement to Parliament about two weeks ago, when he said he had absolute contempt for the crude attempt at intimidation of A.L.P. members of Parliament? Is the Premier aware that it is reported that this motion was passed unanimously, and also that the Leader of the Opposition is a member of the Q.C.E.? If the Leader of the Opposition was at the meeting and took part in this unanimous vote, would it indicate that he is not in agreement with the contents of the statement by the honourable member for Baroona, who sits on the Opposition front bench with him?

Mr. SPEAKER: Order! It is a purely political question and I am not prepared to allow it.

"QUEENSLANDER OF THE YEAR" AWARD TO COMMISSIONER OF POLICE

Mr. F. P. MOORE: I ask the Minister for Lands: As he presented the "Queenslander of the Year" award to Mr. Whitrod,

Queensland's Police Commissioner, at the Country Party ball held at Cloudland during Exhibition Week—

(1) By what means is this award judged?

(2) Has any other person obtained this award after only 12 months' residence in this State?

(3) As Mr. Whitrod has said that this award has given him added confidence, will the Country Party consider amending the award to make it cover the Police Force in general so that its members can share in this increased confidence?

Mr. SULLIVAN: I was simply asked to present the award, which I was very pleased to do.

FORM OF QUESTION

Mr. McKECHNIE (Carnarvon) having given notice of two questions—

Mr. SPEAKER: Order! The honourable member's first question appears to seek information on a matter of law. I will have a look at it.

ORDER IN CHAMBER

Mr. SPEAKER: Order! There is too much audible conversation on my right.

Mr. Davis: I noticed that.

Mr. SPEAKER: The honourable member who interrupted will also be noticed. Standing Order 123A is still in existence.

Mr. BENNETT (South Brisbane) having given notice of a question—

Mr. Aikens: If you had your way, you would turn all the criminals loose.

Mr. BENNETT: After all, you are loose.

Mr. SPEAKER: Order! The honourable member for Townsville South and the honourable member for South Brisbane appear to be reopening their feud. I warn both honourable members that I will deal with them in no uncertain manner if this sort of thing occurs again during question time, either this morning or on any future occasion.

DEATHS OF Mr. N. F. MACGROARTY AND MR. J. A. TURNER

MOTION OF CONDOLENCE

Hon. J. BJELKE-PETERSEN (Barambah—Premier) (11.57 a.m.), by leave, without notice: I move—

"1. That this House desires to place on record its appreciation of the services rendered to this State by the late Neil Francis Macgroarty, Esquire, a former member of the Parliament of Queensland and Minister of the Crown, and the late John Albert Turner, Esquire, a former member of the Parliament of Queensland.

"2. That Mr. Speaker be requested to convey to the relatives of the deceased gentlemen the above resolution, together with an expression of the sympathy and sorrow of the members of the Parliament of Queensland in the loss they have sustained."

The late Mr. Macgroarty, a former representative of the South Brisbane electorate, served only one term in the Queensland Legislature. That was during the life of the 25th Parliament, from 1929 to 1932, in which he shared, with the late Mr. E. A. Atherton, the distinction of being elevated to Cabinet rank upon entry into Parliament. This, I believe, is without precedent in Queensland's political history. Only these two men have achieved this distinction.

Mr. Macgroarty's high repute as a member of the Queensland bar made his appointment as the State's Attorney-General a foregone conclusion at the time, and he justified that confidence by his immaculate presentation and forthright explanation of legislation relating to the administration of justice and the law. He served during a period of acute national anxiety which, to a large degree, accounts for his unusually short experience as a member. At the time his party came to power Australia was caught unrelentingly in the grip of the world economic depression, and his was one of the many Governments to earn electoral unpopularity during those troubled years.

After his defeat at the 1932 poll Mr. Macgroarty abandoned the political scene and resumed his distinguished career, which extended over almost 60 years, at the bar. His passing has grieved a wide circle of friends who will remember him for his warmheartedness, humour and devotion to his family.

The late John Albert Turner, who, like Mr. Macgroarty, died at the age of 83, served continuously through six Parliaments. Quite a number of us in this Chamber today remember Bert Turner, as we used to call him. He was elected, as representative of the electoral district of Kelvin Grove, to the 29th Parliament on 29 March 1941, and he remained as a member till the dissolution of the 34th Parliament on 2 August 1957.

Mr. Turner brought to his party, and to the Legislature, a solid background of industrial experience gained through almost a lifetime of close association with the trade union movement. He also gave much time to community organisations. In his earlier years he formed two separate unions of employees, and subsequently he became a senior official of a third union. After his departure from Parliament he continued his association with organisations working for community welfare, notably the Queensland Ambulance Transport Brigade, of which he was chairman for 20 years up to the time of his death.

Mr. Turner will be remembered by honourable members who sat here with him as a very conscientious and likeable colleague who, in service to others, worked hard far beyond the age at which many people feel the urge for complete retirement.

To the relatives of these two former members, I, on behalf of the Government and all members of this House, extend sincere sympathy.

Mr. HOUSTON (Bulimba—Leader of the Opposition) (12.2 p.m.): I second the motion of condolence moved by the Premier. The late Mr. Macgroarty was known to many members of this House, but to few as a member of it. As the Premier has said, Mr. Macgroarty's time in Parliament was taken up in occupancy of the portfolio of Attorney-General, and there are those who still regard his period in that office as an outstanding one in matters concerning the law. However, I believe that the late member will be most remembered for his work directly associated with the bar, because at the time of his death he was the oldest and longest-serving barrister in this State. I am led to believe that even as recently as two years before his passing he was still active in that profession.

I, along with many other members, from time to time, enjoyed the privilege of meeting Mr. Macgroarty at various functions, and we remember him for his ready wit and the way in which he always had a very quick reply to any statement made, particularly in a jocular vein. It is with a certain amount of pride that we can say we knew him.

Mr. Turner was, of course, more closely associated with many of us in this House. I was not a member of Parliament with him, but his daughter Joan is associated with my office and is known, I am sure, to all honourable members. Mr. Turner and Mr. Macgroarty have one thing in common: they both lived to an age that many of us hope to attain. They were both in their 80's when they finally departed this life.

One can say of Bert Turner that he was a practising Christian throughout his life. He associated himself with human endeavour and human activities. He was not only a member of a church but was also an active worker in church activities. We also know, as the Premier has said, that in his earlier life he formed the Fire Brigade Union, and he also had a close association with the Queensland Ambulance Transport Brigade. In his work he had close connections with the Storemen and Packers' Union, of which he was an organiser from 1924 till 1941. That is quite a long period for a person to be associated with a union and with the problems of other human beings. I believe that the one thing about Bert Turner that made us all appreciate him as a person was his close interest in the problems of his fellow human beings.

When Mr. Turner entered Parliament in 1941 as the member for Kelvin Grove, his activities were again closely associated with people. As all honourable members are aware, when problems developed within the Labor Party in 1957, Bert Turner was one of those who stood by his pledge and remained loyal to the party. Unfortunately, the turn of the wheel of politics brought about his defeat in the 1957 election, but that did not mean that he stopped working for people. He worked for the Queensland Ambulance Transport Brigade and eventually attained the high office of State president of that organisation. At the time of his sudden passing he was the president of the Brisbane district of the Q.A.T.B.

In supporting a motion such as this, one naturally thinks of the families of the deceased gentleman. I am sure honourable members will pardon me if, in the case of the late Bert Turner, I make a personal reference and say on behalf of the Opposition that we trust that both Joan and Pat, his two daughters, will find consolation in the knowledge that their father was well liked and respected by all who had the privilege of knowing him.

Hon. Sir GORDON CHALK (Lockyer—Treasurer) (12.8 p.m.): I wish, briefly but very sincerely, to associate myself with the motion of condolence moved by the Premier. Both Mr. Macgroarty and Mr. Turner were reasonably well known to me.

It is true that Mr. Macgroarty served in this Assembly for only three years; but it is equally true that, during that period, he established a reputation for himself that has kept his name in the minds of all honourable members and particularly those persons who have been associated with the Department of Justice. As the Leader of the Opposition mentioned, from time to time we met Mr. Macgroarty at social functions. He will long be remembered for his outstanding character and wit, and he was invariably beloved by those with whom he associated. In his professional life, he practised almost up till the time of his death.

Bert Turner was a member of the Legislative Assembly of Queensland when I entered this Chamber. He remained here for a further 10 years and departed in 1957, when he was one of those involved in what were referred to earlier as "problems" within the A.L.P. I said that Mr. Macgroarty was a man remembered for his character and his good nature. One could say of Bert Turner also that he will be remembered because of his activities in this Chamber. He was always concerned about the small problems of those he represented. I can recall many little brushes with Mr. Turner when I was in Opposition and he was on the Government benches, but it must be conceded that all the matters he brought forward affected those who might be termed the lesser persons in the community. By his actions in this

Chamber and his great interest in the welfare of those whom he represented, Bert Turner certainly endeared himself to them.

I join with the Premier and the Leader of the Opposition in this expression of condolence to the relatives of both gentlemen.

Mr. BENNETT (South Brisbane) (12.11 p.m.): I certainly should like to be associated with this motion, and support the remarks of the previous speakers about these two gentlemen, both of whom were renowned former members of Parliament who served their State well in this Chamber and continued to do so in other avenues right to a venerable old age.

I had a close association with the late Neil Macgroarty because in many ways our paths were parallel, even though our policies were different. We both attended Nudgee College. Although there was a wide age difference between us, we had a close association because of our earlier history. He subsequently became a very well-respected president of Nudgee College Old Boys' Association, a position in which I followed him many years later. He was also president of the Irish Club. Subsequently he became the member for South Brisbane. Although he served only the one term, he certainly made an impact on Queensland and Australian politics during that time. He served his ministerial office well. I should say that he would be one of only a few Australian parliamentarians and Ministers who have served for such a short time and left such a lasting memory.

As the Premier pointed out, he was a Minister in difficult times. Many demands were made of him, some, to my knowledge, being most unreasonable. Nevertheless, he served with distinction. He was the last qualified lawyer to hold the portfolio of Attorney-General in this State. As we all know, he was defeated by Senator Gair, as he now is, who held the seat until 1960.

The late Neil Macgroarty was a very able lawyer who had outstanding skill with a jury. His ready wit and great sense of humour have been referred to. I had the pleasure and the honour of being in attendance when he and the late Bartley Fahey, who was well known in legal circles over more than half a century, celebrated their 50 years' service as barristers in this State. That was quite a few years ago. However, Neil Macgroarty carried on. His endurance was admired by young and old. He had boundless energy at the bar, and those who rubbed shoulders with him socially admired his great resilience in the social world. He was able to enjoy himself to the full almost to the end of his days.

One of the last public duties he performed as a barrister was to move the admission to the bar of a daughter of Tom Foley, a prominent sporting commentator and radio broadcaster. We remember many of his

colourful expressions, including his reference to a very important instrumentality in this State. I refer to his famous expression, "We will ringbark the Arbitration Court." Because of recent remarks relative to that same instrumentality, his observations were perhaps not without significance. They will long be remembered by those with whom he associated and members who served in Parliament with him.

His name will not be forgotten by those at the bar, because his son, who has already acquired some years of seniority, is practising at the moment. He, too, is a very able and well-qualified counsel. Although the late Neil Macgroarty had a sense of humour and a ready wit he quickly became intolerant of hypocrisy or insincerity and impatient with those who practised it. His rather frank expressions about those guilty of this type of conduct will also be well remembered.

I have also worked very closely with the late Bert Turner, when he as a parliamentarian and I as an alderman of the Brisbane City Council had much in common. We often met to discuss what could be done for the betterment of his electorate in municipal activities. The remarks made about his sincerity and devotion to duty were by no means exaggerated. Like my Leader, I have had the honour and pleasure of working closely with his two daughters—Pat who was the aldermanic receptionist at the City Hall and Joan who works with us at Parliament House.

Bert Turner did not cease to take an active part in public life following his defeat as a parliamentarian. In fact, he increased his public activities, which he performed on a charitable basis and without remuneration. Some for which he will be best remembered were those relative to the Queensland Ambulance Transport Brigade, the Musical Society and the Opera House, and more especially the spiritual and religious field. With others, I had the privilege last Sunday week of attending a service at the Presbyterian Church to perpetuate his memory. He had sent in what he claimed to be an expression or prayer that could be used by those living in our modern society. It was suggested by the clergyman who conducted the service that Bert Turner had said he had taken it from some newspaper article, book, or other authority, but the expressions used in that prayer were such that I believe it was written by Bert himself. It would be well worth remembering by those who are in public life and those who are concerned about the trend and drift in this modern world. He played a prominent part as an elder of the Presbyterian Church.

Although both these gentlemen lived to a venerable age, the State will still be the poorer for their passing.

Hon. S. D. TOOTH (Ashgrove—Minister for Health) (12.19 p.m.): I desire to be associated with the motion now before the House.

With reference to the Honourable Neil Macgroarty, it was my privilege to meet him during the year in which he entered Parliament and the Ministry of that day. The last time it was my privilege to be with him was on the occasion of a social function early this year. Throughout that whole period it was a pleasure to meet him from time to time, to realise his devotion to public life, and to have an appreciation of his erudition not merely in the field of law but in the whole range of cultural activities.

With respect to the late John Albert Turner, I first met him some 15 years ago, and, although by reason of the circumstances of our meeting and early acquaintance it could hardly be expected that at that stage we would engender a very close personal relationship, in the intervening years such a personal relationship did develop. In fact, I developed a very deep respect for him and for his personal qualities, and I sincerely hope that that respect was mutual. I believe that it was.

Mr. Turner was very much a man of the people. He had a wide circle of friends among all groups and all allegiances and all faiths in the local area in which he and I lived. His circle of friends was acquired not merely by a respect for his character but also by reason of the degree to which he was concerned with people's welfare and the measure of assistance and help that he endeavoured to give them from time to time. He was a man of firm principle, of singleness of purpose and of unswerving loyalty to those things in which he believed—to the philosophy that he had espoused throughout his life. He did more than pay lip-service to these beliefs; he expressed them in any practical way that opportunity offered or presented.

As has already been mentioned by the honourable member for South Brisbane, Mr. Turner was a man who was sustained throughout a long life by a deep, simple faith not only in the Christian ethic but in the Christian beliefs about life and death and human immortality—beliefs which I think may be portrayed in these lines—

"Death is another life. We bow our heads

At going out, we think, and enter straight

Another golden chamber of the king's,
Larger than this we leave, and lovelier."

This, I believe, is how it was with John Albert Turner.

Mr. LICKISS (Mt. Coot-tha) (12.24 p.m.): I should like to associate myself with the motion, and in doing so say that I did not personally know the late Neil Macgroarty. Those who have spoken for him and his reputation in this community have shown him to be a very fine statesman and a very fine gentleman. To his relatives, I extend my sincere condolences.

Of the late Mr. J. A. Turner, who was very affectionately known in the Ashgrove area as "Bert", I can say I knew him for more than 30 years. I think it is known that my wife is related to the Turner family, and this relationship gave me an insight not only into the public image of a very fine man who served his State and nation well beyond the normal expectations of any person and for a period of time longer than many of us will be blessed to see, but also into his family life. His was a very close-knit family. Although he has passed on because of his age, nevertheless his passing will be deeply felt by all those who knew him, and particularly by his daughters, Joan and Pat, and I pass on to them my very sincere condolences.

One would be hard put to find something not in favour of the late Bert Turner. He was a very devoted Christian and served his fellow-men to the best of his ability. He realised his limitations, but he was always prepared to give of his best. I suppose that in describing him one could use a very simple term, namely, that he was a good man and, in interpreting the word "good" one could place on it the very richest interpretation.

To the people who have been left behind by these two very fine Queenslanders, I extend very sincere condolences.

Motion (Mr. Bjelke-Petersen) agreed to, honourable members standing in silence.

SUPPLY

VOTE OF CREDIT—\$302,000,000

Mr. SPEAKER read a message from His Excellency the Governor recommending that the following provision be made on account of the services for the year ending 30 June 1972:—

"From the Consolidated Revenue Fund of Queensland (exclusive of the moneys standing to the credit of the Loan Fund Account), the sum of \$128,000,000;

"From the Trust and Special Funds, the sum of \$140,000,000; and

"From the moneys standing to the credit of the Loan Fund Account, the sum of \$34,000,000."

COMMITTEE

(The Chairman of Committees, Mr. Hooper, Greenslopes, in the chair)

Hon. Sir GORDON CHALK (Lockyer—Treasurer) (12.28 p.m.): I move—

"That there be granted to Her Majesty, on account, for the service of the year 1971-72, a further sum not exceeding \$302,000,000 towards defraying the expenses of the various departments and services of the State."

As is customary, it is necessary early in each session of Parliament to introduce a Bill to provide further Supply until such time as the annual Budget can be presented, debated and approved by Parliament.

In the last Appropriation Act, passed by the House in November of last year, Supply for 1971-72 to the extent of \$164,000,000 was granted—\$72,000,000 for the Consolidated Revenue Fund, \$78,000,000 for the Trust and Special Funds and \$14,000,000 for the Loan Fund. The purpose of the Bill now before the Committee is to provide a further sum of \$302,000,000 of which \$128,000,000 is required for the Consolidated Revenue Fund, \$140,000,000 for the Trust and Special Funds and \$34,000,000 for the Loan Fund. The total Supply which will then be available for 1971-72, pending the approval of the Budget, is \$466,000,000—\$200,000,000 for the Consolidated Revenue Fund, \$218,000,000 for the Trust and Special Funds and \$48,000,000 for the Loan Fund. In total, this represents an increase of \$61,000,000 on the Supply available for the corresponding period last year. This increase is necessary to cover the heavy impact of award increases granted in the past 12 months, an escalation in costs generally and a limited expansion of services.

It is also usual, at the presentation of the first Appropriation Bill, to offer some comment on significant events and conditions in the State's economic life as applying at the particular time. Today I propose to make a few comments on the inflationary tendencies throughout the country and the effect that this situation, as I see it, has upon State Government finances.

The fact cannot be disputed that the current rate of inflation is much higher than can be tolerated without concerted effort on the part of Governments and other responsible bodies to bring the economy back onto a more even keel. Wage rises during the past year have been exceptional. From the end of April 1970 to the end of April 1971, the average male award wage in Australia rose by 10.6 per cent., while the average weekly earnings of employees, including over-award payments, overtime earnings, and bonus payments, increased by no less than 13 per cent. in the year which ended with the March 1971 quarter. In Queensland the average award rate rose by 12.8 per cent. to give us the highest average award rate in Australia, whilst our average earnings rose by 14.5 per cent.

As a result of the high wage increases, prices have also risen steeply, the Consumer Price Index for the six State capital cities showing an increase of 5.4 per cent. during the year to June 1971, and it is probably true to say that the full effect of these massive wage increases has not yet worked through into prices.

Apart from the figures I have given in respect of wages and prices, the high level of activity in the economy is reflected by statistics of unemployment (which show that work is readily available in Queensland for almost anyone who seeks it), new vehicle registrations, which are at a high level, and building figures, which continue to soar.

There has been little fall-off in the Australian level of dwelling construction, which reached a very high peak in 1969-70. In Queensland, the boom in dwelling construction continued to gather pace in 1970-71, the number of dwellings completed in that year being 17,836 compared with 17,135 in the previous year, itself a record year.

Mr. Sherrington: There is still a housing crisis in this State.

Sir GORDON CHALK: There is still a demand for housing, and, with a growing State, there will be a continuing housing demand in Queensland. I hope there will be a further demand for homes, because it will mean that more and more people are settling in our community.

The higher rate of increase in wages and earnings in Queensland is, no doubt, due to the surge of development that has taken place in this State over recent years, triggered off by mineral development and industries associated with those developments. This, on top of normal expansion, has placed a strain on our productive resources and has created a climate under which labour is at a premium and wage increases are relatively easy to obtain. This heavy demand upon labour is demonstrated by the fact that during 1970 the average monthly level of registered unemployment as a percentage of the work-force was the lowest since at least 1958 for Queensland, and since 1965 for Australia as a whole.

Mr. Sherrington: We got all this information on the "Dorothy Herbert" question this morning.

Sir GORDON CHALK: Apparently it did not sink in, so it is worth repeating now.

This low unemployment percentage is in spite of the fact that the number of persons available for employment has been increasing at the quite rapid rate of 3.6 per cent. per annum, or considerably higher than the rate of increase in the population as a whole.

There has been an increase in unemployment registrations this year as compared with the same months in 1970, but recent Queensland figures have been affected by abnormal seasonal movements. The high level of vacancies, which almost matches that at the same time in the previous year, indicates that the employment situation in this State is still tight.

The question is whether a State such as Queensland should attempt to retard its rate of growth to take some of the heat out of an inflationary situation. Before taking this point further, let me recall the period not so many years ago when this State had little development and, quite candidly, most of us were sick and tired of the word "potential". Nobody would want a return of those times. The Government has worked hard to encourage development and to ensure that no opportunity is missed. Should we

therefore now slow down our efforts and possibly allow some of the opportunities to pass us by?

I feel that development of our natural resources, along the lines that we have been pursuing, should continue. These are largely directed towards export markets, and the resulting gain in overseas exchange is in the national interest. Any short-term pressure on resources during the development stage will, I am sure, be compensated by future benefits of this nature.

However, whilst I believe that our mineral and associated development must continue to be pressed as rapidly as possible, we cannot afford to ignore the fact that any substantial degree of harm caused to our major traditional export industries, through inability to compete on world markets, could bring about a sudden down-turn in prosperity over a very wide area of the community.

It is well known that inflation has a most unfortunate effect upon primary producers who sell their produce on world markets. Their revenues do not respond to movements in wage levels, and, unless the present trends are arrested or some other adequate way is found to preserve the value of their incomes as related to their costs, it will soon be found that some of our major primary industries have been priced out of the market. The problem of inflation is a very serious one for our exporting industries, and on this ground alone deserves a concerted effort from all sectors of the community to achieve a more stable economy. However, I hope I can show that the State Government is making its contribution to this cause.

Unfortunately for the State Governments, the taxes they levy do not respond quickly to wage increases, so that, the faster wages increase, the more difficult it becomes to balance their budgets. About half of this State's Consolidated Revenue Fund expenditure is disbursed directly in salaries and wages, with the result that our outlays are to a large extent directly affected by movements in award rates. A further proportion of our expenditure is affected by increased costs incurred by contractors and increased material costs. On the other hand, our main taxes—stamp duties, death duties, and land tax—are largely related to movements in property values, many of which have been depressed by the long run of poor seasonal conditions and low market values.

One of the text-book remedies for inflation is, of course, that Government expenditure be curtailed so as to reduce the demands upon the country's productive resources and so dampen the forces which tend to bid up their prices. However, for a State Government, this cannot be done to any major extent. It is possible to defer some staff replacements and to postpone capital and maintenance works for a limited time, but the major responsibilities of a State Government are the very activities that

must be continued irrespective of economic considerations. Not only must we continue to provide existing services, but our citizens—and rightly so—expect improving standards as a natural corollary of the improvements which they experience in general living conditions.

So far as loan programmes are concerned, the State has had no option but to reduce the volume of work carried out. The reason for this is that the Commonwealth would not support at the Loan Council meeting an increase in programmes sufficient to cover rising costs. To illustrate this, for the current year the governmental works and housing programme has been increased by only 4.9 per cent, and the semi-governmental programme by only 4.5 per cent. Obviously, with this increase in money available but with wages increasing some 10 per cent. in 1970-71, the volume of work being carried out must be lower than previously. This lower availability of loan funds is understandable in the present economic situation and, I believe, must be accepted, but it has made the usually difficult task of providing for all our urgent needs even more acute than before.

However, with the Consolidated Revenue Fund it is more difficult to reduce the volume of services carried out. The Government cannot effect drastic changes from year to year in the number of teachers and policemen just to suit economic conditions; it cannot deplete the standard of health services; and it cannot cut down to any major degree the number of staff necessary to administer the various other departments of State Government activity. The services which the State provides are essential in nature and must be provided on a continuing basis. Towards the end of the last financial year we were successful in cutting Consolidated Revenue expenditure by some \$5,000,000—

Mr. Hanlon: Some of that would only be deferring until this year.

Sir GORDON CHALK: Has the honourable member read a copy of my speech? If he would only be a little patient, he might learn something.

We were successful in cutting Consolidated Revenue expenditure last year by some \$5,000,000 by deferring staff replacements and other expenditure, but there is a limit to how far these deferments can go. The honourable member is getting a little ahead of me. Quite candidly, I agree with his interjection. These things cannot be deferred indefinitely. We just cannot continue in that manner.

Mr. W. D. Hewitt: The Industrial Commission accepted a submission in that regard.

Sir GORDON CHALK: The Industrial Commission adopted the attitude that we were shortly entering a new financial year. It was prepared to accept the position up to the start of the new financial year, but said

it was then the responsibility of the Government to measure up to paying what the Commission regarded as just rates.

Mr. Sherrington: I believe that the Commission had some doubts about whether the Government would measure up.

Sir GORDON CHALK: If the hon. member had anything to do with the Commission, I know what view it would have of him.

All States are faced with unexpectedly heavy wage increases in the current year, but so far as Queensland is concerned these have all followed increases given in the South. I doubt whether Queensland can be accused of originating any of the increases, but once they are granted to the rest of Australia we obviously have to follow.

As the States were caught between these increases on the one hand and comparatively inflexible revenues on the other, they sought Commonwealth assistance. The Commonwealth Government, which is responsible for maintaining the economic stability of the country, is, of course, anxious to restrain government spending but, at the same time, the extreme difficulties of the States have been recognised and additional assistance has been given. I shall refer to this assistance in detail when I bring down the Budget next month.

Mr. W. D. Hewitt: That was restricted to funding the deficits, though.

Sir GORDON CHALK: No, not entirely. The assistance that was given was on the basis that most States had a deficit.

As part of the new financial arrangements, the Commonwealth also passed over to the States the collection of pay-roll tax. Separate legislation will have to be introduced to impose pay-roll tax, but I do not propose now to anticipate the remarks I shall make at that time. At this stage I desire to refer only to the increase of the rate of pay-roll tax to 3½ per cent., as it is sometimes said that by doing this the States are fostering inflation.

The first point to note is that the annual Financial Assistance Grants are to be reduced to the extent of collections of pay-roll tax by the States at the current rate of tax. Thus pay-roll tax in itself gave the States no direct additional assistance towards the problems in which they had sought Commonwealth help. As the additional grants the Commonwealth was prepared to grant to the States still left them in an impossible financial situation, it is now history that the States have decided to increase the rate to 3½ per cent. to help them meet their additional costs in what threatens to be their most difficult year yet.

Although the increase in pay-roll tax was therefore unavoidable, it is true that it will add to costs of production and, to this extent, might be termed inflationary. However, at the same time, the effect of additional

spending by the Government is offset by the withdrawal of purchasing power from the community and the consequent dampening down of pressures on the demand side. When the State is in a position where it cannot possibly avoid the expenditure of the funds in question, it is preferable from the point of view of economic stability that equivalent purchasing power be taken out of the hands of the community.

There is one area in which the States are sometimes criticised for not using powers that are vested in them. I refer briefly to price control.

Let me say that I do not believe that an extensive system of price control is an acceptable solution under present circumstances. In extreme circumstances in which other means of combating inflation fail, it may have to be introduced. However, the main attack on inflation is being made through fiscal and credit policies, which are matters of Commonwealth Government responsibility. I am not prepared at this stage to accept that the States should set up costly price-fixing organisations to meet a problem which we hope has only short-term characteristics, particularly when such a means of attack can at best only stifle some of the symptoms of the disease without dealing in any way with its root causes. Inflation has been and is a problem in many countries of the world, but price-fixing has not been found to be a satisfactory means of controlling it. Recent action in the United States to freeze prices has been taken in circumstances of emergency related to balance of payments difficulties, and is intended only as an interim measure while other cures for this problem are developed.

The fact that the problem of inflation is a world-wide one offers some degree of relief to our particular problem in that the whole world price structure is moving upward at a reasonably comparable rate so that our costs and prices are remaining more or less in step with those of other countries. However, it is impossible to foresee what effects the recent upsets in international currency dealings will have on the relationship between prices in Australia and those in other countries, and it must be accepted that the final result could be more difficult trading conditions for Australia and an even greater need to hold our own wage and price structure closely in check. It is pleasing to see that the Commonwealth Government is giving a very high priority to this aspect and has had the courage to bring down a budget with dampening factors very much to the fore, regardless of the unpopularity which might result from its action.

Mr. Hanlon: There have already been price increases arising from it.

Sir GORDON CHALK: I appreciate that, but there have also been advantages.

As honourable members will realise, I have not attempted to deal with the causes of, and the remedies for, our current inflation. As I have indicated, these are matters that come within the sphere of the Commonwealth Government in its over-all control over the state of the economy. However, I have endeavoured to deal with its effects upon State finances and policies.

Mr. Aikens: Do you think industrial action has anything to do with the inflationary spiral?

Sir GORDON CHALK: Undoubtedly. Industrial action has a tremendous amount to do with it.

Whilst we must accept some limitation on the rate at which the State Government can expand its works and services under present circumstances, I trust that present inflationary trends can be controlled without undue restrictions, which would retard the development of this State—and this development is vital for Australia as a whole—and such is the policy that this Government intends to endeavour to pursue.

I commend the motion to the Committee.

Mr. HOUSTON (Bulimba—Leader of the Opposition) (12.56 p.m.): The Treasurer, in reply to interjections made by the honourable member for Baroona, said that the honourable member must have read his speech. I assure the Treasurer that the honourable member for Baroona has not read his speech. The simple fact is that we have heard this type of speech delivered so often by the Treasurer that we know it line by line and what is coming next.

Mr. Sherrington: The only thing changed from time to time was the name of the Prime Minister.

Mr. HOUSTON: He did not name him, because the occupants of that post change so suddenly that the Treasurer would not know who might be Prime Minister today. Federal Parliament could have met again and there could have been another change. The outstanding feature of the Treasurer's speeches, and those delivered by other Government Ministers, is an attack on the workers.

Mr. R. E. Moore: That's not true.

Mr. HOUSTON: It is true. The Government blames wage increases for everything. Today the Treasurer did not say that wages were the cause of the trouble last year, the year before and the year before that; however, over the years when introducing Appropriation Bills he has set the pattern. Each year he puts forward as a new idea the claim that wages are to blame.

I shall compare the sums of money that have been asked for over the years by Treasurers. To begin with, in August 1957 Sir Thomas Hiley asked for a total of \$87,000,000, made up of \$42,000,000 from the Consolidated Revenue Fund, \$30,000,000 from Trust and Special Funds and

\$15,000,000 from the Loan Fund Account. Since then the total sum asked for has grown to \$302,000,000, an increase of nearly 250 per cent. Admittedly, the increase shows that over the period of 14 years wages have increased; but does it not also show that other factors come into it? If, as the Government asserts, wages have been the sole cause of the trouble, then I claim that the Government has done little to grapple with inflation.

In August 1966 this Parliament was asked to agree to an appropriation of \$168,000,000, made up of \$70,000,000 from the Consolidated Revenue Fund, \$73,000,000 from the Trust and Special Funds and \$25,000,000 from the Loan Fund Account. In other words, over the past five years the total sum asked for has increased by 80 per cent. I agree with the Treasurer that a higher sum of money is required to meet the Government's extra costs, but I do not accept his argument that the whole of our inflationary problem is attributable to increases in wages and salaries.

Mr. Chinchin: What percentage would you say?

Mr. HOUSTON: I would say a very low percentage, because the base cause is not the increase in wages. However, the honourable member can have his say later. Whenever he speaks in this Chamber he attacks the workers. If he sits quietly he will get an opportunity to make his own speech.

There is no doubt that trade unions have asked for increases in wages—and rightly so.

[Sitting suspended from 1 to 2.15 p.m.]

Mr. HOUSTON: At the lunch recess I was referring to the relationship between the cost of living and wages. I make it very clear that, although unions apply to industrial tribunals for increased salaries or wages, the tribunals themselves determine what the increases will be. The large increase last year was a Federal determination in the national wages case, and the Commonwealth industrial tribunal is a properly constituted body. As responsible people we must accept that that tribunal made an honest decision on the evidence before it. We must also accept that it will continue to do so unless there is some interference by the Federal Government. It must therefore be agreed that, when wages are increased, the unions have proved their case. I refute the suggestion that wage increases are granted only as a result of standover tactics. That is a reflection on our entire industrial set-up. In both Federal and State fields anti-Labor and anti-union Governments are in power.

The Treasurer referred to the Federal Budget. I have a few comments to make about it. I believe it will do more to cause further inflation than any wage increase in the past. I do not know what thinking the Federal Treasurer or his colleagues devoted to it, but surely they must know

that someone will have to pay the increased cost of basic commodities and services. Businesses being what they are, they will certainly not absorb the increases. The airline companies have already raised their fares, and road transport companies have increased charges. That has been done simply because of the increase in petrol tax.

The Government likes boasting about Queensland being a decentralised State, but how will people living away from the capital city be affected? The prices of commodities transported to those areas will be increased and the primary products produced there will attract extra charges.

I was astounded to read the Press statements of the Premier and Deputy Premier indicating that they were quite happy with the Federal Government and saying that the Federal Treasurer was a brave man.

Mr. Hanlon: The Treasurer congratulated him again today.

Mr. HOUSTON: That is so.

Anyone with any knowledge of former taxation increases realises that they cause costs to increase. Not only will they increase the cost of transport, but they will also increase the cost of services. We cannot divorce the use of motor vehicles and telephone services from business operations, nor can we divorce increased postal charges from business operations, and those matters are completely apart from increased company taxation. It is obvious that every manufacturing concern in Australia will increase prices, and that will be reflected in the cost of foodstuffs and clothing. Naturally, and correctly, the union movement throughout Australia will try to get increased income for its members, because surely it will not be only salary and wage earners who are required to carry the burden of overcoming these inflationary trends.

Mr. Hinze: You have got it back to front. You do not blame Hawke for anything, do you?

Mr. HOUSTON: Of course I do not. As a matter of fact, Hawke has done more for this country in the short time that he has been leader of the industrial movement than the honourable member for South Coast and his colleagues have done over the many years their Government has been in power. There can be no argument about what Hawke has done. He will always be remembered as the man who smashed the price rings, and forced the weak-knee'd Government to introduce that legislation. And he is not afraid to challenge those who are introducing these vicious increases.

Recently, the people of Queensland and of Australia have suffered from large increases in the prices of various commodities. I am very worried—and I am sure every other responsible person is—about how people on fixed incomes and pensions can exist, and, in these days, they do not live; they only exist.

I shall now relate some of the profits that have been made recently by large companies. G. J. Coles & Co. Ltd. made a peak profit this year of \$10,900,000. And the Government says that there is no need for price control, and talks about justice! How can the Government claim that the workers are getting too much money when such a company can make such a massive profit?

Mr. Hinze: Have you applied that profit to its capital investment, or don't you care about that?

Mr. HOUSTON: One of the great problems today is that more can be made by investing money than can be earned by human effort. The day human effort is again the yardstick of wealth in this nation, the better off we will be. In the Budget debate, I shall have time to refer to many matters associated with finance. How can the Government claim it is just that some people can sit back and, without doing anything, watch their money earn 12 per cent. while the worker has to work long hours and apply to tribunals for a fair return and have his wife working before he can buy the necessities of life?

According to recent Press articles, Provincial Traders Pty. Ltd. had a new sales profit lift, and Dunlop Australia Ltd. had a record 15 per cent. increase in profit. The honourable member for South Coast complains because Hawke took Dunlop on, yet it has a 15 per cent. lift in profit. The profits of R. A. Hughes and of H. J. Heinz Co. Australia Ltd. jumped. And Dairy King's profit is massive this year. No wonder the honourable member for South Coast walked out of the Chamber.

The Federal Government decided to increase the tax on tobacco and cigarettes. And what happened? Within 48 hours, the cigarette companies increased the price of tobacco and cigarettes, not by the amount of the increase in tax, but by an amount in excess of that. In other words, because the Federal Government increased the tax on tobacco and cigarettes, the tobacco companies automatically increased their own profits. Surely there is something wrong with a system that allows this to happen. If the Government wants more money, it could be justified in obtaining it in a particular field of taxation. It requires a certain amount of money to carry out various responsibilities, but surely it is completely wrong when companies and others increase their prices and charges by more than the Government demands in extra taxation. Rothmans reported a profit of \$3,800,000. Why cannot this company and others—I am not singling out Rothmans—carry some of the burden themselves? After all, it is their commodity that is being taxed, and the Federal Government believes it can carry increased taxation.

The Australian citizen is being called upon to meet all manner of additional charges under the Federal Budget, which the Premier has said is a good one. There will be a 100 per cent. increase in chemists' fees from 50c to \$1.00. Is that not going to hit the ordinary people, particularly those on smaller incomes? Of course unions will try to maintain the standard of living of those people. Of course they will attempt to obtain wage increases for them. Television licence fees, and other charges, have also been increased. The Federal Budget will increase inflation, unless the Federal Government uses the heavy hand and denies the unions their right to apply to the various tribunals for wage and salary increases.

Tax increases on petrol and diesel fuel mean that transport costs will increase. These increases will have a particular impact upon a State such as Queensland, with its vast areas and long distances. I am sure that country members will have a lot to say about increased transport costs. Yet Esso has shown a profit of \$10,000,000. Is that company carrying any of the burden? Of course not. Despite cost increases, Shell has reported a profit of \$25,000,000. I want to know why those companies cannot carry some of the burden. I do not hear one Government member saying that they should.

Let us now look at some of the other things that influence the cost of living and cause people to seek wage increases. As I have said before, wage increases are the result of other things, and those other things constitute the real problem that has to be tackled. The Government has to tackle the things that cause men and women to seek more money. The ordinary person only wants to be able to live at a standard commensurate with the times. He does not want money for money's sake, merely to bank it or use it for overseas trips every year. He only wants a standard of living comparable with that of his neighbour.

Because of the economic state that has developed over a number of years, workers have to use hire-purchase. On many occasions I have condemned the excessive interest rates that hire-purchase companies are charging. These keep the inflationary trend in motion, and ensure that people who buy articles on hire purchase pay too much for them. Let us look at some of the profit margins of hire-purchase companies. Associated Securities Limited has reported a peak profit of \$4,000,000. The net profit after taxation of Beneficial Finance Corporation increased by 41.76 per cent.

Mr. Lee: What is the percentage return?

Mr. HOUSTON: It is still far in excess of what any honest investor requires for his money. Custom Credit Corporation Limited lifted earnings 31 per cent. to a new record of \$7,200,000.

Mr. Lee: What is their capital?

Mr. R. E. Moore: All these figures are meaningless unless you relate them to capital.

Mr. HOUSTON: The honourable member knows what these companies are charging in interest rates. I am sorry; he would not know. He has so much wealth that he does not have to buy anything on time payment. His private income is so high that his Parliamentary salary is merely a flea bite.

Cambridge Credit Corporation Limited reported a jump in profit of 56 per cent. Mercantile Credits Limited increased profit by 29 per cent., and Australian Guarantee Corporation increased profit by 25 per cent. to \$11,800,000.

Mr. R. E. Moore: That means nothing.

Mr. HOUSTON: Increases of 25 per cent. on last year's profits surely indicate to any honest man that these companies are making excessive profits, yet honourable members opposite are among those who have not done anything to try to curb these profits.

If one wishes to stabilise the wage and salary structure of the nation, one has to stabilise costs, and people will not accept that costs are right and just when they read every day in the newspapers of increases in company profits such as those I have mentioned. The companies have a responsibility, just as I and other members of the community have, and it is completely wrong that, each time there is an increase in taxation, companies should not only pass on the amount of that increase but also make a profit by adding something extra. That is what has happened time after time.

Mr. R. E. Moore: They all have shareholders.

Mr. HOUSTON: I know that the honourable member is a shareholder in many companies, and I am not the least bit sorry for him. He may want to live that way; I do not.

(Time expired.)

The TEMPORARY CHAIRMAN (Mr. Lickiss): Order! For the information of honourable members, the bell will be rung five minutes before a member's time has expired.

Mr. W. D. HEWITT (Chatsworth) (2.32 p.m.): The ardent advocacy of the Leader of the Opposition for the imposition of price control reminds us of another apostle of that doctrine who entered Queensland a few months ago, namely, the Premier of South Australia, Mr. Don Dunstan. He came, he pontificated, he departed, and the converted waxed ecstatic. They believed that he had the answers to all the problems, and that if his attitude could be imposed upon public administration in Queensland all our problems would be solved overnight. It came as something of an anticlimax to those ardent supporters when they were reminded a few days later that the price of bread—surely one

of the most basic commodities of all—is substantially higher in South Australia than it is in other Australian States.

Let me relate this to the fact that industrial turmoil is more rife in South Australia than in any other Australian State. When we look at unemployment figures, we find that unemployment in that State is rising constantly. We then look with some disbelief and suspicion at that gentleman, who presumed to come to Queensland and tell us how to solve our problems.

At the outset of his speech, the Leader of the Opposition put forward the rather spurious argument that whenever Government members criticise wage rises they are attacking the workers. On behalf of all my colleagues, I repudiate that statement out of hand. To criticise wage rises is to do nothing more than recognise the fact that the cost of labour these days is the greatest single component in a cost structure. Therefore, as a natural corollary, an increase in wages must have the greatest single effect upon prices.

I will not ask the Committee to accept my word for that. I refer to the White Paper on the Australian Economy, which deals with this matter at some length. It deals, first of all, with the inflationary pressures, and I think reference to it is timely. The paper tells us that up till 1964 the rate of increase in inflation in this country was quite moderate and compared very favourably with that in the leading Western countries, which even then were under very real pressure. The paper points out that in 1959 average earnings rose by 9 per cent., which was 50 per cent. above the increase in the previous year and the average increase of the previous five years. Even then there were hopes that this might prove to be an off-trend event, but the 6 per cent. national wage increase of December 1970 put paid to that idea. The White Paper then points out that the Consumer Price Index for the last December and March quarters showed that price escalation had effectively reached a rate of 6 per cent. per annum, which is very close to being intolerable.

Looking again at the question of the cost component and the contribution of wage rises, the same paper deals with that matter in a restrained and responsible fashion, and it is timely to quote from it. Making a concession in the first instance, it says—

“Wages are far from being the sole determinant of costs. In the prices of some goods and some services capital charges of one kind and another are the main element. Nor are costs the sole determinant of prices. For goods which are scarce, temporarily or permanently, opportunity profits may account for most of the price. In the prices of most goods and services there is some margin of profit over and above costs as conventionally defined and this margin will often rise more or less proportionately as costs rise.”

Here is the crunch—

“By and large, however, wage costs are the largest factor in costs, and prices will rise in greater or lesser degree if unit wage costs rise.”

That is a simple statement of fact. To express concern about constant wage rises is not to attack the worker at all; indeed, it points out to him that this contributes very substantially to the inflationary turmoil.

Let us look at some of the beneficiaries of such an inflationary spiral. It is timely to point out that, for the financial year recently concluded, Commonwealth funds enjoyed a natural growth, without the benefit of extra taxes, to the extent of \$901,000,000. Of that figure, \$812,000,000 was from increased tax revenue, which represented a 12.9 per cent. increase in tax revenue on the previous year.

Apart from every other consideration, the wage movement into higher income brackets attracts higher rates of income tax. We all express our concern about wage rises, not because we attack the worker but because we are concerned about how inflation will affect him. The simple fact of the matter is that commensurate with wage rises there must be increased productivity. We should all have a vested interest in finding ways to stimulate productivity as wages and other costs increase.

I return to the main theme introduced by the Treasurer today, namely, the first Appropriation Bill in this current session. It would be fair to say that probably no Treasurer has faced such difficult times since the depression years. The contributing factors, of course, are quite different, but the problems are none the less. The contributing factors in the depression years were massive unemployment and depressed circumstances. Strangely enough, some of the problems of the community today are aggravated by the very affluence that we all enjoy.

Today there is much affluence, full employment and great material comfort. The irony of the situation is that the Treasurer must wrestle with problems that he himself can do little to control. He cannot control the causes, but he must pay for the consequences. These causes are many indeed. I refer firstly to the spiralling cost structure, which received fresh impetus from the 6 per cent. national wage case decision last year.

The Treasurer's problems are compounded by the depressed rural conditions, which are aggravated by circumstances of drought. They are also contributed to by contingent factors not yet felt but already anticipated. These include the expected entry of the United Kingdom into the European Economic Community and, in more recent days, the new problems presented by the floating United States dollar. His problems are further compounded by the massive industrial unrest that now sweeps across this nation, sadly, too often not in pursuit of genuine industrial objectives.

With this background we can do little more than sympathise with the Treasurer in the manifest problems he faces, but on the other hand we can congratulate him for the degree to which he has successfully marshalled the State's funds and come through the recently concluded financial year with such a nominal deficit.

The burden of my remarks today is directed to the problems of local authorities, particularly those in rural areas and, more particularly, in the wool areas. It is as a consequence of the depressed rural industries today that local authorities will soon be in a very parlous situation, and some eight local authorities dependent almost entirely upon the wool industry may be faced this year with a situation of complete bankruptcy. To my knowledge this is unprecedented, but it is a problem that will soon have to be faced and it is encouraging to know that the Minister for Local Government is seized with the urgency of it and has made active representations to the Cabinet about it. But I think it is important that we should consider some of the consequences of the bankruptcy of some of the western shires.

We all know that the Local Government Act provides that councils must present balanced budgets; they must offset anticipated income with anticipated expenditures. Last year they had some underwriting in that the Government was able to assist them with their rate income. Apparently it is not possible to do this in the current year and, as the rate income dries up, there must of necessity be a curtailment of works programmes, then a retrenchment of staff, then possibly a further dismissal of key personnel on the administrative side and finally an inability to service loan-redemption and interest payments.

As I say, this is a problem that is quite unprecedented and one that could well face the Government before the end of the current year. Of course, the results are apparent to us all. The immediate and most pressing result is that there is an added disincentive for people to stay on the land, and inability to finance their basic services could well be the straw that finally breaks their backs.

Particularly for shire workmen with no vested interest in an area and no landholdings, there is, in fact, one solution only, and that is to move to the city. The man on the land, with holdings, for these and other reasons, will soon follow suit. In personal terms, for them it is a tragedy. They abandon a quality of life that city people know little about and I, for one, envy the quality of life of the country man. But, for the State, with this influx of country people to the city the problem is not solved; it is simply transferred. I bolster that statement on four bases. I put these to the Committee, and reiterate that the massive movement of country people to the city is ultimately to the advantage of no-one.

First of all, the country people must be retrained and adapted to a way of life to which they are unsuited. Their influx in great numbers will aggravate the problems of cities and impose new demands upon the cities' resources. A sort of multiplier effect will work in that the loss of their labour and spending power hastens the decline of the towns they leave, and lastly the rehabilitation of the rural industries in the event of an economic or seasonal upturn is made more difficult by the absence of these people who have been forced to go to the cities. In simple terms, we have a vested interest in keeping the man-on-the-land on the land. Clearly, then, the plight of rural local authorities, as distinct from that of rural industries, poses a challenge of Herculean proportions and one for which solutions are not easily found. I concede this very readily and I put forward today four propositions for the Government's consideration. I hope they will be looked at sympathetically.

First of all, I put to the Committee the proposition that the time may well be overdue for a comprehensive review of the local government laws to determine whether or not they are unduly restrictive. Secondly, I advance the proposition that we should convene a boundaries commission to review shire areas. Thirdly—and this is particularly important—we should reassess the sources of local authority finance, and such a reassessment should take place at national level. Lastly, and perhaps most importantly, I believe we should consider an approach as a claimant State to the Commonwealth Grants Commission.

Touching upon the last point first, I refer to the fact that possibly we are already close to approaching the Grants Commission, because the Treasurer, in two speeches that he has made in this Chamber, which he will remember well, foreshadowed circumstances that were similar to those existing in South Australia and would probably force us to take the same steps as were taken by that State.

In his speech in July last year on the first Appropriation Bill he was constrained to say this—

“As Treasurer, I have always contended that the per-capita grant received by Queensland should be reasonably close to that received by South Australia, and, with South Australia seeking to go further ahead with special assistance from the Grants Commission, I have called for a special analysis of this State's finances and related statistics with a view to determining what would be the likely outcome if Queensland also submitted a claim to the Grants Commission. If South Australia obtains substantial assistance in this manner, then we will have to consider very seriously our own situation.”

On the same theme, in his Budget Speech on 24 September last, the Treasurer said—

“It is worth commenting that the Commonwealth has left the door open to the less populous States to approach the Commonwealth Grants Commission should they feel unable to provide services at a level comparable with the major States. South Australia has applied to the Commission and has received an initial grant.”

On that occasion the Treasurer was referring of course to the invitation by the then Prime Minister, Mr. Gorton, to the States to have recourse to the Grants Commission if they felt the necessity to do so.

It is important to record in “Hansard” again the sentiments spelt out in the 1936 report of the Grants Commission, when it set out the reasons why States could feel constrained to go to it.

It said this—

“Special grants are justified when a State through financial stress from any cause is unable efficiently to discharge its functions as a member of the federation and should be determined by the amount of help found necessary to make it possible for that State by reasonable effort to function at a standard not appreciably below that of other States.”

I opened this case by dealing with the problems of rural local authorities, particularly those dependent upon the wool industry. If, in the words of the 1936 report, we are unable efficiently to discharge functions, might we not well pose the question of whether or not this also permeates down to local authority level? The local authorities in our State are approaching the stage where they will not be able to service their debts.

The Treasurer's case was related to South Australia's experience. I turn to a document entitled “Commonwealth Payments to or for the States 1971-72”, which outlines the relief that South Australia has now received from the Grants Commission. It shows that in 1970-71 special grants totalling \$18,680,000 were paid, including advance payments of \$5,000,000 to South Australia and \$12,000,000 to Tasmania. Later the document says—

“For 1971-72 the Commission has recommended advance payments of \$7·0 million and \$11·0 million to South Australia and Tasmania respectively . . .”

It would seem that if Queensland does not go to the Grants Commission by the end of the current financial year it will be something like \$12,000,000 behind the grants already received by South Australia. On my understanding of per-capita calculations, Queensland currently appears to be something like \$15 per head behind South Australia in regard to special grants.

I put it to the Treasurer that, by virtue of the problems confronting rural industries, there is a compelling case for Queensland to go to the Grants Commission. I hope my argument will be considered on that basis.

I return to the theme that I sought to develop, namely, that possibly within the next four months an unprecedented situation will arise and rural industries will face bankruptcy. No State can treat this position lightly. I revert also to the three other propositions that I have put to the Government. One relates to an argument in favour of a comprehensive review of local government laws to determine whether or not they are too restrictive. Australian administration is based on three levels of government, namely, Federal, State and local authority, and there should be a high degree of autonomy in each. An inquiry could well show that the hand of government is unduly heavy on local authorities. I believe that we should look critically at all levels of administration from time to time and satisfy ourselves on that score. There is a need for a high degree of autonomy, consistent with accepted principles of public financing and standards of public administration.

(Time expired.)

Mr. HANLON (Baroona) (2.51 p.m.): Since the resumption of Parliament, I have been awaiting the introduction of this legislation with more than ordinary interest, because I felt it might indicate whether the Government had any intention of holding an early election. The Government was extremely concerned about the Federal Budget and the possibility of the Prime Minister's flirting with an early election, until he ran into a sad attack of "Gortonism". If the Federal Budget had turned out to be a fairly soft one, it could possibly have been an indication that the Federal Government would go to the polls at the end of this year instead of early next year, when it could follow up with a mini, horror Budget in February, leaving the Queensland Premier and Treasurer to go to the people of Queensland in its wake. That is possibly why this Appropriation Bill has been introduced considerably later than usual. For reasons that I do not need to expand it is quite apparent that Mr. McMahon, and the Premier and Treasurer, are not at all anxious to go to the public at present. The appropriation that the Treasurer seeks can be regarded only as the normal requirement for the purposes outlined every year. It is a coincidence that this Bill is being discussed in the midst of a very grave international monetary crisis, which I think everyone will acknowledge. The Prime Minister has indicated that he has prepared a statement on the international situation. He does not propose to disclose its contents at present, although he has indicated that he will do so in the next few days. The international situation is so fluid and uncertain that he believes anything he might say may be misinterpreted or may have unfortunate repercussions for Australia.

I wish to remind the Treasurer of a matter that concerned me as I listened to his comments on a television programme

after he returned from his last overseas trip. I think it is relevant to the present international monetary crisis. He made a comment that rather staggered me, although it was not picked up by the Press, relative to the reaction of the financial world overseas to the Australian financial situation and stability of government. He claimed that the position had deteriorated alarmingly compared with previous occasions on which he had been overseas during the regime of Sir Robert Menzies and the late Mr. Harold Holt. I felt that that was one of the biggest backhanders that the Prime Minister, Mr. McMahon, could receive from a State Treasurer on his return from an overseas trip.

I was surprised that it was not picked up by the Press. The Treasurer said that the certainty and surety of financial security in this country had deteriorated significantly and alarmingly under the Prime Ministership of Mr. Gorton and Mr. McMahon (who is claimed by Government members in Canberra, and by some financial circles, to have been an outstanding Federal Treasurer), compared with the position under the Prime Ministership of Sir Robert Menzies and Mr. Holt. That is how I interpret what the State Treasurer said, and I admit that what was said is open to misunderstanding.

This is a matter of extreme concern because the interests of the people of Australia in matters of defence, finance, and so on, are very much the responsibility of the Prime Minister of the day. As the Leader of the Opposition points out, because of what is happening in the Liberal Party and the Country Party in Canberra, we do not know who will be Prime Minister from day to day. At the moment, Mr. McMahon is Prime Minister.

My statement that the interests of the people are very much in Mr. McMahon's hands and depend on his capacity to watch our interests internationally while this financial crisis exists applies doubly so far as Queensland is concerned. The State Treasurer referred, in a Press article in the past day or so, to the grave situation that will exist in the wool industry if there are repercussions in the Japanese textile manufacturing industry; that, if there is a backwash in that industry from the American market, it will come back onto the Queensland wool industry, which is already in dire straits.

Furthermore, I read today that the President of the Nippon Steel Corporation in Tokyo, Mr. Yoshihiro Inayama, was quoted yesterday as saying—

"We have such an enormous glut of raw materials we are having difficulty finding space to store it."

He went on to suggest, possibly as sales propaganda to beat down the prices of people trying to sell coal and other commodities to Japan, that the anticipation of 160,000,000 tons of crude steel in 1975 from Japanese steel mills, which he indicated was the

official Government estimate in 1969-70, could not possibly be achieved and that, in the opinion of his company, one of the major steel corporations in Japan, the likely output would be something of the order of 130,000,000 tons of crude steel. He said that some of the long-term deals were made in the period up to 1970 on the basis of steel production that he does not consider is likely to be achieved. He set a growth rate of only about 7,000,000 tons of steel per annum so far as Japan is concerned.

Again Queensland has a strong interest in this matter. Because of what could happen if this situation deteriorates, the Treasurer should, in fairness to Mr. McMahon and to the Australian people, tell us more about why he considers overseas financial groups do not regard Australia as favourably under Mr. McMahon as they did under Sir Robert Menzies and Mr. Holt.

Sir GORDON CHALK: What you are repeating is what I said, but it is not quite correct in relation to Mr. McMahon.

Mr. HANLON: I am asking the Treasurer to qualify what he said. I pointed out that it was said on television, that it was a remarkable statement to make, and that it is subject to misinterpretation, particularly as it was made during an airport interview. He should clarify the matter because that statement does not reflect very favourably on the Federal Government.

I have a straight question to put to the Treasurer. The Minister for Lands indicated in April of this year the need for additional funds for allocation by the Rural Reconstruction Board. This is a theme that has been developed by the honourable member for Barcoo over a considerable period. On 6 April last, during the debate on the Farmers' Assistance Act Amendment Bill, the Minister for Lands referred to the \$100,000,000 to be shared among the States, and to Queensland's share over four years of \$16,000,000. The Minister said, "It is clear to me that the sum of \$16,000,000 will not do the job." He went on to point out that the Treasurer and the Premier had accepted this amount as an interim sum in order that agreement could be reached with the other States and that the scheme could be got under way, and he said that they were returning to Canberra with a claim for an additional \$10,000,000 because of the specific detrimental effects of drought on Queensland compared with the other States.

The Minister for Lands said that this was a matter of considerable urgency. He also regretted that consideration by the Federal Government had been delayed a little because of the retirement of Sir John McEwen and the change in the Primary Industry portfolio in the Federal Government from Mr. Anthony to Mr. Sinclair. He more or less apologised on 6 April for the Federal Government's delay in answering the State Government's approach for an additional

\$10,000,000 for Queensland because of the specific situation in this State. The Minister also said on 6 April that the Premier had had a discussion with Mr. Sinclair, the Federal Minister for Primary Industry, in Canberra "yesterday". In other words, the Premier had a discussion with Mr. Sinclair on 5 April.

That is fair enough. But I was staggered about six or eight weeks later to see a Press release by the Minister for Lands which stated that he had appointed a committee to prepare a case for the additional \$10,000,000—to prepare a case for something that he said on 6 April had been put before the Federal Government by the Premier and to which an urgent reply was awaited!

Unfortunately for the woolgrowers and all those in need of assistance through the Rural Reconstruction Board, the end of the story was a short announcement, little heralded, that the Commonwealth Government had declined to provide the \$10,000,000. As I understand him, the Premier expressed considerable regret that the Federal Government had rejected the State's request for the \$10,000,000.

Again I return to the comments of the Minister for Lands, the man who knows what the needs are and who is waiting to inject this money into the rural economy. He is the one who said, "It is clear to me that the sum of \$16,000,000 will not do the job." I now put a straight question to the Treasurer: what is being done to do the job? An approach was made to the Federal Government. It has dragged on for some months. It was supposed to be a matter of urgency in April. It has been raised by the Premier with Mr. Sinclair. I suggested by way of interjection that day that as Mr. McMahon, the Prime Minister, was coming here during that week, that would provide an appropriate opportunity to "get on his back" in this matter. The Minister for Lands said, "We may be doing this." The months passed, and eventually Queensland got the "wipe-off" for the \$10,000,000.

I ask the Treasurer: If the \$16,000,000 is not sufficient to do the job, what does he propose to do about getting the job done? Will he make a further approach to the Commonwealth? Has he already done so? Why not tell the people these things? The people who need assistance are desperately waiting for it, and there are many more who probably have not even applied because they are disheartened by the lethargic attitude of Government agencies. If all who need assistance applied, very much more would be needed than the \$10,000,000 that has been refused.

I am reminded by the honourable member for Barcoo that last week Cabinet again indicated its lack of concern for those who are facing problems in western areas by turning down the appeal made by the Minister for Local Government and Electricity for additional assistance to western

shires by way of subsidies for rates. I feel, as a member representing a city electorate, that we are under some misapprehension in imagining that the Country Party dominates the coalition Government of this State. It is certainly not acting in that way.

I have indicated that I accept that the Minister for Lands has put the case for the provision of these funds. He obviously has sought them through Cabinet but has not received them. I ask the Treasurer what he proposes to do about them. Coming on top of all that, we find that other approaches, such as the one for a subsidy on rates made on behalf of the western shires by the Minister for Local Government and Electricity, have been rejected.

In the time remaining, I shall refer to pay-roll tax and the lauding by the Treasurer of Mr. Snedden and the Federal Budget that he introduced. The Leader of the Opposition has already dealt with that matter and indicated in no uncertain terms just how inflationary the Budget introduced by Mr. Snedden is. It will be interesting to see how many other honourable members opposite are prepared to rise in this Chamber and metaphorically slap Mr. Snedden on the back and say, as the Treasurer has, that he has done the right thing in his Budget.

The Budget introduced by Mr. Snedden assumes, as shown in the Budget documents, a 9½ per cent. increase in wages for the year ending 31 March 1972. The Treasurer (Sir Gordon Chalk) referred to a figure of 13 per cent., which he said was absolutely intolerable. If one converts the 9½ per cent. increase in wages to prices, it seems that there will probably be an increase of from 6 to 6½ per cent. in prices for the year ending 31 March 1972. The honourable member for Chatsworth said that a figure such as that was intolerable for the control of inflation. Yet the Federal Treasurer, allegedly trying to combat inflation, introduces a Federal Budget in which he slams on additional charges which, as the Leader of the Opposition pointed out very clearly, will inevitably find their way into the costs of manufacturers and producers and mean additional costs for the ordinary wage-earner, who, in turn, will be obliged to seek an increase in wages. Mr. Snedden has introduced a Budget that will throw additional costs onto the community and, at the same time, has assumed that by 31 March next year wages will have increased by about 9½ per cent. during the preceding 12 months. Is that a satisfactory effort on the part of the Federal Government to curb inflation?

At the local level, what does one find when one looks at pay-roll tax? One of the first actions taken by the State Premiers when the Federal Government handed over pay-roll tax to the States was to increase it by 40 per cent., again sending an inflationary charge through the framework of industry which will eventually find its way into costs and prices and, inevitably, to the Arbitration

Court for a further increase in wages. It is ridiculous for the Treasurer to say that the action of the Premiers in increasing pay-roll tax in that way will not add to inflation.

I suggest to the Treasurer, if he wishes to assist in restraining inflation, that he should seek from the Commonwealth Government—he may not be prepared to bear the burden himself—a subsidy equal to the amount of pay-roll tax for which the Transport Department of the Brisbane City Council would be liable. Honourable members opposite have said on occasions that increased bus fares, and so on, have been a big factor in the increase in the cost of living. If they are genuine in that assertion, let the Treasurer recognise that the Brisbane City Council's Transport Department is a non-business activity of local government.

The Commonwealth Government has indicated that it will subsidise an amount equal to the estimated amount of pay-roll tax payable in respect of non-business activities of local authorities in 1971-72. Surely the Treasurer is not going to tell us that he considers that transport in the city of Brisbane is a business activity of local government. It is a service activity, and that is reflected in every way in the economic returns of that department of the Brisbane City Council. Unfortunately, the service element is suffering a good deal because the council is obliged to curtail its activities as a result of difficulties arising from the deficit it incurs on transport.

If the Treasurer wishes to make a constructive effort to combat inflationary costs, he should recognise that the Transport Department of the Brisbane City Council is certainly entitled to be considered a non-business activity of a local authority and to relief under the pay-roll tax legislation that he will bring before this Parliament in due course, as he has indicated. Let him be "fair dinkum" about endeavouring to combat rising prices.

From reading the Press in recent days it seems that there are some people in Queensland who do not know that the Australian Labor Party in this Parliament has been calling for price control ever since the present Government has been in office. That seems to have escaped the notice of some of the carping critics of the Parliamentary Labor Party in this Parliament. As we have requested the Treasurer time and time again, let him get on with the job of effectively dealing with price exploitation. Let him introduce a price justification scheme, at least in the nature of the Consumer Affairs Bureau, so that if there is an indication of price exploitation there can be a public declaration about it in this Parliament by the appropriate Minister. I would suggest that the Treasurer have the surveillance of prices carried out in the

same area as that where wages are under surveillance, that is, the Industrial Conciliation and Arbitration Commission.

(Time expired.)

Mr. AHERN (Landsborough) (3.11 p.m.): I wish to address a few remarks to the subject of inflation and the effects it is having on the community generally in Queensland today. I was very pleased to hear the expression by the Treasurer that the present rates of inflation as they are applying throughout Australia today cannot be tolerated. I am very encouraged by the more enlightened public attitude to the seriousness of the problem of inflation, and the determination by Federal and State Governments, as well as local government, to do something about the situation as they find it.

The Federal Government recently brought down a Budget that was designed to contain inflation in the community. State Governments throughout Australia are up to their ears in the problem of inflation, and local authorities are particularly aware of it. Those in my area have explained to me the problem that is facing them as the result of inflation. I believe that there is a wider awareness today among the general people in the community of the great damage that inflation is doing to our economy. I am afraid that in the past few years not enough thought has been given to the seriousness of the situation. I am informed that at the present time inflation is running at about 7½ per cent., or, on some estimates, even as high as 8 per cent. To the mathematicians among us, that means that every 10 years the value of money in this country will be halved. To keep abreast of the present standard of living, salaries and wages will have to be doubled every 10 years, which is not a very long period.

The TEMPORARY CHAIRMAN (Mr. Lickiss): Order! There is too much audible conversation in the Chamber.

Mr. AHERN: In the past, insufficient thought has been given to the disastrous effects on a nation's economy of a long period of high inflation. Writers in the International Monetary Fund publication have highlighted the problem of high inflation in the United States of America. They have pointed out that it is second only to total war in its permanent effect on that nation's economy.

Many of the effects of inflation have been outlined during this debate, particularly the effects on trade with other countries of the world. It has to be realised that these are compounding and long-term effects, which will have very serious repercussions on our future export trade.

The position of the pensioner is serious, but it must be recognised by those who have been prepared to study figures on the subject

that over recent years the Federal Government has been able to do much more than offset increases in the pensioner's cost of living by increasing pension payments.

Both primary and secondary producers have been adversely affected by inflation, and they will continue to be so affected. Most of those who are producing within the climate of the Australian economy alone are able to combat the situation at the present time because of today's tariff policy, but there are many within the community on whom a high rate of inflation has a very disastrous effect. Families on fixed incomes, for instance, of whom there are many in my electorate, are seriously affected. Many are retired people who have invested their life's savings at a fixed interest rate which they hoped would maintain them in their retirement. It is very disconcerting to them to know that if the present rate of inflation should continue, the value of their savings will be halved every nine years. This makes it important that they invest in something that will grow with the over-all economic situation and this, of course, has many risks attached to it.

The primary point I want to make in this debate is to emphasise the thought that has been acknowledged by the Treasurer today, namely, that it is the rural industries that will be the worst hit by the present situation. Over the past six years the cumulative effect of increased prices received by primary producers generally throughout Australia has fallen by 7.3 per cent.; during the same period the prices paid by primary producers have risen by 19.8 per cent.

These are particularly serious figures for primary producers. It is just not possible for our rural industries in Australia, across the board, to keep pace with an increase of from 7½ to 8 per cent. Indeed, it is hard for them to keep pace with any increase, but increases such as these, which compound themselves each year, are totally impossible for rural industries to meet.

It is quite out of the question to ask rural industries to meet this situation. This is why those of us who represent rural electorates are at present hearing a hue-and-cry about increasing costs throughout rural communities, and in "rural communities" I include not only those involved in rural industries but also those supporting them.

These cost increases are getting completely out of hand. A recent study in the United States of America pointed out that that country is facing a potentially serious situation as a result of inflation. It claimed that a high rate of inflation in any country creates a high degree of urbanisation of the population. At this stage in Australia, this would be very much to the detriment of our national interest.

I referred earlier, as have other honourable members, to the parlous position in which local authorities have been placed as a result

of inflation generally in the community. It is fortunate that for this year some further very significant help has been afforded to local authorities by the Treasurer with his pay-roll tax concessions, but I believe that if the general problem of inflation is not tackled the local authorities that do not have the growth taxes that are available to the Commonwealth Government will have their very foundations attacked by this trend within the general economy.

Some people shrug off the general problem of inflation and say that it is something we can do nothing about, that it is a world problem and is something we have to live with in an economy that is growing as fast as Australia's. I do not accept such an assertion. Statistics recently published by the International Monetary Fund illustrate the point that over the last 20 years Australia has been one of the world's leaders in average inflation growth. Australia's increase in consumer prices, which can be taken as a fair criterion, over the past 20 years has been 5 per cent.; the increase in Japan has been 5.2 per cent.; in the United Kingdom, 3.8 per cent.; in the United States, 1.9 per cent.; in South Africa, 2.4 per cent.; and in New Zealand, 3.2 per cent.

These figures cannot be totally blamed on the wool boom during that period. It would appear that inflation can be controlled by the fiscal or monetary policies of Governments of the day. For example, the United States Government is currently taking a new initiative in an endeavour to meet the situation that has arisen in that country.

When responsible people are looking at the causes of inflation, it is interesting for them to look at increases that have occurred in wages over the past few years. Honourable members on both sides of the Chamber have referred to this matter today. Over the past five years wage rates in Australia have risen on an average by 3.5 per cent. in 1965-66; 5.6 per cent. in 1966-67; 6.3 per cent. in 1967-68; 7.7 per cent. in 1968-69; and 8.9 per cent. in 1969-70. This morning the Treasurer said that according to the latest report, average earnings in Queensland had increased by approximately 14.5 per cent. The Leader of the Opposition said that Governments were attacking the wage system and claiming that increasing wages were the sole cause of continued inflation. I am not prepared to make that claim, because in 1969 the Commonwealth Conciliation and Arbitration Commission decided to increase wages in Australia by 3 per cent., and in the following year, when it set out to increase wages, it looked at the average increases that had occurred and found they amounted to 8.9 per cent., so it decided that in order to maintain some parity in the wage structure throughout Australia it should award a 6 per cent. increase.

Rising wages are not so much the cause of inflation as a symptom of the current illness from which Australia is suffering.

Labour responds in the same way as any other commodity, and if too great a demand is made upon labour its price goes up. I have no hesitation in saying that too great a demand is placed on labour today and that that heavy demand is the primary cause of a good deal of the present inflationary trend. Of the total wages paid last year, approximately 15 per cent. represented over-time payments. That might indicate that too much pressure was placed on the labour component within the community.

It is interesting to look at the 1970 report of the Tariff Board, in which it said—

"In Australia in the first 10 months of 1969-70 the increase in factory output was slightly below that in previous years despite an above-average increase in the number of factory employees. Consequently the labour productivity gain was down on past performance."

Clearly this is one of the reasons why there is an inflationary trend in Australia today. If the increased spending in one year exceeds the resources of labour and the gross national product, in which the current annual increase is 5½ per cent., inflation is the inevitable result.

I believe that over the past couple of years the entry into industry of mining on the scale with which it has been carried out has been a powerful force for inflation within the community. Mining wages grew from \$142,000,000 in 1964 to \$202,000,000 in 1968. The mining industry has certainly been a big contributor to rapidly rising wages, particularly with the tight schedules that it sets out to adhere to.

I think it is worth looking at what has happened in Government expenditure, because some Australian economists claim that the increase in Government expenditure has been the major cause of inflation. Some figures of interest show that Federal and State Government demand on goods and services has increased by 35 per cent. in three years. That cannot be other than inflationary within the present economy. I compiled some figures on growth in the Public Service which might interest honourable members. Between 1959-60 and 1969-70 the number of Commonwealth public servants increased by 66,482, or 40.81 per cent., with an increase in the pay-roll of \$529,000,000, or 141 per cent. I repeat, the number of public servants increased by 40 per cent. while the pay-roll increased by 141 per cent. Like any other Government authority, the Commonwealth has to meet the market for its technicians and administrators. The increase in the Queensland Public Service over the same period was 11.88 per cent., with a rise of 95 per cent. in the pay-roll. The big increase in Government expenditure during this period placed a tremendous demand on goods and services within the community.

I was disappointed with the general tenor of the recent Federal Budget. I believe that the Federal Treasurer introduced several

increases that might well have been avoided, such as those in the charges for telephone calls, and in postal rates and the tax on petrol, all of which will certainly generate cost pressures within the community and create an inflationary situation that should not be accentuated by Government action.

I have been informed by fruit-marketers in my electorate that the cost of interstate fruit transport will increase by 5c. per bushel as a direct result of the increased fuel charges. It might well have been better if the Federal Government had forgone the additional revenue gained through these avenues and increased the rates of personal income tax, although such an action has proved to be not as satisfactory now in reducing over-all demand as it was in the past. I believe it would have been better to budget for a smaller surplus than to raise additional revenue and thus generate increased inflation in the community.

The time has come for all Governments, both State and Federal, to put their heads together in regular conferences and try to decrease the general rate of inflation in Australia. It must be clearly stated that the Federal Government has excellent avenues available to it to decrease inflation rates. It must not meet the problems caused by inflation merely by taking money from the States. As the Treasurer has pointed out, the States are in no position to introduce new stringencies in their expenditure.

The Federal Government has power to control monetary policies in Australia. Obviously, what must be done in the situation is to relate the over-all demand for goods and services to the resources of the country, both private and Government, and to examine the total situation. Where too much demand appears, the Federal Government, through its fiscal policies, can impose restraint in that section. I oppose any general move to increase interest rates within the community as that, in itself, generates inflation through increased costs.

The general principle of increasing personal income tax as a weapon to reduce inflation has failed both in the United States and in the United Kingdom. In today's modern psychology of mankind, the traditional policies to combat inflation may not be as relevant as they were in the past. Price, profit and wage-fixing are very drastic measures. Price-fixing, as stated by the Treasurer, should not be contemplated in this State at the level at which it has been imposed in South Australia, primarily because it has not worked, and will not work, on that basis.

I stress that primary producers in this country cannot be expected to bear the brunt of the massive increases in costs occurring today. They demand that the State and Federal Governments phase down some of these large increases. They say that the best and most effective way of meeting the situation is for the Federal Government, through its

fiscal policy, to control the demand on goods and services where big problems are arising, and combat inflation in this way. Permanent damage is at present being done to this country by these increases in costs, which our export industries are in no position to stand even in the short term, let alone the long term.

Mr. AIKEN (Warrego) (3.32 p.m.): Queensland, perhaps more than any other major rural-producing area in the world today, depends largely on rail transport. Because we have not developed our seaboard to the fullest extent and have not a river or canal system, rural Queensland is dependent on rail transport and is forced to pay exorbitant rail freights and high charges.

In 1969, when Beckingsale Management Services Pty. Ltd. was commissioned by this Government to investigate and review rail freights, rural producers, particularly grain-growers, were quick to establish their many arguments in an attempt to secure rail-freight justice. The Beckingsale report is now complete, but so far the Government has refused to release details, claiming that much confidential railway information cannot be made public, and giving other evasive answers and arguments that are not acceptable to the grain-growers who have fought a long, hard and bitter battle in an attempt to secure rail-freight justice.

When compared with grain freight charges in other States of Australia, Queensland rates are excessive and, in most cases, completely unreasonable and cannot be substantiated. Most of the other States, for example, have a tapering freight rate over longer distances. In Queensland, this is not necessarily the case. At the annual conference of the Queensland Grain Growers' Association to be held this week, half of the 140 resolutions to be discussed will centre on the problem of rail freights and their inequities. In the past three years at least three top-level talks between the Government and the Queensland Grain Growers' Association have focused on rail freights. Although the facts and figures submitted by the association have not been refuted or denied, the association's requests have been refused point-blank.

Surely the interests of the grain-grower and his attempts to remain viable in the interests of this State as a whole are important to the Government. Unfortunately, public relations are not on the side of the rural producer, who gained an unfortunate image with the public during his more affluent years. Today, people are becoming more aware of the true position, and the Opposition has surely punished the Government enough for it to realise fully that all is not well in the primary industries. No longer is the heavily burdened rural producer able to carry the main load of the economy of this State, and he must be given much more understanding and assistance from the only possible source, namely, this

Government, if he is to maintain and revitalise the failing primary industries. Leaving aside the unfairness of the heavy freight burden on grain-growers, concessions must be allowed to primary industries. What better place for the Government to start than the already excessive rail freights?

Many people on the land today are living under conditions of unbelievable hardship and poverty, and surely the Government must realise that no longer can the grain industry afford sky-high rail freights. The difficulties faced by men, women and children on the land in rural areas generally constitute a serious social problem, and one that will not be solved by the Government's refusing to recognise at least common justice. The community as a whole, whether it realises it or not, is indebted to the rural community for its productivity and export-earning capacity. It is the rural community that is responsible for the general affluence and high standard of living as we know it today. More positive measures than those shown to date by the Government are needed. Concessions more comparable with those granted to other sections of industry should be given to primary producers, particularly in rail freights. It is high time that the Government gave a lead to rural industries, and granted them rail-freight justice.

Of course, the outlook for primary industry is not all gloomy. Wheat and sorghum exports, in particular, are rising. This, of course, points to greater business for the railways. But to rehabilitate and reconstruct the grain industry, rail concessions are essential. Markets will always be available—the world must be fed—but we must not price ourselves out of competition, and one section of industry must not be allowed to prosper at the expense of another. This is seen to be happening today when one compares grain-growers with those in other sections of industry. This has always been the case in the past, with the creaking secondary industries being oiled at the expense of primary industries. There will always be an agricultural future for this State. But, I ask, will there always be a mining future? Surely, in the light of reasonable argument, let us protect and preserve at least our basic industries. Give justice to those who have earned justice. I implore the Government to use reasonableness, for in their irresponsibility is the threat of political annihilation.

The Premier, in his negotiations with grain-growers on freight reductions, attempted to obtain the best of two worlds. The freight rate on wheat from Kingaroy, in the Premier's electorate, to Pinkenba is \$9 a ton, but on other grains and peanuts it is only \$6. No wonder wheat-growers are hostile and threatening political action. The Minister for Lands recently stated that grain-growers would be out of their silly minds to throw their support behind the Labor Party to form a Government from which

they could obtain rail-freight justice. I point out that it took a Labor Government to pick up and rebuild the shattered fragments of the rural industries of this State after the wreckage caused by the last Tory Government in Queensland. I refer particularly to the Moore Government.

For good measure, let me point out that wheat acreages in Canada are expected in the coming season to be 50 per cent. greater than they were last year. In 1972 the United States is expected to lift its quota restriction on wheat acreage, and thus Australia is under the threat in the future of increased world competition for wheat markets. Costs must be slashed and markets gained and held, and rail freight concessions must be allowed to give Queensland its chance to share in the grain markets of the world.

In many instances secret contracts have been entered into between the Government and private enterprise. But there are certainly no secrets in the grain freight rates. They are unnecessarily high, and I believe that they are kept high to subsidise the secret deals and also the cheap mining-oriented freight concessions extended on a golden platter to foreign-based overseas corporations. Although arguments are undoubtedly valid relative to all facets of rail freight over-charging in the rural areas, it is difficult to realise the blatant and arrogant disregard that the present Government has shown to the grain-growers of this State. What amount to insults and contempt have been shown to grain-growers as attempt after attempt has been made to get Government reasonableness and understanding and to obtain freight justice. Calling for the Beckingsale report was regarded by grain-growers as a Government attempt to bring justice; but, although the report is complete, the Government has refused to release details and has merely stated that the report shows that grain freights are fair and reasonable. Surely at least the particular section of the report relating to grain freights could be revealed to grain-growers. But no, the Government has refused all requests for details. If the Government has nothing to hide, surely no harm can be done by releasing certain sections of the report. In the light of events, grain-growers and other interested parties can only construe the position in the worst possible light. The Government must have something to hide.

The grain-growers believe that if the costing reports released by the Railway Department are accurate, what amount to excessive profits are being derived from the haulage of wheat and other grains. The Premier has stated that the Beckingsale Report has substantiated the fairness of present grain freight rates and that no reductions are justified in the foreseeable future. That means that when the Budget is presented next month the position will remain exactly as it is. Grain-growers have presented strong arguments that improved efficiency of railway services

claimed by the Railway Department should increase profits and should assist them in gaining rail freight concessions, but the Premier has flatly refused to consider any reductions.

Drought years, and last year in particular, have seen wheat production at its lowest level for many years. This, coupled with commodity price recessions, has left grain-growers in a very precarious financial situation. The grain-growing industry, like all sections of primary industry, is a proud industry. Grain-growers are not looking for hand-outs, but they do need consideration and the attention being given to encourage other avenues of industry. I refer particularly to secondary industries and the mining industry.

In January 1969, the Premier announced that the Government desired to reduce freight rates and that an investigation would be made with that idea in mind. The Beckingsale report has been received, but its contents are still a closely guarded secret. According to the Treasurer, if rail freight concessions are given to grain-growers, added costs to balance the Budget must be passed on to other sections of industry. No wonder the cost-price squeeze has caught up with primary producers. Here we have a prime example of grain-growers having to pay maximum freight rates while coal freights, for instance, are charged on the basis of cost plus a small percentage of profit.

Some day, I hope, this stupid Government will realise that we cannot eat coal, and that the more we export the less we will have. Grain, however, can always be replenished and will always be in demand. The Opposition has continually warned this Government that any downward turn in the economy of the mineral markets of the world would leave this State in a financial vacuum. It has warned the Government that the State's agricultural industries are withering because of the lack of Government understanding and concern. For years grain has received anything but favourable treatment from this Government. Compared with the many secret deals and favourable contract rates negotiated with other industries, the treatment of the grain industry has been very poor indeed. Grain freight rates from Dalby to Pinkenba, for instance, are in the vicinity of \$9 a ton while coal freight rates over a corresponding distance are less than \$2 a ton. According to the Premier this is fair and equitable. Who can blame grain-growers when they refuse to see things in this light?

The inevitable conclusion reached by grain-growers is that they have been refused justice and that their only alternative, if they are to overcome the problem of rail freights, is political action to displace the present Government. The grain-growers are firm on this point. They will demand political action. In the light of the importance of the grain-producing industry, as a food-producing industry and as a producer

of valuable overseas dollars, the freight rates should be comparable with the concessions given to other industries.

Although it is agreed that the railways can hardly afford to run at a loss, how could any Government justify heavy cost charges to one section of industry while allowing concessional advantages to other industries? Rail concessional freights have been extended to exporting manufacturers in provincial cities and country areas, with allowance for raw materials carried by rail and used in the manufacture of exportable goods. Here again we have a prime example of consideration being given to one section of industry at the expense of another. It is history how over the years the primary industries of this State have had to carry the burden imposed on them by the secondary industries and the mining industry. Why is there such unfair discrimination against the grain industry and rural industries generally? Why should one industry be exploited and despoiled to the advantage of another industry? Where is the justice in this? Where is the reason for it?

Tomorrow, when the Queensland Grain Growers' Association meets in Dalby, I feel sure that if we cock an attentive ear to the West we will hear the rumblings and roarings at that conference. They too are asking, "Where is the justice? Where is the reason? Where is the statesmanship? Where is the application of decentralisation? Where is the encouragement to viability and the capacity of people to produce in a world that wants us to produce?" I conclude by saying that this Government has much to answer for (and one day will answer for), to those who will ultimately judge it and find it guilty, namely, the people of this State.

Mr. NEWTON (Belmont) (3.50 p.m.): I enter this debate to deal on behalf of the Opposition with a matter mentioned by the Treasurer when introducing the Appropriation Bill. He said that certain grants have now been made by the Commonwealth Government to assist the housing position in the States. In the housing of our people, Queensland is faced with a very serious situation.

We on this side can well recall that back in 1962, when the number of applicants for State rental accommodation was just over 2,000, we pointed out to the then Treasurer, Sir Thomas Hiley, who was also Minister for Housing in this State, that the Government of the day would have to watch its actions if it was to make sure of being able in the future to house the people who needed rental accommodation. However, it seems that our words on that occasion went unheeded by the Government because today in this State we are faced with a very serious situation. At 31 March 1971 there were 5,346 applications for State rental accommodation lodged with the Queensland Housing Commission.

Mr. Sherrington: The position is no better now than it was in 1957.

Mr. NEWTON: It has become worse. Such a serious stage has now been reached that somebody has to remind the Government that it must do something urgently to overcome it. Of those 5,346 applications, 4,261 are from the metropolitan area and 1,085 from the rest of the State. Irrespective of what this Government may have done relative to State rental accommodation, and it will probably say that it has provided such accommodation on an employer-employee basis, if we take into consideration where these houses have been provided, we get a clear indication that much more will have to be done about applications lodged outside the metropolitan area.

The increased grants by the Commonwealth Government are apparently divided into about five categories. In respect of the first, the Commonwealth Government has indicated that it will make direct grants to the States to help provide housing for people in lower-income groups, but what is meant by this? At the present time, as we did when we were the Government, we regard people in lower-income groups as young married couples, married couples with families, pensioner couples and widows.

During our term as the Government, irrespective of the time a bread-winner had the tenancy of a house, his widow was allowed to remain in that house. No move whatever was made to shift her out of that accommodation. However, because of the serious situation confronting it, this Government is endeavouring to persuade widows to accept alternative accommodation. Luckily for some widows, they have drawn this matter to the attention of members of the Opposition, who have acted on their behalf, and they have been allowed to remain in their houses. Is it not only right that widows who have raised families should be allowed to remain in their homes and not be forced to accept alternative accommodation?

The Federal Government has indicated that it will increase the maximum loans available, but it is doing that only because of the matters that were raised both in this Chamber and in Federal Parliament by members of the Labor Party. Opposition members in both Parliaments have referred to the shocking position that has existed in Queensland for some time. We want to know if the Government is going to endeavour to overcome the serious situation that confronts it. Let me make it quite clear that, even before the Housing Ministers met, both the present Minister for Works and Housing and the Opposition indicated that a total of \$10,000,000 would be required over the next five years to meet the applications that have already been lodged, without allowing for those that would be lodged in the future. I remind honourable members that the number of applications has increased tremendously since rent control was lifted in Queensland.

The Commonwealth Government has announced that it will introduce a scheme to house pensioners in units, and the scheme in Queensland will be controlled by the Housing Commission. Although the first groups of units being built at Holland Park, Inala, Mt. Isa and one other place in Queensland will not be completed until the end of next month, 377 applications have been received from pensioners for unit accommodation. That figure is made up of 274 applications from single aged pensioners and 103 applications from aged pensioner couples. Those people have made applications because they have been forced by the lifting of rent control to leave their present accommodation. In the eyes of aged pensioners the Government has committed an unpardonable sin; it has forced many of them out of their homes.

The Commonwealth Government also said that it proposes to make a non-cumulative grant of \$1,250,000 each year for the next five years to assist the States in reducing rents for families who are regarded as being in need of this assistance. Honourable members will recall that under the 1946-56 agreement a rental-rebate system was introduced in Australia by a Labor Government. It was known as the Chifley rental-rebate system. Since the Tory Government has sat on the Federal Treasury benches, that rebate system has not applied to any agreement renewed by that Government. However, such a system was recently extended to the 1956-61 agreement.

This matter was raised on a previous occasion and the Commonwealth Government said that Queensland was getting its money at an interest rate of 1 per cent. lower than that paid by other States so that this State could do something for families who occupied State rental accommodation and who, as a result of either unemployment or sickness, needed assistance. When we challenged that, we were told that since the introduction of the new agreements—they are introduced every five years—the 1 per cent. was used not as determined by the Commonwealth Government, but to reduce the rental paid for new houses built under the various Commonwealth-State agreements that had been implemented since then. We want to ensure that this money is used to relieve the situation confronting quite a number of people on low incomes in Queensland.

My next point relates to the allocation of housing advances. It has been said time and again by Opposition members that a State under any Commonwealth-State housing agreement should not be responsible for providing housing for defence personnel from funds made available to it. Ever since Queensland became involved in the Commonwealth-State housing agreements, it has had to set aside 5 per cent. of its housing funds for defence personnel, apart from the money that has to be allocated to co-operative building societies. At last

somebody has taken notice of our statements, but no credit is due to the former Commonwealth Minister for Housing, Dame Annabelle Rankin, or to the present Minister. Even though they are Queenslanders, they were more silent on housing matters than on many other matters for which they were not responsible.

Mr. Sherrington: Who is the Minister this week?

Mr. NEWTON: There are so many rumours abroad, we do not know. The turmoil in Canberra is such that Jim Killen could be appointed. I just do not know.

The next matter I want to raise is the necessity to help Aboriginal people in Queensland. Mr. Snedden stated that \$14,300,000 would be made available from the Aboriginal Advancement Trust Account, mainly for special programmes of housing, education and health. He also stated that that was an increase of \$3,100,000 or 28 per cent. on the previous allocation. On my second visit to Thursday Island and the adjoining islands, I was shocked to note that in all areas Aborigines and Islanders received houses different from those provided for the white people. That is contrary to the professed aims of Government, namely, that our Aborigines and Islanders be assimilated in the community and that they share all the benefits and privileges of the white people. No matter where I went, I saw different houses provided for these people not only by the State Government, but also by the Commonwealth Government.

An Opposition Member: That is really discrimination.

Mr Lee: That is definitely not true.

Mr. NEWTON: The member for Yeronga said that my statement is definitely not true. I can only say that we heard that the honourable member had been up there. If he has been up there again and did not see these things, he must have gone around with his eyes closed. In a three-bedroom house, the bedrooms open onto a veranda, not into a hallway. The planning of these houses is a disgrace. These people should be given the type of dwelling that is provided for Europeans in those areas. In addition, they should be equipped with private laundry and toilet facilities. Some of the older housing estates still have community laundry and toilet facilities.

The Opposition views with alarm the serious situation that exists at the moment with State rental accommodation. Every day of the week Opposition members receive several telephone calls and letters asking for assistance with applications for State rental accommodation or for other assistance to overcome accommodation problems. The honourable member for Salisbury probably holds the record for the number of telephone calls and letters.

Mr. Sherrington: The last one came from a person living in the Yeronga electorate.

Mr. NEWTON: I would not be surprised if it did. As the shadow Minister for Housing and a person who is well known in the building trade, I receive applications from all over the State.

The situation is serious, and the Government will have to adopt a policy similar to that of the A.L.P. I do not condemn the principle of home-ownership because this has been broadened in many fields, and Opposition members agree that it has put many people into their own homes. However, I condemn the present situation with State rental accommodation. When we were the Government, our record, not through the co-operative building societies, but through the Queensland Housing Commission, was 2,500 homes in one year.

Mr. Hodges: There is now a pretty good record of home-ownership through the building societies.

Mr. NEWTON: My time has nearly expired and I want to get these facts on the record. Of the 2,500 homes built under Labor, 60 per cent. or 1,500 were made available for rental, and 40 per cent. or 1,000 were made available for home-ownership. That is not a bad achievement. It is true that the Government has reversed those percentages, but it has done so at the expense of people who, because of their low incomes, cannot afford to purchase homes. There is a job to be done, and if the Government cannot do it, it should vacate that side of the Chamber so that we can get on with it.

Mr. SHERRINGTON (Salisbury) (4.9 p.m.): I wholeheartedly support the remarks of the honourable member for Belmont. I enter the debate because of the Treasurer's references to the marked increase in home-building in this State and to the inflationary trend in our economy, and his weak excuse for the Government's failure to introduce price control.

Whilst honourable members opposite shy away from price control by Governments, at both State and Federal level they were content to allow private price-fixing arrangements to operate day by day, and it was not till Bob Hawke, on behalf of the A.C.T.U., took on the Dunlop company over resale price maintenance that Mr. McMahon suddenly made a statement that he was getting ready to deal with this problem. He, of course, introduced a measure that provides exemptions if it can be proved that resale price maintenance benefits the purchaser.

Before dealing with this aspect of the Treasurer's speech, I want to support my colleague the honourable member for Belmont in his remarks concerning housing in this State. Like the honourable member, I say that there is an acute crisis in low-cost housing in Queensland today. This has been brought about by the changing policies of a succession of Liberal-Country Party Governments in Canberra, which have been

agreed to by Country-Liberal Governments in this State. I want to refer briefly to the speech made by the late Honourable J. J. Dedman, who, as minister for Post-war Reconstruction, said—

Mr. Hodges: "Make a lot of little capitalists".

Mr. SHERRINGTON: The Minister does not like having these things quoted.

Mr. Hodges: That is what he said.

Mr. SHERRINGTON: The Minister would go back to King Canute if it suited his purpose. He would quote anything at all. I have heard all sorts of statements by Government members about what Bob Hawke is, and what he is doing to this country. As a matter of fact, about the only thing they have not blamed him for is the pregnancy of Bernadette Devlin! It is quite obvious that Bob Hawke, who has the full support of the Labor movement throughout the length and breadth of Australia, is making serious inroads into the staid thinking of Liberal Governments of this country. When they cannot answer the cold and calculating logic of men such as Bob Hawke, they resort to the oldest political trick in the book, which is the political smear and character assassination.

Mr. Porter: His alleged popularity showed up in a recent poll.

Mr. SHERRINGTON: I do not know which poll the honourable member is talking about. If it was a Liberal Party poll, what he says may be true, but I suggest that any poll taken in the Labor movement throughout this part of Australia would clearly establish the esteem in which Bob Hawke is held.

Mr. Porter: I am referring to the one published by "The Australian".

Mr. Tucker: The honourable member does not poll too well at Liberal conventions, either.

Mr. SHERRINGTON: No, of course he does not. He looked like being out at one time, and he alleged that the ballot was rigged.

Mr. Porter: You are behind the times.

Mr. SHERRINGTON: There were a lot of discrepancies in the ballot with which the honourable member was connected, and he challenged it. However, let me return to what I was saying.

What Mr. Dedman introduced was one of the greatest social measures concerning housing that this country has ever had the privilege to witness. He said—

"The Bill which I have the honour to submit for the consideration of the House today is an important piece of social legislation. It will provide a means whereby a full-scale attack can be made on one of the worst of our social evils, namely, the bad housing of the Australian people."

He went on to enumerate those who were gravely in need of low-cost homes. He went further and said—

"But the principal deficiency in Australian housing policy to date has been in respect of good standard houses to be let at rents within their capacity to pay, to families who cannot afford, or are not ready, or on account of their occupations do not desire, to purchase homes."

Later he said—

"We consider it essential that, in Australia, the governments should accept responsibility for ensuring adequate housing of the people, especially the low-income group. This will involve supplementing on a large scale building undertaken by private enterprise."

In referring to this as one of the greatest pieces of social legislation introduced in Australia, I, like my colleague who has just resumed his seat, am aware of the great benefits that the rental-rebate system, which was part of the agreement, afforded not only to people on low incomes but also to people who, because of illness or incapacity, could not meet the economic rental of the dwelling. That agreement, which lasted from 1946 to 1956, had as its standard low-cost rental homes, with the added advantage of rental rebates when the tenant was under financial handicap. Unfortunately, when the agreement came up for renewal under the Menzies Government in 1956, and in subsequent agreements that were signed in 1961 and 1966, the rental-rebate provision was removed, and today there is a dearth of low-cost rental homes for people on low incomes or people under the handicap of incapacity to earn.

The honourable member for Yeronga, who has been very vociferous in the Chamber this afternoon and who accused the honourable member for Belmont of not having his facts straight, apparently comes from an area that does not have problems of that type, or he fails to answer his correspondence or telephone calls relating to Housing Commission problems. I assure the Committee that there is a crisis—a severe crisis—in housing in this State and that, irrespective of any figures that the Treasurer may trot out relative to increased building, the plain fact of the matter is that the Government has not accepted, and is not meeting, its responsibility, in terms of the Dedman legislation, by providing housing for people on low incomes in this State.

If the honourable member for Yeronga, or any other honourable member, has any serious doubts about what I am saying, I invite him to join me in my electorate and witness at first hand the number of people who either telephone me or come to my residence each day of the week, including Sundays, all of whom are in need of housing but are unable to pay the high private rentals that are being demanded since the abolition of the Fair Rents Court or are

unable to purchase their own homes because of the deposit gap between the finance they have available and building costs.

I recently kept a record of the number of representations I made on behalf of people in need of homes. I submitted 36 letters in a fortnight to the Queensland Housing Commission, all from people who had genuine cases. The Treasurer can check on this statement if he likes, but I am advised that one-third of the letters that go to the Housing Commission seeking accommodation come from me. I have had that figure checked out. Maybe I am carrying the burden of some Government members adjoining me who do not attend to their electorate affairs. On speaking to my colleagues on this side, I learn that their experience is similar to mine. I could almost bet that before I go to bed tonight I will have three or four telephone calls from people who are seeking rental accommodation in Brisbane. That goes on day after day, including Saturdays and Sundays.

Mr. Hodges: You are pretty successful in your representations.

Mr. SHERRINGTON: I would not say that I am successful.

Let me make it clear that I have no criticism of any person connected with the Housing Commission. I have a tremendously high regard for the Commissioner, his deputy and all officers down through the ranks in the letting section, the finance section, the arrears section and right out into the field, even those men on maintenance. I believe that this State can be justifiably proud of the organisation that has been built up within the Queensland Housing Commission since its inception following the negotiation of the Commonwealth-States Housing Agreement. I have a tremendous admiration not only for the ability of these people but also for the sympathetic manner in which they deal with the problems that beset constituents who are seeking housing accommodation. Possibly there is no set of public servants more frustrated at the present time than the employees of the Queensland Housing Commission. They exert a tremendous effort in trying to satisfy the demand for housing. They do all they can to satisfy the housing demands of deserted wives. I understand that at the present time there are about 500 applications before the Commission from deserted wives.

These officers do all they can to satisfy the accommodation demands of low-wage earners. How frustrating it must be to them. In a State that has been repeatedly likened to a great slumbering giant awakening—it goes right back to the days of Frank Nicklin—in a State that has been spoken about in glowing terms by successive Treasurers right up to the present one, in a State that was progressing, except when it suited their purpose to introduce the problems of drought to explain away their misdeeds, after almost 15 years of blight of

Country-Liberal government, Housing Commission officers are required to operate on a priority points system which, in effect, provides housing only for those people who are facing eviction or are under notice to quit.

And so it goes progressively down the scale of priorities—families living in premises condemned by local authorities, families separated, families adequately housed and not facing ejection. Where people are adequately housed and are not facing ejection they are unable to meet the 100-point priority requirements of the Housing Commission.

Mr. Houston: People living in substandard accommodation because they cannot afford a higher rental.

Mr. SHERRINGTON: That is so; people living in caravans because they cannot afford to rent a house.

Mr. Hodges: What about Victoria Park?

Mr. SHERRINGTON: I do not dodge Victoria Park or any other housing settlement, but if the Minister is fair and honest he will concede that that was in the immediate post-war period.

Mr. Hanlon: There are scenes now that are just as bad, but they are scattered.

Mr. SHERRINGTON: I was coming to that point.

Will the Minister tell me how many people today are living with their in-laws? How many people are crowded into housing accommodation because they do not qualify under the priority system? Just as the poverty polls showed that there are 600,000 families in Australia living in poverty we in Queensland have the same thing—poverty behind the lace curtains. This Government, through its housing policy, has overcrowded accommodation hidden behind the curtains, overcrowded accommodation to which people have been driven by the Government in its desire to show that it has eliminated temporary dwellings. The Government has forced people into sharing homes with relatives. It does not consider this overcrowding of dwellings a social evil meriting a 100-point priority.

I am sympathetic to the Housing Commissioner and his staff, but it cannot be denied that the only person who can obtain a Housing Commission home today is the person who is under notice to quit or who has had a summary ejection order served on him—and perhaps the 500 deserted wives in this State who have applied for accommodation. Anyone who is sharing accommodation with a family, anyone who cannot afford accommodation—I know many cases of people on an income of \$56 a week, with two or three children, who are paying \$20 a week for rent—does not attain a No. 1 priority for housing.

Mr. Hodges: What about all the representations you have made to the Housing Commission? Do you say that the results you have received were all on behalf of deserted wives?

Mr. SHERRINGTON: No, not all of them. If the Minister wants to advance that argument, let me say that I am now realising to a much greater extent that it is only those who are facing eviction and widows who have much hope of getting accommodation. Other classes of people for whom I obtain accommodation are getting fewer and fewer. If the Minister wants to say that I get many houses from the Housing Commission, it is only because I put in one-third of the total representations made by the whole 78 members of this Chamber, and I challenge him to disprove that statement.

Mr. Hodges: I am not disputing it.

Mr. SHERRINGTON: The reason I say that the Government is not overcoming the present situation is that it has departed so far from the original intention of the Commonwealth-States Housing Agreement that it has got away from providing low-cost homes for those who need them. The Government is using these funds to build houses for industry in order to get co-operation from Comalco and other big companies.

Mr. Hodges: They are built for the workers.

Mr. SHERRINGTON: These wealthy companies could well afford to provide housing for their own workers. We remember the early days of Moura, when the company "bludged" on the Government and Mr. Justice Gallagher was bitterly critical of the conditions that existed.

(Time expired.)

Mr. BENNETT (South Brisbane) (4.29 p.m.): I do not propose to speak at length at this stage of the debate. I wish to advert to only one matter, because I think it is of extreme importance at the moment, particularly as it deals with the Treasurer's duties and the state of the economy as it relates to the devaluation of the American dollar. This is a golden opportunity for the Treasurer to tell us about the devaluation of the United States dollar and what it means.

Sir Gordon Chalk: Don't you read "Sunday Truth"?

Mr. BENNETT: I read a lot of newspapers. Sometimes I even read the "King's Cross Whisper" to see how often the Treasurer's name appears in it.

It has been said that the United States dollar will be worth an uncertain amount, but no indication is given of the exact percentage of depreciation and what it will mean to the gold standard, on which the economy of the Western world is largely based. As well, Press reports have told us that the United States dollar is "afloat", whatever that might mean; so, in view of

the fact that in recent years the taxpayers of Queensland have so often been saddled with the expense of sending the Treasurer to the United States to confer with American financial officials, I thought he might have taken this opportunity of telling us of the discussions he has had about the devaluation of the dollar, which means so much to Australia.

The recent Federal Budget, which has had far-reaching repercussions on this nation's taxpayers, has combined with the devaluation of the United States dollar to bring about a fairly dangerous situation in Queensland's economy, so surely the Treasurer has a bounden obligation to tell us about it.

We are aware that a large sum of American money is invested in Australia and that proposals have been put forward for the investment here of additional American finance. We are also aware that both the Reserve Bank and the Loan Council have approved of future loan borrowings being financed by American capital, and that those moneys are being held in escrow in certain banks in America. The devaluation of the United States dollar will certainly affect those investments and the use or power that the money will have relative to the contracts for which the loan has been raised in America. From a knowledge gained when appearing in court to represent certain interests, I am aware that a fairly large company in this State has negotiated for the raising, by way of loan, of a sum of not less than \$500,000, to be financed by the support of American dollars, and that in the intricacies of financing such loans it has obtained the approval of the Reserve Bank of Australia to raise the money through a lending company or banking agency in England, which will get a lender in America to raise the money in United States dollars, or Euro-dollars, as they are called. The whole matter is very involved and will relate directly to the value of the United States dollar.

Australia has very close economic and financial relations with America. By fair means or foul, by subterfuge or sincerity, Australia has been required to make its sons available for sacrifice by serving in Vietnam to defend that country—and, perhaps, to preserve the value of the United States dollar. An obligation rests on our public representatives, and certainly on those of America, to discuss this matter before collapsing the economy of countries that have worked in collaboration and co-operation with America.

Some of the contracts that the Treasurer said he has negotiated will become infinitesimal in a discussion about what is involved in this revolutionary change in the American economy and how it will affect the future of this State, and Australia as a whole, in relation to past dealings.

I could not let the occasion pass without adverting to these matters. If the Treasurer can indicate to us what discussions were held

during his numerous visits to America, he will do this Parliament a service and perhaps indicate that he has some statesmanlike qualities to go with his knighthood. Alternatively, I hope he will not have to make the embarrassing admission that all he did in the United States was to eat hot pies and peas in Wall Street.

Hon. Sir GORDON CHALK (Lockyer—Treasurer) (4.36 p.m.), in reply: The Appropriation debate at this stage of the session very rarely centres on what might be regarded as the principles of the Bill. An Appropriation Bill, whilst being an indication of the cash requirement of the Government for the period before the Budget is brought down, is a conglomeration of figures. It is extremely difficult to deal with in any major way, so the debate usually becomes wide and varied. Today, the debate was no exception to that rule. We heard comments on the Federal Budget, a very "powerful" speech about grain freights, a discussion on housing, and last, but certainly not least, a discussion on the war in Vietnam and a somewhat facetious remark by the honourable member for South Brisbane about pies and peas.

I have a responsibility to reply to certain of the points raised. I listened to the Leader of the Opposition, who said he was so used to hearing the remarks I made about this Bill that he was not surprised that the honourable member for Barooka could anticipate what I was about to say. I do not know by what means the honourable member arrived at that conclusion, but I will say that, except for my reference to the amounts that were being sought to carry on the government of Queensland for the next two or three months, there was little similarity between the speech I made today and the one I made last year.

The Leader of the Opposition said that I attempted to cast on the worker the responsibility for all our inflationary problems. What I said was that the rise in wages had been responsible for a continuation of the inflationary spiral. And I repeat that. I do not deny that the Industrial Commission or the Arbitration Court, in its wisdom, found that the wage increases granted were justifiable.

Mr. Sherrington: You will admit that those judgments are based on the cost of living?

Sir GORDON CHALK: It is true that the judgments are based on what I regard as the spiralling costs.

Reference was made this morning, during the motion of condolence, to something that was said by the late Neil Macgroarty relative to ringbarking the Arbitration Court. I do not advocate doing anything of that nature. However, I believe that the time is fast arriving when we will have to look closely at the basic principles on which the wage structure is determined—and I do not say that in any way against the worker.

Mr. Sherrington: Would you also admit that we should be looking at the price structure?

Sir GORDON CHALK: I believe that if we look at the wage structure we will overcome the major difficulty in relation to the price structure, because the wage structure is the basis of the cost structure in this State and in this Commonwealth. We are only fooling ourselves if we believe that by continually increasing wages we will catch up with what might be regarded as the standard of living we desire. It is like the dog chasing his own tail. What I said earlier today was said in all sincerity. We have on our hands a problem that is not confined to Queensland. In fact, it exists in many countries of the world today. In Japan, to which reference was made during the debate, in Britain, in the United States of America—wherever one goes—the rising cost of wages is concerning both Government and industry, irrespective of the Government's political outlook.

Mr. Sherrington interjected.

Sir GORDON CHALK: The honourable member had an opportunity to speak. I believe he wants to hear my views on this matter, and I desire to give them as fairly as I can.

Mr. F. P. Moore interjected.

Sir GORDON CHALK: I know the interjector's level of intelligence. He could not understand what I am saying.

The TEMPORARY CHAIRMAN (Mr. Lickiss): Order! I warn the honourable member for Mourilyan.

Mr. F. P. Moore: That is where it came from. He is sailing a boat.

Sir GORDON CHALK: If I were sailing a boat, I would put the honourable member in it beforehand.

I believe some honourable members are desirous of hearing my views on this subject. Whether they agree with me or not is another matter. I believe that this is an opportunity to examine some of the factors which, in recent times, have added to the inflationary spiral. I do not accept the claim by the Leader of the Opposition that I attacked the worker. I said that the tribunal was responsible for the wage increases, and that the tribunal arrived at its conclusion on the information placed before it.

The Leader of the Opposition referred particularly to what he contends Mr. Hawke has done for the Commonwealth. I believe that the actions of Mr. Hawke have been responsible for creating much of the turmoil that has taken place in the industrial community in recent times, and that he has caused industrial unrest that has been responsible for the spiralling costs associated with industry. It is Mr. Hawke who has been responsible for stirring up and creating industrial dissatisfaction within the workers' movement. One has only to look at industry to

see exactly what this has cost as a result of strike activity, go-slow operations, and the situation in the coal-mining industry throughout Australia in recent weeks. What this represents to the export industries of Australia is a fantastic figure. This has been brought about only by the industrial unrest that has been created.

I believe that if we can grapple with the problem of ever-rising costs, we can deal with the inflationary spiral. I do not subscribe to the idea that price-fixing is the end-all to inflation.

Let us look a little further at some of the remarks made by other speakers. The honourable member for Chatsworth, who entered the debate from the Government side, raised the matter of local authorities. I am not unmindful of the problems facing local authorities today. Indeed, the problems involved in financing local authorities are very little different from those that face a State Government.

Mr. Hanlon: Would you say that you treat local authorities even worse than the Commonwealth treats you?

Sir GORDON CHALK: No. I would say that we treat local authorities much better than the Commonwealth treats us, and much better than any other State Government treats its local authorities. We have treated local authorities on a basis of subsidy unheard of in any other State. However, because of rising costs, local authorities have certain difficulties. Queensland, in association with certain other States, raised this issue at the last Premiers' Conference. The attitude taken by the Commonwealth Government was that the matter of local authority finance rested entirely with the States. Both the Premier and I have indicated to the Local Government Association of Queensland that we are prepared to put to the Commonwealth Government any argument that they might prepare, and we have also suggested that they obtain the co-operation of local authorities in other States. We, as a State Government, can do no more than that.

I think local authorities should be reminded of the amount of money that this Government, aided by the Commonwealth, has been able to pour into those areas that, over recent years, have been declared drought stricken. I am particularly concerned about the payment of half rates. This is something which, whilst accepted by the Commonwealth for a period, came to an end. I point out that during the period in which half-rate assistance was in operation, this Government distributed \$4,229,000 to local authorities. This was the sum total of the moneys paid to the various shires as half-rate assistance.

Although at present this Government cannot convince the Commonwealth Government that it should continue the half-rate system, assistance is being given to drought-stricken shires by means of what have been

described as unemployment grants, or grants to local authorities to enable them to continue to keep men in employment. As I said, \$4,229,000 was distributed to local authorities throughout Queensland as half-rate assistance, and many of them benefited very greatly as a result. I think of Wambo Shire, for example, which over a period received \$208,000. So the Government has grappled with this problem and has provided the maximum assistance within its own means.

Reference was made also to the fact that the Government ought to initiate a comprehensive review of local government law. That might be so, but I do not think it really is something that comes within the ambit of this debate. As I said, the State Government has gone to the limit in trying to assist local authorities, and it will continue to do that. I remind the Committee that a State which cannot get additional assistance from the Commonwealth Government is limited to providing what it can make available from its own resources.

The honourable member for Baroona began by romancing, I think, and trying to interpret why the Government was late this year in bringing down the Appropriation Bill. I am sure he is fully aware that, prior to the recess for Exhibition, a certain issue was exercising the minds of honourable members. It was not a question of when we were going to hold an election; it might have been a question of how we were going to hold an election. From my point of view, it would have been more desirable to bring down this Appropriation Bill on the Thursday before the House rose for the Exhibition break.

Mr. Sherrington: Whose fault was it that we could not get the Electoral Districts Bill through?

Sir GORDON CHALK: It went through eventually, and now, if the honourable member will allow me to complete my speech, we will put the Appropriation Bill through.

Mr. Bennett: You were busy trying to put a hatchet into Charlie Porter.

Sir GORDON CHALK: I know that somebody was trying to put a hatchet into the honourable member in the last few days. However, the honourable member has such a thick skin, or such a thick skull, that he will get away with anything.

Coming back to the serious side of things, I make it clear that there was no desire on the part of the Government for an early election. It believed that certain things should be done first, and those things were done.

The honourable member for Baroona then took me to task for a statement that I made on my return from the United States of America in June. I do not deny that I said in a public interview that I was a little bit

concerned about the changed outlook, particularly in the United States, of many leading financiers and brokers to Australia's stability, and I repeat that statement. Those honourable members who are able to cast their minds back will know that late last year and early this year certain statements were made at Commonwealth Government level that were not in keeping with what might be regarded as the stable financial policy that had been followed by Robert Gordon Menzies and, to a degree, during his short period in office, by the late Harold Holt. I am not saying whether the policy that was enunciated during the period that Mr. John Gorton was Prime Minister was correct or incorrect, but I do say that it was regarded in the United States of America as a changed financial outlook.

For a period, the present Prime Minister was the Treasurer of the Commonwealth. When there was a change in Federal leadership to Mr. McMahon I found that, particularly in America, the question was whether we would go back to the type of thinking that had applied during the terms of Mr. Menzies and Mr. Holt. I mentioned that point at the time as it was an issue that was raised. I knew that the information had filtered back to Australia. I answered the questions put to me faithfully and in accordance with the views that had been expressed to me.

Mr. O'Donnell: Did you discuss it with Frank Packer?

Sir GORDON CHALK: I am not a friend of Sir Frank Packer. The honourable member apparently knows more about him than I do. But I did discuss the matter with responsible people.

Mr. Sherrington: In other words, Frank is not responsible.

Sir GORDON CHALK: I did not say that. I said that I did discuss the matter. I deliberately said that. The honourable member cannot twist that statement. The point is that I discussed the matter with responsible people in the United States.

Another point raised by the honourable member for Baroona was the situation facing the wool industry. I was a member of the Queensland delegation that attended the conference that was held in Canberra in February. Together with the Minister for Lands, we had a lengthy discussion on the proposal by the Commonwealth Government to make \$100,000,000 available over a period of four years for the purpose of reconstruction—that was the word used—of the wool industry. When we went there we believed that this was an attempt by the Commonwealth Government to filter money into the wool industry to enable the majority of those in the industry to overcome their financial difficulties.

After about 18 months' research, the Bureau of Agricultural Economics produced what might be regarded as a White Paper

on the Australian wool industry. That report indicated that approximately 50 per cent. of those associated with the wool industry were in serious financial trouble. Of that 50 per cent., approximately 15 per cent. were beyond the point of no return and 35 per cent., if given assistance over a period of time, would be able to rehabilitate themselves. Unless the drought continued indefinitely the other 50 per cent. could survive, although they would have a number of problems which would have to be met singly rather than on a collective basis. We left the conference believing that the rural reconstruction scheme would get off the ground fairly quickly. It is true, as the Minister for Lands has indicated, that I, as Treasurer, agreed to the acceptance of a figure of some \$16,000,000 as Queensland's allocation. Again that was based on certain information produced by the Bureau of Agricultural Economics. We said on our return to Queensland that it would not be sufficient—that it would possibly only scratch the surface—but that we believed it was a starting point, or a springboard, from which we could go on to success.

What happened, however, was that the whole basis of the report of the Bureau of Agricultural Economics was a price factor of 40c a lb. for wool, and when we commenced to examine the returns of many of those in this State who were badly drought-stricken we rapidly arrived at a conclusion which indicated that no-one would qualify under the scheme. At that time, wool was down to around 28.5 or 29c a lb., and the circumstances of most of those whom we believed we might be able to help fell into the category of the 15 per cent. that the B.A.E. said were beyond redemption. It was because of this that we immediately had further discussions with the Commonwealth and, in fact, further conferences were held.

Mr. O'Donnell: Several.

Sir GORDON CHALK: I said "further". Several conferences were in fact held.

We believed that our plight was different from that of the other States, and I still believe it is. Therefore, we put forward a scheme of our own somewhat as a subsidiary to the over-all scheme. That was the \$10,000,000 scheme, to which reference was made by the honourable member for Baroona. It is true that very early in the discussions we did make a tentative submission. The Minister for Lands was quite correct when he made his first announcement, and he was equally correct when, some five or six weeks later, he made the further announcement, to which the honourable member has referred, that we had engaged a team of experts in our own department to proceed further to work out the scheme, because the Commonwealth sought this further information from us.

From the Government's point of view, therefore, we have not only gone along

with this scheme since the original discussions; we have gone further in that we have examined the affairs of many graziers; we have set up our own reconstruction committee; we have provided a small staff so that the scheme could operate; and we have prepared all the necessary information to ensure that help would be forthcoming as funds were made available.

The situation has developed that the Commonwealth Government has turned down our \$10,000,000 proposal. It argues that the scheme as originally proposed is such that it covers the Commonwealth as a whole and that we have no case for individual State help. What we have been doing is utilising some of the \$1,500,000 from the former Farmers' Assistance Act. As soon as we knew this scheme was coming into operation we introduced a Bill, with Commonwealth approval, to enable us to use that amount of \$1,500,000 for the same purposes as the \$16,500,000 that we hoped to get.

Mr. Hanlon: You knew that you would have that amount of \$1,500,000 before you applied for the \$10,000,000.

Sir GORDON CHALK: That is right. We wanted to render assistance, and any assistance that has been given to date has come from the \$1,500,000 which has been in the State's rightful possession down through the years.

Mr. Hanlon: The funds you want to give to those people on the land are not sufficient.

Sir GORDON CHALK: The funds that we have are quite insufficient.

Mr. Hanlon: If the dollar crisis gets a kick-back from the Japanese market it will be worse.

Sir GORDON CHALK: I shall deal later with the dollar market. I am trying to give a factual run-down of the situation. I believe the honourable member is quite sincere in pointing out these things.

Mr. Hanlon: These are the things the man on the land is saying.

Sir GORDON CHALK: I have said them several times, but if I cannot get the Press that is too bad.

Mr. Sherrington: Ring up Frank Packer.

Sir GORDON CHALK: Members of the Opposition seem to know a lot more about Sir Frank Packer than I do. The point is that we have endeavoured to do what we can to assist the wool industry. At present I am examining other proposals, because I believe there is a responsibility on both the State and the Commonwealth to endeavour to rescue the wool industry in this State. I say that in all sincerity, and I am not too popular in some quarters in Canberra for having said it previously. We will not let the wool industry die; but again we are governed by the resources that we

have. The Minister for Lands, the Premier, the Minister for Primary Industries and I have been closely associated with the cases that have been put forward, and I believe that ultimately we can provide some help, even if we have to go ahead alone to do it.

Mr. Sherrington: The old famous last words.

Sir GORDON CHALK: Once before I had the experience of going it alone. If we had not gone it alone, we would not have had the rehabilitation of the Townsville-Mt. Isa railway. During my term of office as Minister for Transport I recommended that we go it alone.

Mr. Sherrington: And wasn't that a condemnation of the Federal Government? You went all over the world trying to get money.

Sir GORDON CHALK: I do not deny that. We went it alone, and we achieved what we set out to achieve. We finally obtained the help from the Commonwealth that we sought.

We have a responsibility to the wool industry, and we are prepared to accept that responsibility. This morning one honourable member charged the Country Party with being inactive. To that charge I say that, on the contrary, the Country Party has been quite active. As Treasurer and a Liberal, I have been just as active, because I believe there is a need to stand up and ensure that assistance is given.

Mr. Hanson: Look at the grain freight rates and see how active they are.

Sir GORDON CHALK: If there is to be any talk of brains——

Mr. Hanson: I said "grain". You have been fence-sitters for 18 months.

Sir GORDON CHALK: I am sorry. I knew the honourable member would be inactive if it was "brains". However, as it is "grain", he looks as if he has been fed on it.

Let me come back to the points that I am trying to make. The honourable member for Barooka dealt with pay-roll tax.

Mr. Sherrington: He's playing up to you, Pat.

Sir GORDON CHALK: I am not playing up to the honourable member for Barooka. I regard him as the Opposition speaker on financial matters.

Mr. Sherrington: And you regard him as a great threat to your position.

Sir GORDON CHALK: I would not say "great", but if there is a change of Government I would expect him to get the position, because I believe he has a greater grasp of Treasury responsibilities than any other member of the Opposition, and in saying that I do not cast any reflection on them.

It is true that the imposition of an additional 1 per cent. in pay-roll tax could create an inflationary problem in this State, and I admitted that this morning. The honourable member for Baroona has criticised certain action taken, and similar criticism was levelled by the Leader of the Opposition when he dealt with the Federal Budget. He attacked the increase in fuel tax as helping to create inflation. I do not disagree with some of the views he expressed, but the Leader of the Opposition overlooked that the Federal Budget also drained off some \$630,000,000. Whilst it is true that money had to be procured in some way to carry out various activities, it is equally true that the Federal Budget set out to drain off this \$630,000,000. To me, that is one of its major features.

To return to our own position relative to pay-roll tax, Queensland has to get certain funds from somewhere to enable it to at least keep pace with the development we have started and to provide the services and facilities that are necessary for the community as a whole, if not to provide for increased development. I have no avenue accessible to me as Treasurer of the State other than something in the form of a growth tax. We disagreed with the Commonwealth about the basis on which pay-roll tax was returned to the States. At the rate of 2½ per cent. we were really being given very little, other than compensation for certain concessions to local authorities. I do not wish to single out Mr. Dunstan or Mr. Tonkin among the Premiers who sat at the conference table. Like other Premiers, they were there to do what they could for their States. They, with the Premiers of New South Wales, Queensland, Victoria and Tasmania, realised that there had to be a growth factor. It was a unanimous agreement. I am sure that all the Premiers and Treasurers agreed that this increase should take place. Whilst it will undoubtedly add a cost factor that will be reflected in some way, I believe it will go a long way in helping me to present what might be a balanced Budget or a close-to-balanced Budget in this financial year.

Mr. Sherrington: You have been slipping for the past three years.

Sir GORDON CHALK: We are always slipping because we are progressing. That is the point. I cannot help it if the honourable member has not the intelligence to grasp that. It is true that, to progress, we often have to go into the "red". Most business organisations today have been built in the same way. They have been in the "red" before achieving success.

The honourable member for Baroona referred to the Brisbane City Council Transport Department coming within the category of pay-roll tax. The terms and conditions for non-payment of pay-roll tax were laid down fully by the Commonwealth Government. Whilst I might be able to argue

that electricity, transport or something else is not a commercial undertaking, conditions have been laid down for the whole of Australia by the Commonwealth and I therefore must accept that basis. The Brisbane City Council Transport Department might be termed a non-business concern, but I cannot say that it is a non-political concern. It is a non-business concern to a degree, but the exemptions granted, for which the Commonwealth is prepared to reimburse the State, have been determined by the Commonwealth and we must follow the pattern.

The honourable member for Landsborough expressed regret about some of the contents of the Federal Budget. As I said earlier, I was also concerned at the increased cost of fuel, because it will rub off in many directions. On the other hand, the action taken by the Federal Treasurer to remove large sums of money from circulation will ultimately prove extremely beneficial.

The honourable member for Warrego obviously had a brief prepared for him by a section of the grain-growing industry. I do not think he can claim to be a grain-grower. I know something of his background, and I always regard him as a person who can talk about sheep, wool or beef. This afternoon he undoubtedly had a brief prepared for him by a section of the grain-growing industry.

I shall take a few moments to deal with grain freights. I had eight years as Minister for Transport, and I do not think I would be exaggerating if I said that over that period I received a dozen deputations from the grain-growing industry seeking reductions in grain freights, based on the pooling of the over-all freight structure. This gave an encouragement to the person living farther out to grow grain, and I am not saying whether that was right or wrong. However, it is true that wheat, particularly, was being produced farther and farther out. Then a section of the industry situated principally around Dalby—and I do not choose Dalby in a discriminatory way—began to argue that it was unfair, because of certain higher costs of production, because of their more valuable properties and because of the higher rates they paid, that they should bear a breakdown in this pooled system of freights.

Finally, the association itself decided that it would unscramble the freight structure. The approach made to the Government was for a freight factor based on the number of miles hauled. The Railway Department indicated that it was prepared to go along with this. After closely examining the situation and having due regard to the representations from many growers, mainly in the Goondiwindi area, some 200 miles or so away from the city, I discovered that, under the proposal, they would have paid as much as \$14 per ton. The Government felt that this would mean the elimination of these growers. The freight structure, under the pooling system, provided that no grower paid more than \$9.48 per ton for

his wheat delivered. We therefore set out to accede to the request of the grain-growers, bearing in mind that we must not victimise those in the outer areas. I believe that this is the correct policy.

Knowing that every grain-grower under the pool scheme was paying \$9.48, the Government said, "We will strike a ceiling at \$9." This means, first of all, that no grain-grower supplying grain today pays more than \$9 a ton freight, which represents a concession of 48c to everyone. Growers in the far-flung areas have been indeed grateful for that. It is true that those who wanted to pay by the mile, and who were the advocates of that scheme, said, "Look at some of the people close in. They will get a reduction of \$3. Because we live 175 miles away, we will only get 48, 50 or 60c reduction." When the Government sets out to give benefits on a sectional basis, I want to have no part of it. I cannot help a person's geographical location, but I do believe that he is entitled to pay in accordance with the scheme prepared.

I have been accused of endeavouring to create within the grain-growers' organisation animosity between those in areas close to the coast and those far removed. What I have endeavoured to do is to protect those who are far removed, and to ensure that those who live within a certain mileage will pay according to the freight structure of the Railway Department.

Having followed that policy, we have then been accused of obtaining a high degree of profitability in the carriage of grain. I shall answer a question on this subject tomorrow morning. It is true that at a very confidential conference, where I had to reprimand somebody for quietly making notes, I said that, according to the figures produced to me, there was a profitability in wheat haulage in a full season of 30c. In other words, for each dollar spent by the Railway Department, a return of \$1.30 was being obtained. I could easily have said that for all the maize moved a return of 58c was being received for each dollar spent. In other words, the Railway Department was contributing 42c in each dollar to move maize. I could have said that on the haulage of other grains, including sorghum, the return was 87c for every dollar spent. Those issues, however, were not raised. All that concerned certain people was whether there was a degree of profitability in the movement of wheat in a full season.

Let me go a little further on the question of railway statistics and mention matters that will come out in later discussions.

Mr. Casey: Tell us what you get on sugar.

Sir GORDON CHALK: I can tell the honourable member that what the department gets on sugar is better than what it gets on wheat.

Mr. F. P. Moore: What about fertiliser?

Sir GORDON CHALK: What does the Railway Department carry fertiliser for? Exactly what it costs to carry it.

Let me deal now with some of these issues, because I believe that it is no use telling half the story. I do not think that the full story has been revealed up to the present, but I am sick and tired of some of the accusations being made against me. The point is that last year the Railway Department of Queensland made a profit of just over \$9,000,000 on the movement of minerals, including coal. I remind the Committee also that, taking into account the particular railway lines involved, including the Mt. Isa line, during my period as Minister for Transport and during the period in office of my successor, Mr. Knox, the total interest bill and capitalisation has been included in the cost factor. Therefore, those charges having been met, there is a profit to the State of a little over \$9,000,000.

Let us have a look now at the other side of the ledger. The report of the Railway Department will indicate a total loss of \$6,500,000, without the interest structure, and another \$16,000,000 for the capital-interest bill. Taking the whole lot into consideration, the State has to find about \$24,000,000. I am prepared to dismiss the service charge of \$16,000,000, because it has always been met by Governments ever since there have been railways in this State. Let us dismiss that and take the loss of \$6,000,000. Having made a profit of \$9,000,000 on the movement of minerals, including coal, and having ended up with an over-all loss of \$6,000,000, the Railway Department lost about \$15,000,000 on its other operations in the State.

I will break up the figures a bit further. Of that loss of \$15,000,000, \$9,000,000 was on forms of transport other than passengers and parcels. The loss on passengers and parcels was just over \$6,000,000, and other freight operations, which included primary industry and a section of heavy industry, are costing the State about \$9,000,000. Therefore, we have to take what might be termed a small profitable section into account with heavy losses on other sections. Those who are claiming that we are making a profit of 30 cents in a heavy grain season should also take into consideration the losses that are involved in the handling of every other commodity with which grain production is associated. One cannot run a railway organisation or any other business by taking into account the profits of one section and forgetting the losses of other sections.

I believe that the answer to the grain-growers of this State is clear. First of all, we did what was requested of us and got away from the pooled freight system. We went further and ensured that there would be an over-all benefit to growers. As I have said, every grower paid \$9.48 in the previous year. No grower on this occasion will pay more than \$9. Some growers have

an advantage. They are in the closer areas and they benefit because of their geographical location. But that is not for the Government to decide. Where a person lives is his own business; what he pays in rates is his own business; the nature of his property is his own business. What we have done is to protect all. We have protected the man who lives in the area represented by the honourable member for Warrego. If he is going to urge that we adopt the mileage basis, if he is going to support some of the views that have been put up by certain people—and they cannot deny them, although they would like to—or if he is going to urge that the man out further should pay a little more so that the man in closer can pay a little less, for my part I do not want any of it. I believe that our approach to this particular issue is a fair and just one. I will defend it. I am prepared to defend it on any platform, as I did at a Dalby meeting about this time last year.

Mr. Sherrington: Are you going out there tomorrow?

Sir GORDON CHALK: I have not been asked. They have given me away.

The honourable member also referred to what he described as secret deals. There are no secret deals with the Railway Department. I challenge the honourable member to name any secret deal. It is true that between the department and the client there has always been a basic right to negotiate. If the Railway Department has designed a freight structure with a person for the railing of a particular commodity and if the honourable member can prove to me that that person has received preference over another in a similar set-up, not only I, but Cabinet will certainly look at it. When I was Minister for Transport, we published in the back of the Commissioner's report a list of all the individual contracts made.

Mr. Marginson: They do not publish them now.

Sir GORDON CHALK: No, and the honourable member knows the reason as well as I do. As soon as they were published, every road haulier was on the backs of those with whom the contracts were made in an effort to undercut the price.

Mr. Aiken: Why is the Beckingsale Report secret?

Sir GORDON CHALK: Let the honourable member be patient. He had his allotted time to speak and we heard him make his speech.

The point of the matter is that contract rates do not apply only to the Queensland railways; they apply to many industries and they apply in other States. Our own experience guided us in the publication of details of contracts. The files of the Railway Department show that, when we published at the back of the Commissioner's report

the contracts made with various firms, almost without exception within 48 hours an approach was made to the department by firms saying that they had been approached by a road haulier who was prepared to undercut the rate that had been published and wanting to know how much the Railway Department would reduce the rate to retain the business. If ever Labor comes into power, it will be faced with the same situation. I am prepared to gamble London to a brick that it will follow the present policy.

Mr. Aiken: Why don't you publish the Beckingsale Report?

Sir GORDON CHALK: Nobody has said that the Beckingsale Report when completed will not be published. What we have said is that certain information has been provided and that certain additional information is being sought. The honourable member wants proof positive of the situation. In the meantime the interim reports—and there are many of them in relation to submissions made—have been forwarded to the Minister for Transport. Where there is an anomaly I believe that the honourable member would want us to correct it immediately, which we have done.

Mr. Marginson: There were three of them.

Sir GORDON CHALK: There were more than three. Three major reports were referred to, but the point is that the Beckingsale Report has been made available to the Commissioner for Railways in the interim reports that have come forward. I know that the Minister for Transport would be far more capable than I of dealing with this matter, but we are working—

Mr. F. P. Moore: What do you think of the Scott Report?

Sir GORDON CHALK: The Scott Report on North Queensland was examined, and I have a report on it. There is always a certain responsibility on organisations such as W. D. Scott & Co. Pty. Ltd., who were engaged by certain people to prepare a case and file a report. They prepared a case, and it has been examined.

Mr. Sherrington: What happened?

Sir GORDON CHALK: It has been hidden ever since it was issued.

The honourable member for Belmont dealt extensively with housing, and he was followed by the honourable member for Salisbury. I do not want to take up much time on these things. The whole position will be closely examined at a meeting of Housing Ministers to be held in Canberra this week, and on his return the Minister for Housing may be able to offer some enlightenment on the issues raised by the honourable member for Belmont.

We are not unmindful of the fact that there is still a need for more homes in this State. We have made available from our

resources the maximum amount of finance we have at our disposal. There have always been arguments over whether homes should be built for rental or for sale. My experience has been that if a home can be sold after being built, another one can be started with the deposit received. We are actually building more homes in this pattern. These homes must accommodate people and therefore first of all reduce to some degree the congestion, and secondly, make places available for more people. However, all we can do is continue our representations. I know that the Minister for Housing will do that in Canberra.

Mr. Sherrington: Is he doing anything about the rental rebate?

Sir GORDON CHALK: Yes. We have been looking at the over-all situation in our discussions with the Commonwealth. There was also an indication in the Commonwealth Budget of a new approach to housing finance. That is something that the Minister will not be in a position to go into fully until after this week's conference.

Finally, I want to deal with the point raised by the honourable member for South Brisbane, who said that I should give some indication of my views on the problem facing the Australian dollar. "Sunday Truth" telephoned me towards the end of last week and paid me the courtesy of saying that if I would prepare a brief article on this matter they would publish it. I believe that I set out there very fully my views on the problems facing Australia, and Queensland in particular, following the "floating" of the American dollar.

I was in Zurich in May when problems arose regarding the Deutschmark and I had the same experience as travellers here went through last week-end. I had American travellers' cheques in my possession which I could not cash.

Mr. Hanson: Why didn't you cable me? I would have sent you a few "quid".

Sir GORDON CHALK: I knew where to look if I was in need, but I was not exactly "dead broke". The situation as I see it is that if the American dollar is allowed to "float" and falls in value, then the effect in the United States will undoubtedly be either a retarding of price increases, or at least a slowing-down of the inflationary trend.

On the other hand, unless the Japanese yen is appreciated, or there is some ironing-out between it and the American dollar, a situation will arise in which the Australian cost structure will continue to rise as it has been rising. We will export our raw commodities to Japan at our price, and Japan, at the higher value of the yen, will continue to manufacture for a certain period and will then fail to find markets for its goods. With the possible 10 per cent. import duty that the United States may impose on many Japanese products, they could quite

well be priced out of certain expansion. That, in turn, must flow back to us, with the result that our wool and mineral exports could be faced with fairly serious problems. On the other hand, the financial assistance that Queensland has acquired from United States interests has been fairly well protected.

In our negotiations we have not been unmindful of what could happen with devaluation, and whenever I have had discussions either with overseas people or with local industry representatives anxious to borrow money from America, I have always indicated that protection must be given against the possible devaluation of the American dollar. At the moment we are all in the hands of the Commonwealth Government, which has to set Australia's policy. I have not received any late reports today, although I did receive some this morning that indicated what was happening on the other side of the world. It is not for me to forecast exactly what the Federal Government's policy will be, but I feel certain that it is very mindful of the acuteness of the situation.

Motion (Sir Gordon Chalk) agreed to.

Resolution reported, received, and agreed to.

WAYS AND MEANS

COMMITTEE

Vote of Credit, \$302,000,000

(Mr. Lickiss, Mt. Coot-tha, in the chair)

Hon. Sir GORDON CHALK (Lockyer—Treasurer): I move—

"(a) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1971-72, a further sum not exceeding \$128,000,000 be granted out of the Consolidated Revenue Fund of Queensland exclusive of the moneys standing to the credit of the Loan Fund Account.

(b) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1971-72, a further sum not exceeding \$140,000,000 be granted from the Trust and Special Funds.

(c) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1971-72, a further sum not exceeding \$34,000,000 be granted from the moneys standing to the credit of the Loan Fund Account."

Motion agreed to.

Resolutions reported, received, and agreed to.

APPROPRIATION BILL (No. 1)

ALL STAGES

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

The House adjourned at 5.50 p.m.