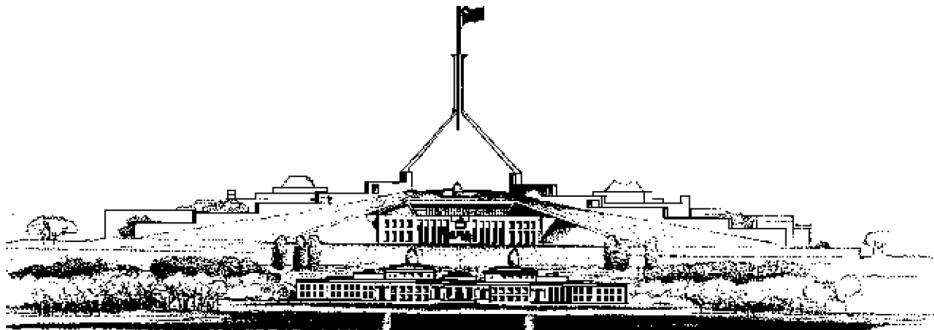




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



# House of Representatives

## Official Hansard

No. 43, 1968  
Wednesday, 23 October 1968

TWENTY-SIXTH PARLIAMENT  
SECOND SESSION—SECOND PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

## TWENTY-SIXTH PARLIAMENT

### SECOND SESSION—SECOND PERIOD

#### Governor-General

His Excellency the Right Honourable Richard Gardiner, Baron Casey, a Member of Her Majesty's Most Honourable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Order of Companions of Honour, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, Knight of the Most Venerable Order of the Hospital of Saint John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia from 22 September 1965.

#### Second Gorton Government

(AS FROM 28 FEBRUARY 1968)

Prime Minister .. .. ..	The Right Honourable John Grey Gorton
Minister for Trade and Industry .. .. ..	The Right Honourable John McEwen
Treasurer .. .. ..	The Right Honourable William McMahon
Minister for External Affairs .. .. ..	The Right Honourable Paul Meernaa Caedwalla Hasluck
Minister for Defence .. .. ..	The Honourable Allen Fairhall
Minister for Primary Industry .. .. ..	The Honourable John Douglas Anthony
Postmaster-General; and Vice-President of the Executive Council	The Honourable Alan Shallcross Hulme
Minister for National Development .. .. ..	The Honourable David Eric Fairbairn, D.F.C.
Minister for Labour and National Service .. .. ..	The Honourable Leslie Harry Ernest Bury
Minister for Shipping and Transport; and Minister assisting the Minister for Trade and Industry	The Honourable Ian McCahon Sinclair
Minister for Supply .. .. ..	Senator the Honourable Kenneth McColl Anderson
Minister for Education and Science .. .. ..	The Honourable John Malcolm Fraser

(The above Ministers constitute the Cabinet)

Minister for Air; and Minister assisting the Treasurer	The Honourable Gordon Freeth
Minister for External Territories .. .. ..	The Honourable Charles Edward Barnes
Minister for Civil Aviation .. .. ..	The Honourable Reginald William Colin Swartz, M.B.E., E.D.
Minister for Immigration .. .. ..	The Honourable Billy Mackie Snedden, Q.C.
Minister for Health .. .. ..	The Honourable Alexander James Forbes, M.C.
Minister for Repatriation .. .. ..	Senator the Honourable Gerald Colin McKellar
Minister for Housing .. .. ..	Senator the Honourable Dame Annabelle Jane Mary Rankin, D.B.E.
Attorney-General .. .. ..	The Honourable Nigel Hubert Bowen, Q.C.
Minister for the Navy .. .. ..	The Honourable Charles Robert Kelly
Minister for the Interior .. .. ..	The Honourable Peter James Nixon
Minister for the Army .. .. ..	The Honourable Phillip Reginald Lynch
Minister for Customs and Excise .. .. ..	Senator the Honourable Malcolm Fox Scott
Minister for Social Services; and Minister-in-Charge of Aboriginal Affairs	The Honourable William Charles Wentworth
Minister for Works; and, under the Minister for Trade and Industry, Minister-in-Charge of Tourist Activities	Senator the Honourable Reginald Charles Wright

# MEMBERS OF THE HOUSE OF REPRESENTATIVES

TWENTY-SIXTH PARLIAMENT—SECOND SESSION: SECOND PERIOD

*Speaker*—The Honourable William John Aston

*Leader of the House*—The Honourable Billy Mackie Sneden, Q.C.

*Chairman of Committees*—Philip Ernest Lucock

*Deputy Chairmen of Committees*—Leonard Lewis Bosman, Joseph James Clark, James Francis Cope, Dominic Eric Costa, Edward Nigel Drury, Laurence John Failes, Edmund Maxwell Cameron Fox, John Mead Hallett, Hon. William Crawford Haworth and Francis Eugene Stewart.

*Leader of the Opposition*—Edward Gough Whitlam, Q.C.

*Deputy Leader of the Opposition*—Lance Herbert Barnard

*Leader of the Australian Country Party*—The Right Honourable John McEwen

*Deputy Leader of the Australian Country Party*—The Honourable John Douglas Anthony

Adermann, Rt Hon. Charles Frederick	..	..	..	..	Fisher (Qld)
Allan, Archibald Ian	..	..	..	..	Gwydir (N.S.W.)
Anthony, Hon. John Douglas	..	..	..	..	Richmond (N.S.W.)
Armstrong, Adam Alexander, M.C.	..	..	..	..	Riverina (N.S.W.)
Arthur, William Tevlin	..	..	..	..	Barton (N.S.W.)
Aston, Hon. William John	..	..	..	..	Phillip (N.S.W.)
Barnard, Lance Herbert	..	..	..	..	Bass (Tas.)
Barnes, Hon. Charles Edward	..	..	..	..	McPherson (Qld)
Bate, Henry Jefferson	..	..	..	..	Macarthur (N.S.W.)
Beaton, Noel Lawrence	..	..	..	..	Bendigo (Vic.)
Beazley, Kim Edward	..	..	..	..	Fremantle (W.A.)
Benson, Samuel James, R.D.	..	..	..	..	Batman (Vic.)
Birrell, Frederick Ronald	..	..	..	..	Port Adelaide (S.A.)
Bonnell, Robert Noel	..	..	..	..	Herbert (Qld)
Bosman, Leonard Lewis	..	..	..	..	St George (N.S.W.)
Bowen, Hon. Nigel Hubert, Q.C.	..	..	..	..	Parramatta (N.S.W.)
Bridges-Maxwell, Crawford William	..	..	..	..	Robertson (N.S.W.)
Brownbill, Miss Kay Cathrine Millin	..	..	..	..	Kingston (S.A.)
Bryant, Gordon Munro	..	..	..	..	Wills (Vic.)
Buchanan, Alexander Andrew	..	..	..	..	McMillan (Vic.)
Bury, Hon. Leslie Harry Ernest	..	..	..	..	Wentworth (N.S.W.)
Cairns, James Ford	..	..	..	..	Yarra (Vic.)
Cairns, Kevin Michael Kiernan	..	..	..	..	Lilley (Qld)
Calder, Stephen Edward, D.F.C.	..	..	..	..	(N.T.)
Calwell, Rt Hon. Arthur Augustus	..	..	..	..	Melbourne (Vic.)
Cameron, Clyde Robert	..	..	..	..	Hindmarsh (S.A.)
Cameron, Donald Milner	..	..	..	..	Griffith (Qld)
Chaney, Hon. Frederick Charles, A.F.C.	..	..	..	..	Perth (W.A.)
Chipp, Hon. Donald Leslie	..	..	..	..	Higinbotham (Vic.)
Clark, Joseph James	..	..	..	..	Darling (N.S.W.)
Cleaver, Richard	..	..	..	..	Swan (W.A.)
Collard, Frederick Walter	..	..	..	..	Kalgoorlie (W.A.)
Connor, Reginald Francis Xavier	..	..	..	..	Cunningham (N.S.W.)
Cope, James Francis	..	..	..	..	Watson (N.S.W.)
Corbett, James	..	..	..	..	Maranoa (Qld)
Costa, Dominic Eric	..	..	..	..	Banks (N.S.W.)
Courtney, Frank	..	..	..	..	Darebin (Vic.)
Cramer, Hon. Sir John Oscar	..	..	..	..	Bennelong (N.S.W.)
Crean, Frank	..	..	..	..	Melbourne Ports (Vic.)
Cross, Manfred Douglas	..	..	..	..	Brisbane (Qld)
Curtin, Daniel James	..	..	..	..	Kingsford-Smith (N.S.W.)
Daly, Frederick Michael	..	..	..	..	Grayndler (N.S.W.)
Davies, Ronald	..	..	..	..	Braddon (Tas.)
Devine, Leonard Thomas	..	..	..	..	East Sydney (N.S.W.)
Dobie, James Donald Mathieson	..	..	..	..	Hughes (N.S.W.)
Drury, Edward Nigel	..	..	..	..	Ryan (Qld)
Duthie, Gilbert William Arthur	..	..	..	..	Wilmot (Tas.)
England, John Armstrong, E.D.	..	..	..	..	Calare (N.S.W.)
Erwin, George Dudley	..	..	..	..	Ballarat (Vic.)
Everingham, Douglas Nixon	..	..	..	..	Capricornia (Qld)
Failes, Laurence John	..	..	..	..	Lawson (N.S.W.)
Fairbairn, Hon. David Eric, D.F.C.	..	..	..	..	Farrer (N.S.W.)

*Members of the House of Representatives*

v

Fairhall, Hon. Allen	..	..	..	..	..	Paterson (N.S.W.)
Forbes, Hon. Alexander James, M.C.	..	..	..	..	..	Barker (S.A.)
Fox, Edmund Maxwell Cameron	..	..	..	..	..	Henty (Vic.)
Fraser, James Reay	..	..	..	..	..	(A.C.T.)
Fraser, Hon. John Malcolm	..	..	..	..	..	Wannon (Vic.)
Freeth, Hon. Gordon	..	..	..	..	..	Forrest (W.A.)
Fulton, William John	..	..	..	..	..	Leichhardt (Qld)
Gibbs, Wylie Talbot	..	..	..	..	..	Bowman (Qld)
Gibson, Adrian	..	..	..	..	..	Denison (Tas.)
Giles, Geoffrey O'Halloran	..	..	..	..	..	Angas (S.A.)
Gorton, Rt Hon. John Grey	..	..	..	..	..	Higgins (Vic.)
Graham, Bruce William	..	..	..	..	..	North Sydney (N.S.W.)
Griffiths, Charles Edward	..	..	..	..	..	Shortland (N.S.W.)
Hallett, John Mead	..	..	..	..	..	Canning (W.A.)
Hansen, Brendan Percival	..	..	..	..	..	Wide Bay (Qld)
Harrison, Eli James	..	..	..	..	..	Blaxland (N.S.W.)
Hasluck, Rt Hon. Paul Meernaa Caedwalla	..	..	..	..	..	Curtin (W.A.)
Haworth, Hon. William Crawford	..	..	..	..	..	Isaacs (Vic.)
Hayden, William George	..	..	..	..	..	Oxley (Qld)
Holten, Rendle McNeilage	..	..	..	..	..	Indi (Vic.)
Howson, Hon. Peter	..	..	..	..	..	Fawkner (Vic.)
Hughes, Thomas Eyre Forrest, Q.C.	..	..	..	..	..	Parkes (N.S.W.)
Hulme, Hon. Alan Shallcross	..	..	..	..	..	Petrie (Qld)
Irwin, Leslie Herbert, M.B.E.	..	..	..	..	..	Mitchell (N.S.W.)
James, Albert William	..	..	..	..	..	Hunter (N.S.W.)
Jarman, Alan William	..	..	..	..	..	Deakin (Vic.)
Jess, John David	..	..	..	..	..	La Trobe (Vic.)
Jessop, Donald Scott	..	..	..	..	..	Grey (S.A.)
Jones, Andrew Thomas	..	..	..	..	..	Adelaide (S.A.)
Jones, Charles Keith	..	..	..	..	..	Newcastle (N.S.W.)
Katter, Robert Cummin	..	..	..	..	..	Kennedy (Qld)
Kelly, Hon. Charles Robert	..	..	..	..	..	Wakefield (S.A.)
Kent Hughes, Hon. Sir Wilfrid Selwyn, K.B.E., M.V.O., M.C., E.D.	..	..	..	..	..	Chisholm (Vic.)
Killen, Denis James	..	..	..	..	..	Moreton (Qld)
King, Robert Shannon	..	..	..	..	..	Wimmera (Vic.)
Lee, Mervyn William	..	..	..	..	..	Lalor (Vic.)
Luchetti, Anthony Sylvester	..	..	..	..	..	Macquarie (N.S.W.)
Lucock, Philip Ernest	..	..	..	..	..	Lyne (N.S.W.)
Lynch, Hon. Phillip Reginald	..	..	..	..	..	Flinders (Vic.)
Mackay, Malcolm George	..	..	..	..	..	Evans (N.S.W.)
Maisey, Donald William	..	..	..	..	..	Moore (W.A.)
McEwen, Rt Hon. John	..	..	..	..	..	Murray (Vic.)
McIvor, Hector James	..	..	..	..	..	Gellibrand (Vic.)
McLeay, John Eiden	..	..	..	..	..	Boothby (S.A.)
McMahon, Rt Hon. William	..	..	..	..	..	Lowe (N.S.W.)
Minogue, Daniel	..	..	..	..	..	West Sydney (N.S.W.)
Munro, Dugald Ranald Ross	..	..	..	..	..	Eden-Monaro (N.S.W.)
Nicholls, Martin Henry	..	..	..	..	..	Bonython (S.A.)
Nixon, Hon. Peter James	..	..	..	..	..	Gippsland (Vic.)
O'Connor, William Paul	..	..	..	..	..	Dalley (N.S.W.)
Patterson, Rex Alan	..	..	..	..	..	Dawson (Qld)
Peacock, Andrew Sharp	..	..	..	..	..	Kooyong (Vic.)
Pearsall, Thomas Gordon	..	..	..	..	..	Franklin (Tas.)
Peters, Edward William	..	..	..	..	..	Scullin (Vic.)
Pettitt, John Alexander	..	..	..	..	..	Hume (N.S.W.)
Robinson, Ian Louis	..	..	..	..	..	Cowper (N.S.W.)
Scholes, Gordon Glen Denton	..	..	..	..	..	Corio (Vic.)
Sinclair, Hon. Ian McCahon	..	..	..	..	..	New England (N.S.W.)
Snedden, Hon. Billy Mackie, Q.C.	..	..	..	..	..	Bruce (Vic.)
Stewart, Francis Eugene	..	..	..	..	..	Lang (N.S.W.)
St John, Edward Henry, Q.C.	..	..	..	..	..	Warringah (N.S.W.)
Stokes, Philip William Clifford, E.D.	..	..	..	..	..	Maribyrnong (Vic.)
Street, Anthony Austin	..	..	..	..	..	Corangamite (Vic.)
Swartz, Hon. Reginald William Colin, M.B.E., E.D.	..	..	..	..	..	Darling Downs (Qld)
Turnbull, Winton George, C.B.E.	..	..	..	..	..	Mallee (Vic.)
Turner, Henry Basil	..	..	..	..	..	Bradfield (N.S.W.)
Uren, Thomas	..	..	..	..	..	Reid (N.S.W.)
Webb, Charles Harry	..	..	..	..	..	Stirling (W.A.)
Wentworth, Hon. William Charles	..	..	..	..	..	Mackellar (N.S.W.)
Whitlam, Edward Gough, Q.C.	..	..	..	..	..	Werriwa (N.S.W.)
Whitton, Raymond Harold	..	..	..	..	..	Balaclava (Vic.)
Wilson, Ian Bonython Cameron	..	..	..	..	..	Sturt (S.A.)

# THE COMMITTEES OF THE SESSION

## (SECOND PERIOD)

### STANDING COMMITTEES

**HOUSE:** Mr Speaker, Mr Failes, Mr J. R. Fraser, Mr Graham, Mr Hansen, Mr McIvor, Mr Stokes.

**LIBRARY:** Mr Speaker, Mr Ian Allan, Mr Bryant, Mr Cross, Mr Drury, Mr O'Connor, Mr Turner.

**PRINTING:** Mr Graham (*Chairman*), Miss Brownbill, Mr Bryant, Mr Buchanan, Mr Corbett, Mr J. R. Fraser, Mr Stewart.

**PRIVILEGES:** Mr Clark, Mr Crean, Mr Drury, Mr J. R. Fraser, Mr James, Mr Killen, Mr Peacock, Mr St John, Mr Turnbull.

**STANDING ORDERS:** Mr Speaker (*Chairman*), the Chairman of Committees, the Leader of the House, the Deputy Leader of the Opposition, Mr Bryant, Mr Clark, Mr Drury, Mr Duthie, Mr Fulton, Mr Gorton, Mr McEwen.

### JOINT STATUTORY COMMITTEES

**BROADCASTING OF PARLIAMENTARY PROCEEDINGS:** Mr Speaker (*Chairman*), Mr President, Senator McClelland, Senator Sim, and Mr Arthur, Miss Brownbill, Mr Costa, Mr Luchetti, Mr Turnbull.

**PUBLIC ACCOUNTS:** Mr Cleaver (*Chairman*), Senator Fitzgerald, Senator Webster, Senator Dame Ivy Wedgwood, and Mr Collard, Mr Cope, Mr Dobie, Mr Fox, Mr Peters, Mr Robinson.

**PUBLIC WORKS:** Mr Chaney (*Chairman*), Senator Branson, Senator Dittmer, Senator Prowse, and Mr Bosman, Mr Fulton, Mr Holten, Mr James, Mr O'Connor.

### JOINT COMMITTEES

**AUSTRALIAN CAPITAL TERRITORY:** Senator Marriott (*Chairman*), Senator Devitt, Senator Maunsell (from 26 November 1968), Senator Prowse (from 20 August 1968 to 26 November 1968), Senator Toohey, Senator Dame Ivy Wedgwood (to 21 August 1968), Senator Withers (from 21 August 1968), and Mr Daly, Mr England, Mr Fox, Mr J. R. Fraser.

**FOREIGN AFFAIRS:** Senator Cormack (*Chairman*), Senator Butterfield (from 14 August 1968), Senator Drury, Senator Laught, Senator McManus, Senator Mulvihill, Senator Willessee, and Mr Ian Allan, Mr Armstrong, Mr Barnard, Mr Beazley, Mr Costa, Mr Cross, Mr Davies, Mr Giles, Mr Hughes, Mr Jess, Mr Killen, Mr Peacock, Mr Turner.

**NEW AND PERMANENT PARLIAMENT HOUSE:** Mr President (*Chairman*), Mr Speaker (*Deputy Chairman*), the Prime Minister, the Leader of the Country Party in the House of Representatives, the Leader of the Opposition in the House of Representatives, Senator Devitt, Senator Drake-Brockman, Senator McClelland, Senator Dame Ivy Wedgwood, and Mr Barnard, Mr Birrell, Mr Bryant, Mr Duthie, Mr Drury, Mr Erwin, Mr Giles, Mr Luchetti, Mr Nixon.

### SELECT COMMITTEES

**AIRCRAFT NOISE:** Mr Bosman (*Chairman*), Mr Chaney, Mr Cope, Mr C. K. Jones, Mr McIvor, Mr Robinson, Mr Stokes.

**NAMING OF ELECTORAL DIVISIONS:** Mr Fox (*Chairman*), Mr Ian Allan, Mr Bonnett, Mr Bryant, Mr Courtney, Mr Cross, Mr Jessop.

# THE ACTS OF THE SESSION

## (SECOND PERIOD)

- Aboriginal Enterprises (Assistance) Act 1968 (Act No. 154 of 1968)—  
An Act to assist the Establishment and Development of business enterprises by the Aboriginal People of Australia.
- Airline Equipment (Loan Guarantee) Act 1968 (Act No. 131 of 1968)—  
An Act relating to the provision of certain Equipment for a Domestic Airline.
- Air Navigation (Charges) Act 1968 (Act No. 84 of 1968)—  
An Act relating to Charges in respect of Commonwealth Air Navigation Facilities and Services.
- Apple and Pear Export Charges Act 1968 (Act No. 117 of 1968)—  
An Act to amend sections 4 and 6 of the *Apple and Pear Export Charges Act 1938–1966*, and for purposes related thereto.
- Appropriation Act (No. 1) 1968–69 (Act No. 80 of 1968)—  
An Act to appropriate certain sums out of the Consolidated Revenue Fund for the service of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-nine.
- Appropriation Act (No. 2) 1968–69 (Act No. 81 of 1968)—  
An Act to appropriate a sum out of the Consolidated Revenue Fund for certain expenditure in respect of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-nine.
- Australian Capital Territory Supreme Court Act 1968 (Act No. 156 of 1968)—  
An Act to amend the *Australian Capital Territory Supreme Court Act 1933–1966*.
- Australian Coastal Shipping Commission Act 1968 (Act No. 145 of 1968)—  
An Act to amend sections 16, 18 and 19 of, and the Third Schedule to, the *Australian Coastal Shipping Commission Act 1956–1966*.
- Australian Universities Commission Act 1968 (Act No. 129 of 1968)—  
An Act to make provision with respect to the Staff of the Australian Universities Commission.
- Bankruptcy Act 1968 (Act No. 121 of 1968)—  
An Act to amend the *Bankruptcy Act 1966*.
- Beer Excise Act Repeal Act 1968 (Act No. 107 of 1968)—  
An Act to repeal the *Beer Excise Act 1901–1968*, and for purposes related thereto.
- Broadcasting and Television Act 1968 (Act No. 69 of 1968)—  
An Act to amend section 128 of the *Broadcasting and Television Act 1942–1967*.
- Canned Fruit Excise Act Repeal Act 1968 (Act No. 108 of 1968)—  
An Act to repeal the *Canned Fruit Excise Act 1963–1968*, and for purposes related thereto.
- Coal Excise Act (No. 2) 1968 (Act No. 76 of 1968)—  
An Act relating to Excise on Coal.
- Commonwealth Banks Act 1968 (Act No. 144 of 1968)—  
An Act to amend the *Commonwealth Banks Act 1959–1966* in relation to the Conditions of Service of the Holders of certain Statutory Offices and in relation to the Commonwealth Banking Corporation Service and to repeal section 54 of that Act.
- Commonwealth Employees' Compensation Act 1968 (Act No. 123 of 1968)—  
An Act to increase the Amounts of Weekly Payments of Compensation payable to, and in respect of, Employees of the Commonwealth.
- Continental Shelf (Living Natural Resources) Act 1968 (Act No. 149 of 1968)—  
An Act relating to the Living Natural Resources of the Continental Shelf.
- Customs Act (No. 2) 1968 (Act No. 104 of 1968)—  
An Act relating to the Customs.
- Customs Tariff (No. 2) 1968 (Act No. 83 of 1968)—  
An Act relating to Duties of Customs.
- Customs Tariff Validation Act 1968 (Act No. 137 of 1968)—  
An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
- Defence Forces Retirement Benefits Act (No. 3) 1968 (Act No. 128 of 1968)—  
An Act relating to Retirement Benefits for Members of the Defence Force.
- Distillation Act (No. 2) 1968 (Act No. 106 of 1968)—  
An Act relating to Distillation.
- Excise Act (No. 2) 1968 (Act No. 105 of 1968)—  
An Act relating to Excise.
- Excise Tariff Act 1968 (Act No. 74 of 1968)—  
An Act relating to Duties of Excise.

Excise Tariff Act (No. 2) 1968 (Act No. 75 of 1968)—

An Act relating to Duties of Excise.

Extradition (Commonwealth Countries) Act 1968 (Act No. 111 of 1968)—

An Act to amend the *Extradition (Commonwealth Countries) Act* 1966.

Extradition (Foreign States) Act 1968 (Act No. 112 of 1968)—

An Act to amend the *Extradition (Foreign States) Act* 1966.

Fisheries Act 1968 (Act No. 150 of 1968)—

An Act to amend section 4 of the *Fisheries Act* 1952–1967.

Gold-Mining Industry Assistance Act 1968 (Act No. 119 of 1968)—

An Act to amend the *Gold-Mining Industry Assistance Act* 1954–1966.

Income Tax Assessment Act (No. 3) 1968 (Act No. 70 of 1968)—

An Act to amend the Law relating to Income Tax.

Income Tax Assessment Act (No. 4) 1968 (Act No. 87 of 1968)—

An Act to amend the Law relating to Income Tax.

Income Tax Assessment Act (No. 5) 1968 (Act No. 148 of 1968)—

An Act to amend the Law relating to Income Tax.

Income Tax Act 1968 (Act No. 72 of 1968)—

An Act to impose a Tax upon Incomes.

Income Tax (Partnerships and Trusts) Act 1968 (Act No. 73 of 1968)—

An Act to impose a Tax upon certain Income derived from Partnerships and Trusts.

International Monetary Agreements Act 1968 (Act No. 130 of 1968)—

An Act relating to the International Monetary Fund.

Judges' Pensions Act 1968 (Act No. 151 of 1968)—

An Act to make provision for Pensions for Judges and their Families.

Judiciary Act 1968 (Act No. 134 of 1968)—

An Act relating to the Conditions and Restrictions subject to which Federal Jurisdiction is invested in Courts of the States.

Lands Acquisition (Defence) Act 1968 (Act No. 136 of 1968)—

An Act to make provision for the Acquisition by the Commonwealth, for Defence purposes, of certain Land in the State of New South Wales.

Law Officers Act 1968 (Act No. 152 of 1968)—

An Act to amend section 16 of the *Law Officers Act* 1964.

Live-stock Slaughter Levy Act 1968 (Act No. 140 of 1968)—

An Act to amend the *Live-stock Slaughter Levy Act* 1964–1966.

Live-stock Slaughter Levy Collection Act 1968 (Act No. 141 of 1968)—

An Act to amend the *Live-stock Slaughter Levy Collection Act* 1964–1966.

Loans (Australian National Airlines Commission) Act 1968 (Act No. 153 of 1968)—

An Act to approve certain Borrowings by the Commonwealth of Moneys in the Currency of Switzerland and Moneys in the Currency of the United States of America to be made available to the Australian National Airlines Commission, and for purposes connected therewith.

Loan Act (No. 2) 1968 (Act No. 135 of 1968)—

An Act to authorise the raising and expending of Moneys for Defence Purposes.

Loan (Defence) Act 1968 (Act No. 133 of 1968)—

An Act to approve the raising by way of Loan of Moneys in the Currency of the United States of America and to authorise the expending of those Moneys for Defence Purposes, and for purposes connected therewith.

Loan (Housing) Act 1968 (Act No. 79 of 1968)—

An Act to authorise the Raising and Expenditure of Moneys for the purposes of Housing.

Loan (Housing) Act (No. 2) 1968 (Act No. 122 of 1968)—

An Act relating to the Raising and Expenditure of certain Moneys for the purposes of Housing.

Loan (Qantas Airways Limited) Act 1968 (Act No. 132 of 1968)—

An Act to approve the Borrowing by the Commonwealth of Moneys in the Currency of the United States of America to be made available to Qantas Airways Limited, and for purposes connected therewith.

Loan (War Service Land Settlement) Act 1968 (Act No. 85 of 1968)—

An Act to authorise the Raising and Expenditure of a sum not exceeding Five million five hundred thousand dollars for a Defence Purpose, namely, Financial Assistance to the States of South Australia, Western Australia and Tasmania in connection with War Service Land Settlement.

Meat Legislation Repeal Act 1968 (Act No. 143 of 1968)—

An Act to repeal certain Legislation relating to Meat, and for purposes connected therewith.

Meat Research Act 1968 (Act No. 142 of 1968)—

An Act to amend the *Meat Research Act* 1960–1965.

- Ministers of State Act 1968 (Act No. 102 of 1968)—  
An Act relating to the Salaries and Allowances of the Ministers of State.
- National Health Act 1968 (Act No. 100 of 1968)—  
An Act to amend the *National Health Act* 1953–1967.
- Northern Territory Supreme Court Act 1968 (Act No. 116 of 1968)—  
An Act to amend the *Northern Territory Supreme Court Act* 1961–1966 in respect of the jurisdiction of the Supreme Court of the Northern Territory of Australia.
- Overseas Telecommunications Act (No. 2) 1968 (Act No. 139 of 1968)—  
An Act relating to Overseas Telecommunications Services.
- Papua and New Guinea Act (No. 2) 1968 (Act No. 157 of 1968)—  
An Act relating to Employment in the Public Service of the Territories of Papua and New Guinea and for purposes connected therewith.
- Papua and New Guinea Loan (International Bank) Act 1968 (Act No. 71 of 1968)—  
An Act to approve the Guarantee by the Commonwealth of the Discharge of the Obligations of the Administration of the Territory of Papua and New Guinea under a Loan Agreement made with the International Bank for Reconstruction and Development, and for purposes connected therewith.
- Parliamentary Allowances Act 1968 (Act No. 101 of 1968)—  
An Act relating to Parliamentary Allowances.
- Parliamentary Retiring Allowances Act 1968 (Act No. 103 of 1968)—  
An Act relating to Parliamentary Retiring Allowances.
- Phosphate Fertilizers Bounty Act 1968 (Act No. 86 of 1968)—  
An Act to amend the *Phosphate Fertilizers Bounty Act* 1963–1966.
- Post and Telegraph Rates Act 1968 (Act No. 68 of 1968)—  
An Act relating to Postal Charges.
- Processed Milk Products Bounty Act 1968 (Act No. 113 of 1968)—  
An Act to amend section 4 of the *Processed Milk Products Bounty Act* 1962–1967.
- Public Service Act (No. 2) 1968 (Act No. 114 of 1968)—  
An Act to amend the *Public Service Act* 1922–1967, as amended by the *Public Service Act* 1968, with respect to Leave of Absence without Pay.
- Railway Agreement (New South Wales and South Australia) Act 1968 (Act No. 126 of 1968)—  
An Act relating to an Agreement between the Commonwealth and the States of New South Wales and South Australia with respect to the Construction of a Standard Gauge Railway from Broken Hill to Cockburn.
- Raw Cotton Bounty Act 1968 (Act No. 118 of 1968)—  
An Act relating to Bounty on the Production of certain Raw Cotton.
- Removal of Prisoners (Australian Capital Territory) Act 1968 (Act No. 82 of 1968)—  
An Act relating to the Removal from the Australian Capital Territory to Prisons in the State of New South Wales of Prisoners and certain other Persons, and for other purposes.
- Repatriation Act 1968 (Act No. 66 of 1968)—  
An Act to amend the *Repatriation Act* 1920–1967 so as to provide for increases in the Rates of certain War Pensions, for an Allowance to Compensate for Serious Incapacity and for matters in connection with Service Pensions, and to appropriate the Consolidated Revenue Fund for the purpose of Payments resulting from this Act.
- Repatriation (Special Overseas Service) Act 1968 (Act No. 78 of 1968)—  
An Act to amend the *Repatriation (Special Overseas Service) Act* 1962–1966 to provide for the payment of Service Pensions and for the Extension, in certain cases, of a period of Special Service to include a period of Service in Australia.
- Salaries Act 1968 (Act No. 120 of 1968)—  
An Act relating to the Salaries and Allowances payable to the Holders of certain Offices.
- Sales Tax Assessment Act (No. 5) 1968 (Act No. 109 of 1968)—  
An Act to give effect, in relation to Sales Tax, to the European Convention on Customs Treatment of Pallets used in International Transport.
- Sales Tax Act (No. 1) 1968 (Act No. 88 of 1968)—  
An Act to amend the *Sales Tax Act* (No. 1) 1930–1964.
- Sales Tax Act (No. 2) 1968 (Act No. 89 of 1968)—  
An Act to amend the *Sales Tax Act* (No. 2) 1930–1964.
- Sales Tax Act (No. 3) 1968 (Act No. 90 of 1968)—  
An Act to amend the *Sales Tax Act* (No. 3) 1930–1964.
- Sales Tax Act (No. 4) 1968 (Act No. 91 of 1968)—  
An Act to amend the *Sales Tax Act* (No. 4) 1930–1964.
- Sales Tax Act (No. 5) 1968 (Act No. 92 of 1968)—  
An Act to amend the *Sales Tax Act* (No. 5) 1930–1964.

***The Acts of the Session***

- Sales Tax Act (No. 6) 1968 (Act No. 93 of 1968)—  
An Act to amend the *Sales Tax Act (No. 6) 1930–1964*.
- Sales Tax Act (No. 7) 1968 (Act No. 94 of 1968)—  
An Act to amend the *Sales Tax Act (No. 7) 1930–1964*.
- Sales Tax Act (No. 8) 1968 (Act No. 95 of 1968)—  
An Act to amend the *Sales Tax Act (No. 8) 1930–1964*.
- Sales Tax Act (No. 9) 1968 (Act No. 96 of 1968)—  
An Act to amend the *Sales Tax Act (No. 9) 1930–1964*.
- Seamen's Compensation Act 1968 (Act No. 124 of 1968)—  
An Act to increase the Amounts of Weekly Payments of Compensation payable to, and in respect of, Seamen.
- Seamen's War Pensions and Allowances Act 1968 (Act No. 67 of 1968)—  
An Act to amend the *Seamen's War Pensions and Allowances Act 1940–1967* so as to provide for an increase in the Rates of certain Pensions and Allowances and to provide for an Allowance to compensate for serious incapacity, and for matters connected therewith.
- Service and Execution of Process Act 1968 (Act No. 147 of 1968)—  
An Act to amend the *Service and Execution of Process Act 1901–1963* with respect to the Service of Process on certain Corporations, and with respect to the making of Regulations.
- Social Services Act 1968 (Act No. 65 of 1968)—  
An Act to amend the *Social Services Act 1947–1967*.
- Spirits Act 1968 (Act No. 110 of 1968)—  
An Act to amend the *Spirits Act 1906–1966* in relation to the use of Methylated Spirits in Scents, and in relation to the establishment of a Collectorate of Customs in the Northern Territory.
- States Grants (Aboriginal Advancement) Act 1968 (Act No. 155 of 1968)—  
An Act to grant Financial Assistance to the States in connection with the Welfare and Advancement of the Aboriginal People of Australia.
- States Grants Act 1968 (Act No. 127 of 1968)—  
An Act to amend section 5 of the *States Grants Act 1965–1967*.
- States Grants (Coal Mining Industry Long Service Leave) Act 1968 (Act No. 77 of 1968)—  
An Act to amend the *States Grants (Coal Mining Industry Long Service Leave) Act 1949–1961*.
- States Grants (Pre-School Teachers Colleges) Act 1968 (Act No. 115 of 1968)—  
An Act to grant Financial Assistance to the States for the purposes of Building Projects in connection with Pre-school Teachers Colleges.
- States Grants (Secondary Schools Libraries) Act 1968 (Act No. 125 of 1968)—  
An Act to grant Financial Assistance to the States for Libraries at Secondary Schools and for the acquisition of Library Material and Equipment for use in such Libraries.
- States Grants (Special Assistance) Act 1968 (Act No. 138 of 1968)—  
An Act to Grant Financial Assistance to the States of Western Australia and Tasmania.
- Stevedoring Industry (Temporary Provisions) Act 1968 (Act No. 146 of 1968)—  
An Act to amend the *Stevedoring Industry (Temporary Provisions) Act 1967*.
- War Service Homes Act 1968 (Act No. 99 of 1968)—  
An Act to amend the *War Service Homes Act 1918–1966*.
- Wheat Export Charge Act 1968 (Act No. 98 of 1968)—  
An Act to impose a Charge on Wheat and Wheat Products exported from the Commonwealth.
- Wheat Industry Stabilization Act 1968 (Act No. 97 of 1968)—  
An Act relating to the Marketing of Wheat and the Stabilization of the Wheat Industry.

# **THE BILLS OF THE SESSION**

## **(SECOND PERIOD)**

- Adulthood Bill 1968—**  
Initiated in the House of Representatives. Second Reading.
- Aerodromes (Passenger Charges) Bill 1968—**  
Passed by the House of Representatives.
- Commonwealth Superior Court Bill 1968—**  
Initiated in the House of Representatives. First Reading.
- Death Penalty Abolition Bill 1968—**  
Passed by the Senate.  
Received by the House of Representatives. Second Reading.
- Fisheries Bill 1968—**  
Discharged on 20 November 1968.
- High Court Procedure Bill 1968—**  
Initiated in the House of Representatives. Second Reading.
- Meat Industry Bill 1968—**  
Initiated in the House of Representatives. Second Reading.
- Patents Bill 1968—**  
Passed by the House of Representatives.
- Public Works Committee Bill 1968—**  
Initiated in the House of Representatives. Second Reading.
- Quarantine Bill 1968—**  
Initiated in the House of Representatives. Second Reading.
- Territory Senators Bill 1968—**  
Initiated in the House of Representatives. Second Reading.
- Wine Grapes Charges Bill 1968—**  
Initiated in the House of Representatives. Second Reading.

# PARLIAMENTARY DEPARTMENTS

## SENATE

*Clerk*—J. R. Odgers, C.B.E.

*Deputy Clerk*—R. E. Bullock

*Clerk-Assistant*—K. O. Bradshaw

*Principal Parliamentary Officer*—A. R. Cumming Thom

*Usher of the Black Rod*—H. C. Nicholls

## HOUSE OF REPRESENTATIVES

*Clerk*—A. G. Turner, C.B.E.

*Deputy Clerk*—N. J. Parkes, O.B.E.

*Clerk-Assistant*—J. A. Pettifer

*Principal Parliamentary Officer*—D. M. Blake, V.R.D.

*Sergeant-at-Arms*—A. R. Browning

## PARLIAMENTARY REPORTING STAFF

*Principal Parliamentary Reporter*—W. J. Bridgman

*Second Reporter*—K. R. Ingram

*Third Reporter*—G. R. Fraser

## LIBRARY

*Librarian*—A. P. Fleming, O.B.E.

## JOINT HOUSE

*Secretary*—R. W. Hillyer

## CONTENTS

**WEDNESDAY, 23 OCTOBER 1968**

### **CHAMBER**

Distinguished Visitors.....	2223
Question	
FINANCE .....	2223
Question	
EUROPEAN ECONOMIC COMMUNITY .....	2223
Pacific Islands Regiment.....	2224
Question	
EGGS .....	2224
Question	
FIJI AIRCRAFT .....	2224
Question	
CIVIL AVIATION.....	2225
Question	
PAPUA AND NEW GUINEA .....	2225
Question	
AUSTRALIAN RESEARCH GRANTS COMMITTEE.....	2226
Question	
CIVIL AVIATION.....	2226
Question	
ASIAN DEVELOPMENT BANK .....	2226
Question	
PACIFIC ISLANDS REGIMENT .....	2227
Question	
PARLIAMENTARY SALARIES.....	2227
Question	
LOAN RAISING .....	2227
Question	
ABORIGINALS.....	2228
Question	
CONSCIENTIOUS OBJECTORS.....	2228
Question	
CIVIL AVIATION.....	2229
Question	
ELECTORAL .....	2229
Question	
EARTHQUAKE DAMAGE .....	2229
Question	
WAR SERVICE HOMES .....	2230
Question	
WAGE HEARINGS.....	2230
Question	
PROTEST MARCH, BRISBANE .....	2230
Aged Persons Homes Act	
Ministerial Statement .....	2230
Australian Capital Territory Committee.....	2231
Approval Of Works- Public Works Committee Act	
Construction of Beef Roads, Northern Territory .....	2231
Wheat Industry Stabilisation Bill 1968	
Second Reading.....	2232
Third Reading .....	2279
Wheat Export Charge Bill 1968	
Second Reading.....	2279
Third Reading .....	2279
Repatriation (Special Overseas Service) Bill 1968	
Second Reading.....	2279
Third Reading .....	2284
Bills Returned From The Senate .....	2284

### **QUESTIONS IN WRITING**

Answers To Questions Upon Notice

Defence Equipment (Question No. 383)

2285

Civil Aviation: International Terminals (Question No. 801).....	2288
Civil Aviation: Airport Terminal Buildings (Question No. 802).....	2288
Civil Aviation: Airport Terminal Buildings (Question No. 803).....	2288
Postal Department (Question No. 846).....	2288
Port Augusta to Alice Springs Railway (Question No. 90s).....	2289

**Wednesday, 23 October 1968**

Mr SPEAKER (Hon. W. J. Aston) took the chair at 2.30 p.m., and read prayers.

**DISTINGUISHED VISITORS**

Mr SPEAKER—Honourable members will be pleased to note that a party of members of the House of Assembly for the Territory of Papua and New Guinea is at present in the gallery of the House. I am sure that the House would want me to extend to those honourable gentlemen a very warm welcome.

Honourable members—Hear, hear!

**FINANCE**

Mr CREAN—I address a question to the Treasurer. Has he seen the comments of the head of one of Australia's leading underwriters describing the Government's policy towards foreign equity as vague and the interest rate payable on semi-government loans as ridiculous? If the Treasurer does not agree with this criticism will he indicate the Government's policy towards foreign equity and whether he anticipates any rise in the interest rate payable on semi-government loans?

Mr McMAHON—I will reply first to the part of the honourable gentleman's question relating to interest rates on semi-government and local government loans. The honourable gentleman is no doubt aware that there are two different types of loans. One is the public issue loan, to which the comments generally referred, and the other is private placements. It should be remembered that the gentleman who made these comments is a stockbroker and naturally he wants to get the best deal that he can possibly obtain for his clients and the best return for his firm. That is legitimate and understandable. But the Australian Loan Council, which approves of the total amount of the loans and the interest rate payable, is under an obligation to keep interest rates as low as is practicable. The lower the rates the less will be the cost to the undertaking, whether it be a local government or semi-government undertaking and consequently, the less will be the cost to the producer. As well as public loans there are private placements. The

and on placements it is 5%. These loans take up 85% of the total amount of money raised by semi-government authorities.

I think it can be accepted that during the last 10 years, unless there have been exceptional circumstances—and I cannot remember any—all semi-government loan programmes have been filled. Loans for 1968-69 are now being filled in the way anticipated at the time of the Loan Council meeting. So, I cannot for one moment imagine why the State Government would want to change the practice of private placements where money is obtained at rates acceptable to semi-government authorities. The Loan Council—of which I am a member—does in its wisdom sometimes increase the rate or the differential between Commonwealth Government borrowings and the borrowings by semi-government authorities. During the time that I have been Treasurer the differential has been increased by, I think, 1%. I will check on that figure and if it is not correct I will inform the honourable gentleman accordingly.

As to the first part of the honourable gentleman's question, I think the guide lines are simple and clear enough; but the complaint is that we do not permit overseas interests to get out of the Australian banking system all the capital they want to invest in Australia. That is our attitude. We are hungry for capital from overseas, but as restrictions have been imposed in the United Kingdom and the United States of America we do not think it is right that overseas interests should come to the Australian market and borrow money from the Australian banks in order to increase the equity holdings of overseas concerns.

**EUROPEAN ECONOMIC COMMUNITY**

Mr KILLEN—I refer to the various endeavours of successive British governments to find a new relationship with Europe and I ask the Treasurer: Do any of these endeavours, particularly that of membership of the European Economic Community, carry with them any abandonment or modification of Britain's role as banker for the sterling area?

Mr McMAHON—I believe I am right in saying that if Britain did join the European Economic Community—that is the Treaty of Rome powers—she would be under an

obligation to have a monetary policy in common with the European countries. In other words, I think it is true to say that we would lose our privileged position as Commonwealth countries in the British market. But I think I ought to say also that we have now obtained access to the continental market, particularly the Deutschemark market, and have recently raised a very good loan of the order of 200m Deutschemarks. I am hopeful that these doors now being opened, and Germany being in a strong balance of payments position—

**Mr Uren**—Did you say that we are getting \$200m from the Germans?

**Mr McMAHON**—From the Deutsche Bank. We raised it on the Deutschemark market, through the Deutsche Bank loans. I am hopeful that this market will be open to us. I am not quite sure of this, but I think I said that besides borrowing this sum of 200m Deutschemarks from the Deutsche Bank, which operated as the principal agent, we will be able to go back to this market in the early part of next year to raise additional loans.

#### PACIFIC ISLANDS REGIMENT

**Mr BEAZLEY**—Can the Minister for the Army say what steps the Government is taking to train and select an indigenous leadership for the Pacific Islands Regiment, or the Army of Papua and New Guinea as it may become.

**Mr LYNCH**—The present strength of the Army in New Guinea is that of a two battalion force with support elements, covering approximately 3,200 troops, including an Australian Regular Army component of 700, although this varies from time to time. The Army is very conscious of the responsibility it has for training Pacific Islanders to assume positions currently held by members of the ARA in the Territory. Already NCOs from the Regular Army have been replaced extensively by Pacific Islanders, and this policy is now being applied to commissioned ranks. Six Pacific Islanders have graduated as officers from the Officer Cadet School at Portsea and a further six are in training at Portsea now. In recent months the Army has established at Lae in the Territory a military cadet school to generate a greater flow of applicants for the Officer Cadet School at Portsea.

#### EGGS

**Mr BOSMAN**—Has the attention of the Minister for Education and Science been drawn to the most recent quarterly issue of the Commonwealth Scientific and Industrial Research Organisation's publication 'Rural Research in CSIRO'? If so, did he see the statement that a survey of egg qualities in the Sydney area was carried out between 1960 and 1963? Did he read that the quality of at least one egg in each dozen eggs varied between moderately stale and repulsive? Did he note also that most eggs were found to be very flat or slightly flat? Can he indicate whether higher standards of production are required from producers or whether better handling methods by marketing authorities are necessary to overcome the incidence of stale and repulsive eggs? Can he tell the House what is a flat egg? Is it broken, fried or coddled or is that poetical phenomenon of earlier days, the Ooh bird, on the march again?

**Mr MALCOLM FRASER**—I can only suggest that the term 'flat egg' is a suitably subjective term to describe an egg that somebody did not like as much as he thought he would. It is true that between 1960 and 1963 the Commonwealth Scientific and Industrial Research Organisation did conduct a survey. The results of the survey were first published in 1966 and have since been republished in a bulletin such as the one to which the honourable member referred. The terms used by the honourable member in his question indicate fairly accurately the condition of the eggs as they were available to shopkeepers in the Sydney area. On the information available to me, the means of improving the quality of eggs were largely marketing and handling problems, which, of course, are not problems for CSIRO. I have no information that would indicate whether the position has been improved since the survey was made.

#### F111 AIRCRAFT

**Dr EVERINGHAM**—I ask the Minister for Defence whether the cancellation of orders for the F111 aircraft by the United States will approximately double the average cost of production of each such aircraft. Will this mean that fulfilling Australia's order at the recently agreed ceiling price will not be profitable to the United States?

What harm would be done to the United States economy if Australia cancelled the order for this aircraft in favour of another cheaper aircraft that will do most of the job that the F111 was vainly expected to do and would probably be required to do?

**Mr FAIRHALL**—Perhaps I should point out in the first place that all suggestions relating to the possible reduction in the number of aircraft to be ordered by the United States Government are at this time pure conjecture. As I said in answer to a question yesterday, any reduction in the numbers would not serve to increase the fly away cost of Australia's aircraft from the present ceiling of \$5.95m. The other points that arise from the honourable gentleman's question are matters for the United States Government itself, and the Australian Government would not be involved in them except by way of sympathy. The suggestion of the cancellation of Australia's order for the aircraft again is purely conjecture, but at the same time I point out to the honourable gentleman that all Australia's aircraft are well forward in the production line. If it became necessary for us to cancel our aircraft, quite clearly the cost to the Australian Government would be almost equivalent to the fly away price of the aircraft. Mr Speaker, while I am on my feet I might take this opportunity to refer to Press reports of my answer to a question yesterday, in which I said that other high stress areas had been located in the wing carry through structure. The newspapers this morning presented this as further difficulties with the F111. I should like to make it perfectly plain to the House and to the Press that the whole aircraft technically would be regarded as a high stressed aircraft and the entire function of the wing carry through structure is to carry this stress. Where there are areas of stress concentration, clearly they ought to be reinforced and will be reinforced now as a special precaution. But this does not indicate any further fault in the aircraft.

### CIVIL AVIATION

**Mr CORBETT**—My question is addressed to the Minister for Civil Aviation. I preface it by saying that south west Queensland has suffered severely in recent times from a reduction in air services, the

latest being the reported intention of Airlines of New South Wales Pty Ltd to discontinue the Sunday service from Bourke to Cunnamulla and Charleville as from 10th November. Can the Minister advise the House whether Airlines of New South Wales will be allowed to discontinue this valuable service to south west Queensland? Can he say further whether Ansett-ANA, of which Airlines of New South Wales is, I understand, a wholly owned subsidiary, has the right to reduce or discontinue country air services, as it chooses, while still retaining all the benefits of the franchise it now enjoys under the two airline system?

**Mr SWARTZ**—I am aware of the interest that the honourable member has shown in the subject of air services to south west Queensland. Indeed he has raised the matter on a number of occasions in this House. Honourable members will recall that the last occasion on which this subject was raised was when Trans-Australia Airlines was considering cutting out some services to the Channel Country. As a result of representations by the honourable member for Maranoa those services were continued, and they are still operating. The position in relation to services by Airlines of New South Wales Pty Ltd is this: There is a proposal that the service mentioned will be cut out, from the point of view of regular public transport, and that it will be taken over by a commuter operator. The airline concerned has given an assurance to my Department that it will not discontinue this service until the commuter operator is in a position to take over, and I can now pass on that assurance.

### PAPUA AND NEW GUINEA

**Mr BENSON**—Has the Attorney-General seen reports that a group of people in Rabaul want to break away from the Territory of Papua and New Guinea and form a new territory extending from Manus Island through Rabaul and Bougainville and to be known as Melanesia? What is the legal position regarding the steps proposed to be taken by this group?

**Mr BOWEN**—I have seen Press reports to this effect. The area referred to would, of course, be only part of the whole area which is the subject of the trust agreement,

which is administered by Australia as trustee under the United Nations. It would not, as a matter of international law, be possible for part only of the area to detach itself unilaterally, as it were. If any proposal of the kind referred to were to be put forward, authorities at three levels would need to be considered—the peoples in the total area, Australia as trustee, and the United Nations.

#### AUSTRALIAN RESEARCH GRANTS COMMITTEE

**Mr BRIDGES-MAXWELL**—My question is directed to the Minister for Education and Science. Is it a fact that the grants for research made through the Australian Research Grants Committee this year are the lowest for 3 years? Is it a fact that they have decreased by \$250,000? If so, why?

**Mr MALCOLM FRASER**—I think that when looking at the funds made available through the Australian Research Grants Committee it is necessary to look at the complete triennium. The funds are provided to the Committee on a triennial basis to support, largely, high level research in universities, although not all the funds go to universities. Firstly, it should be pointed out that in this triennium \$9m is being made available, while \$5m was provided in the last triennium. The amount for this triennium is considerably more than it was for the previous one. In the early part of this triennium the Australian Research Grants Committee found when assessing applications for support that some expensive items of capital equipment were going to be required. This equipment would have a use not just in one year of the triennium but throughout the 3 years, and would have a continuing use after that time. It felt that if support were to be given to research of the highest quality some funds would have to be provided for this equipment. Thus a larger proportion of the total was made available in the first year so that a good deal of this equipment could be purchased. This meant that during the second and third years of the triennium the funds provided were slightly less than those made available in the first year. I do not think it is fair to conclude that there has been a reduction in the amount of funds being provided. Over the triennium substantially more funds have been made available than were provided for the previous triennium.

#### CIVIL AVIATION

**Mr CHARLES JONES**—I direct a question to the Minister for Civil Aviation. Has the British aircraft industry developed an automatic instrument landing system which now makes it possible for aircraft to land in weather conditions which were previously considered impossible? Have United Kingdom airlines already installed this new and effective system? Is this system available to be fitted to aircraft flown by Australian airlines? If it is, when will the Minister issue a directive that Australian airlines shall install this system in all of their aircraft?

**Mr SWARTZ**—It is a fact that the British aircraft industry has developed a full instrumentation landing system. It has been installed and is operating in some VC10 aircraft operated by the British Overseas Airways Corporation. There have been quite a number of very successful experiments and a number of landings under regular public transport conditions which have been very satisfactory. Of course, the system is far more important to an aircraft operating under conditions that exist in the United Kingdom than it is to aircraft operating to airports in Australia, at which we have a usability factor which is very high in comparison with that of other countries. During winter time in the United Kingdom the London airport would be and has been closed regularly because conditions preclude any landings other than those by full instrumentation. So the need for an automatic instrument landing system is far greater under conditions in the United Kingdom, in parts of Europe and in other parts of the world than it is in Australia.

Nevertheless, our own airline, Qantas Airways Ltd, and other international operators naturally have this matter well and truly in mind. But we must remember that there is a substantial cost involved in fitting this instrument landing system into aircraft. That factor must be weighed against the opportunity of using the system here and the additional serviceability which would result. However, I will see that the attention of our own overseas airline is drawn to this matter and will ascertain exactly the airline's present assessment of the situation.

#### ASIAN DEVELOPMENT BANK

**Mr KEVIN CAIRNS**—My question is directed to the Treasurer in his capacity as a Director of the Asian Development Bank.

Are the reports correct that the United States of America intends to withdraw support from the Asian Development Bank until her balance of payments position is corrected? Has any such possibility been considered by the Australian Government? If such an event came to pass, would Australia's reaction be similar to that of the Japanese Government which has threatened to withdraw its support of the Bank if the United States pursues such a course, even temporarily?

**Mr McMAHON**—The support to which the honourable gentleman referred was an amount additional to the original contribution. All nations which agreed to make their original contributions have lived up to their promises. But the Asian Development Bank asked whether countries would make special funds available to the Bank, if necessary, for special purposes. Japan made special donations, as did some other countries. Australia did not do so because our initial contributions, in terms of per capita grants, were far greater than those of any other country. Consequently, we did not think that there was a justifiable call on us which would necessitate our making additional payments. So a question concerning the possible implications of an Australian contribution does not arise. Up to the present I have not been in the position where I have had to give further consideration to the matter.

#### PACIFIC ISLANDS REGIMENT

**Mr BARNARD**—My question is directed to the Minister for Defence. Did the last defence review propose the formation of a Pacific Islands Regiment of three battalions for Papua and New Guinea? Have only two of these battalions been raised? If so, when is it proposed to recruit and form the third battalion?

**Mr LYNCH**—I have seen a Press report concerning the third battalion of the Pacific Islands Regiment. The Press report is speculative and uninformed. The Government has not decided not to raise a third battalion of the Pacific Islands Regiment. The forward role and composition of the PIR, as with all aspects of the Government's defence programme, will of course be included in the formulation of the new 3-year defence programme which will be introduced by the

Government after consideration of the strategic review. In the meantime, the Army in the Territory is continuing to service a dual purpose. I refer in the first instance to the development of a national army constituted of indigenes and capable of playing a vital part in the defence of the Territory, and secondly to the provision in the future of a well trained, well disciplined loyal and effective force which will be completely subservient to the legally constituted authority. I stress the latter aspect, which is quite vital to the work that we are carrying out in the Territory at present. This is shown in terms of the education effort which the Army has put forward. One-third of the total strength of the Royal Australian Army Educational Corps is in the Territory, and 1 in every 12 soldiers of the Australian Army component in the Territory is a member of that Corps.

#### PARLIAMENTARY SALARIES

**Mr GIBSON**—I ask the Prime Minister a question. Can he say whether there is any truth in today's Press speculation about an increase in Federal parliamentary salaries? In the terms of the Pavlovian metaphor used by my honourable friend from Moreton, is the dog, having been refused a fight, now to be given a bone?

**Mr GORTON**—I would not wish to comment on Press speculation on matters of this kind.

#### LOAN RAISING

**Mr CALWELL**—I ask the Treasurer a question. In view of the fact that the Curtin Government was able to pursue its magnificent effort in the war without having to raise the interest rate on loans above 3%, and in view of the fact that the Chifley Government, in the post-war transition period, did not have to pay more than 3% on loans that it raised, why is it necessary today for this Government to pay 5-5/8% and 5-7/8% interest respectively on government loans and semi-government loans? Why cannot all of these loans be raised at the cost of issuance and service only?

**Mr McMAHON**—As to the first part of the honourable gentleman's question—

'Mr James—'Right honourable'.

**Mr McMAHON**—‘Right honourable and very respected gentleman’, if the honourable member wants the full title. The right honourable gentleman will know as well as anyone in this House that during the war there was in fact a captive market and that development of this country, of necessity, had to suffer. Secondly, he will know that there was not a very large number of issues either of government loans for development purposes or of loans for semi-government and local government purposes. That is the answer. Today we have a competitive market both overseas and internally. We have to get close to the going rate or we do not get the moneys. The critical factor here is to get the moneys that are necessary for the development of this country. Again, if I may, let me point out, with very great respect to the right honourable gentleman that he made a mistake when he implied that semi-government and local government loans were Commonwealth Government borrowings. They are not. They are State loans raised on the market not by the Commonwealth but by the local government and semi-government authorities concerned, sometimes with the direct assistance of the State governments. These authorities raise 85% of their money by private placement. Obviously, they would not do this—with the consent of the State governments—unless they felt they could make a profit. If the semi-government authorities can invest the money at a profit and give service to the people at the same time, I can see nothing to object to.

#### ABORIGINALS

**Mr CALDER**—I direct my question to the Minister for the Interior. Has he seen reports in the Press to the effect that, because of the foreshadowed rise in wages for Aboriginal employees, other than stockmen, on stations, missions and settlements in the Northern Territory, Aboriginals were being put off some stations? Is there any truth in the reports? When can these people expect to receive this rise in wages?

**Mr NIXON**—I have seen reports of this nature in the Press. It appears that they came out of a Press conference held in Darwin by the Assistant Administrator. Aboriginals on pastoral properties are protected by an ordinance passed by the Legislative Council which gives them the right of

ingress and egress on pastoral properties, the right to hunt and roam all over pastoral properties, and the right to camp at natural waters on pastoral properties. Anybody who interferes with that privilege will be dealt with.

**Mr James**—How many have been dealt with?

**Mr NIXON**—Just let me finish. No-one has been dealt with, because I have not heard of any reports in substance confirming the allegation. As I said, if I do hear of any such cases the persons concerned will be dealt with. In respect of the wage rise, the House will recall that there has been a phasing in of wages for Aboriginals on pastoral properties over a period of time. The full wage is due to become operative on 1st December. My understanding is that the majority of pastoral properties are well ahead of the time schedule for the phasing in.

#### CONSCIENTIOUS OBJECTORS

**Dr J. F. CAIRNS**—I ask the Attorney-General whether he has noted the statements by judges in the cases of Denis O'Donnell and John Zarb that both objectors possessed a genuine conscientious objection to military service because each objected to the war in Vietnam. Has he noted that the Minister for Labour and National Service, who administers the relevant Act, has disagreed with the judges in statements he has made in this House to the effect that objection to the war in Vietnam is a political and not a conscientious objection? As the Commonwealth's highest legal officer, is the Attorney-General concerned at the opposing views of the judges and the responsible Minister as to whether objection to the war in Vietnam is a political or a conscientious objection, and at the state of the law which means that although an objector is held by a judge to have a genuine conscientious objection to military service he is not entitled to exemption from military service?

**Mr BOWEN**—It is evident from the honourable member's question, and also from some of the Press comments, that there is a transition from one meaning of the words ‘conscientious objection’ to another to suit the particular purpose for which they are being used. There is a good

deal of confusion here, because the judges have not, as the honourable member suggests, said that Mr O'Donnell and Mr Zarb have a conscientious objection in the relevant sense. They have said and have held exactly the opposite. It is not for the Minister for Labour and National Service to express a view on conscientious objection in the Parliament or for anyone else in the position of a judge to do so. Conscientious objection is described in a statute passed by this Parliament. The gentlemen to whom the honourable member referred had the opportunity, as any Australian citizen has, to establish whether or not they were conscientious objectors. As with any other Australian, they are obliged to accept the decision of their country's courts. I noted recently an article which stated that the Government had prosecuted Mr Zarb for a refusal to answer his call for service and had gaoled a conscientious objector. If a person is a conscientious objector he can walk out free; he cannot be charged with refusing to answer a call up, but if a person is not a conscientious objector in the relevant sense, then the charge of refusing to answer his call up will be established. It would be quite wrong to suggest that a conscientious objector could be gaoled.

#### CIVIL AVIATION

**Mr CHANEY**—I ask the Minister for Civil Aviation a question supplementary to that asked by the honourable member for Maranoa. Where a service on developmental routes is curtailed or cancelled, is the subsidy paid to the airline operating the service reduced or is a proportion of the subsidy paid to the charter operator or other operator who may care to cover the abandoned route?

**Mr SWARTZ**—In special circumstances a commuter operator taking over a scheduled airline service may be paid a subsidy. This situation would apply in areas declared developmental. The operator must conform to a special set of conditions which are strictly administered. The need for these services would arise principally in Western Australia, but there would be some in other parts of Australia. The conditions generally relate to a service conducted by a regular public transport operator. Where an operator ceases to provide a service and the service is taken

over by a commuter operator, who provides a service generally similar to that provided by the former operator, but at perhaps greater frequency, consideration may be given to providing the new operator with a subsidy. Each case would be considered on its merits. The service must be in respect of developmental routes.

#### ELECTORAL

**Mr WHITLAM**—I ask the Minister for Defence a question. I observe that a Regular Army officer has been chosen as a Liberal Party candidate for the next elections for this House. Has consideration been given to granting servicemen the same rights as are enjoyed by public servants, who also must resign to contest elections but who have the statutory privilege of being reappointed to the Public Service if they fail to be elected?

**Mr FAIRHALL**—These matters have all been dealt with in legislation. I should imagine that the honourable gentleman knows the conditions under which serving officers are entitled to contest elections.

#### EARTHQUAKE DAMAGE

**Mr HALLETT**—Will the Treasurer say what tax concessions are available to individuals or companies in respect of expenditure incurred in replacing property damaged by earthquake? If there is no provision in the existing machinery for such concessions, will he consider making special arrangements to meet the present situation?

**Mr McMAHON**—There is no direct or explicit provision in the Commonwealth taxation laws relating to earthquakes but there are some provisions which have application when an earthquake occurs causing damage to or destruction of property. In these cases it does not matter whether the property belongs to an individual or to a corporation. In the case of damage to property, if it is property used for the production of assessable income, money spent in making good the damage may be claimed as a tax deduction. A claim may also be made on the Commissioner of Taxation in respect of capital loss incurred when there has been destruction of property. A second provision in the taxation law provides that amounts in excess of \$2 contributed to public appeals may be claimed as tax deductions. The

Commissioner of Taxation has discretion to permit deferred payment or payment by instalments in cases where individuals have suffered loss due to earthquake. The honourable gentleman will know that last week the Prime Minister announced that the Commonwealth Government had donated \$50,000 towards relief in the case of the recent earthquake in Western Australia.

### WAR SERVICE HOMES

**Mr J. R. FRASER**—I ask the Minister representing the Minister for Housing: Can he indicate when legislation to amend the War Service Homes Act to implement the Budget proposal to increase the war service homes advance from \$7,000 to \$8,000 will be introduced into the Parliament? In the interests of people who are currently applicants for war service homes advances, can the Minister give an assurance that the matter will be dealt with promptly?

**Mr BURY**—I understand, on the very best advice, that this Bill is likely to be introduced tomorrow.

### WAGE HEARINGS

**Mr WHITTORN**—In view of the concern expressed by the Premier of New South Wales regarding the effect that decisions by the Commonwealth Conciliation and Arbitration Commission in wage cases are having on State Budgets, I ask the Minister for Labour and National Service whether State governments can be represented at wage hearings. If so, have State governments been represented at recent hearings and given evidence in order to protect their budgeting, or do they leave it to the Commonwealth to finance their higher costs after the decisions have been made by the Commission?

**Mr BURY**—It is open to State governments to present a case at wage hearings. It is well known that every time there is an increase in the general level of wages the charges for public services automatically have to be raised. This follows as the night the day. The labour costs incurred by the States are heavy, and naturally this is one of the many ways in which wage increases inevitably are eroded. Although it is open to the States to present a case, I have no knowledge of an occasion on which they

have done so. But I shall check the matter historically and ascertain the position. I think every member of the House will be able to interpret in his own way the other comments that were wrapped up in the honourable member's question. The answer to them is fairly obvious.

### PROTEST MARCH, BRISBANE

**Mr DONALD CAMERON**—Is the Attorney-General aware that a march of defiance and protest in support of the National Liberation Front and the Vietcong is at present being organised in Brisbane by the secretary of an Australian Labor Party senator whose salary is paid by the Commonwealth of Australia? Is it true that the Defence Force Protection Act had an easy passage through this House because every decent ALP and trade union member would not oppose legislation that sought to protect Australian fighting men? Can the Minister tell the House the difference between giving monetary aid and giving moral aid to support an enemy that is opposed to and is fighting Australian troops?

**Mr BOWEN**—I have not seen a report of the demonstration to which the honourable member referred. Therefore, I am not able to make any comment upon it. The Defence Force Protection Act relates only to aid in the form of money or goods going out of the country and therefore would not cover this particular situation. The information I have received indicates that the Act has been extremely effective in carrying out the purposes that I think all members of this Parliament had in mind when it was passed.

### AGED PERSONS HOMES ACT

#### Ministerial Statement

**Mr WENTWORTH** (MacKellar—Minister for Social Services)—For the information of honourable members, I present a list of the homes subsidised under the Aged Persons Homes Act as at 30th June 1968 and ask for leave to make a brief explanatory statement.

**Mr SPEAKER**—There being no objection, leave is granted.

**Mr WENTWORTH**—It is proposed to present a similar list annually. Honourable members will no doubt realise that the detailed lists that are circulated to them

each month will enable them to keep this list up to date. Although the list has been compiled primarily for the information of honourable members, it may be of use to other members of the public who are working in this field or, indeed, to those who wish to reside in these homes. My Department is prepared to give additional details in regard to aged persons homes to any honourable member seeking it.

### AUSTRALIAN CAPITAL TERRITORY COMMITTEE

**Mr J. R. FRASER** (Australian Capital Territory)—I present the report of the Joint Committee on the Australian Capital Territory on the desirability of establishing in Canberra a municipal type market for fruit, vegetables and farm products.

Ordered that the report be printed.

### APPROVAL OF WORKS—PUBLIC WORKS COMMITTEE ACT

**Extension of submarine maintenance facilities, Cockatoo Island, New South Wales**

**Mr KELLY** (Wakefield—Minister for the Navy) [3.18]—I move:

That, in accordance with the provisions of the Public Works Committee Act 1913-1966, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to this House: Extension of submarine maintenance facilities, Cockatoo Island, New South Wales.

The Parliamentary Standing Committee on Public Works has reported favourably on the proposal to construct three buildings to provide modern refitting facilities for submarines. The estimated cost of the proposal is \$4.7m. Upon the concurrence of this House in this resolution detailed planning can proceed in accordance with the recommendations of the Committee.

### Construction of Beef Roads, Northern Territory

**Mr KELLY** (Wakefield—Minister for the Navy) [3.19]—I move:

That, in accordance with the provisions of the Public Works Committee Act 1913-1966, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to this House: Construction of beef roads—Willeroo to Timber Creek and Mataranka to Roper Bar, Northern Territory.

The proposal involves the construction of 206 miles of sealed road and includes a bridge over the Victoria River. The estimated cost of the proposal is \$6.35m. In reporting favourably on the proposal the Parliamentary Standing Committee on Public Works recommended an examination of the need for further beef road development and that priority be given to the sealing of the road from the Western Australia border to Timber Creek. Such an examination is currently being undertaken and the Committee's recommendation will be considered in allotting the relative priorities of future beef road proposals.

The Government has noted the further Committee's recommendation regarding a long term study of the capital, maintenance and reconstruction costs of beef roads of various widths. Now that the Katherine-Willeroo-Top Springs road has been carrying traffic for a sufficiently long period, a detailed inventory has already been commenced to provide a factual basis for the selection of sections of the beef roads where it may be appropriate for the Government to authorise the construction of experimental lengths of greater sealed width as part of the long term study recommended by the Committee. Upon the concurrence of this House in this resolution, detailed planning can proceed in accordance with the recommendations of the Committee.

**Mr CALDER** (Northern Territory) [3.21]—I support the Minister's remarks and express my pleasure at the Government's showing a continued interest in the construction of beef roads in the Northern Territory. I am pleased that it is intended to build a bridge over the Victoria River and to widen some sections of the beef roads. Some beef roads are tending to become dangerous because their width is not sufficient. I referred to this problem during the recent Estimates debate. I commend the Public Works Committee for agreeing to the completion of the road from Timber Creek to the Western Australian border. This road will complete a circuit of first class sealed roads. It is desirable, too, that the Mataranka to Roper Bar road be constructed, because it is possible that a prawning venture will be established near the mouth of the Roper River. Ultimately that

road can be extended towards the Queensland border and hooked up with that part of the country. Once again I commend the Government for its decisions.

**Dr PATTERSON** (Dawson) [3.22]—The Opposition also supports the proposal to go ahead with the construction of the Willeroo to Timber Creek road and the Mataranka to Roper Bar road. The construction of the Willeroo to Timber Creek road will solve what has been called for many years the missing link in beef roads in the Victoria River Downs district of the Northern Territory. When the beef roads scheme was first introduced this particular road was not given a priority, principally because in those days the basic movement of cattle was of store cattle from the Victoria River district across the Barkly Tableland into Queensland or, vice versa in a westerly direction, of fat bullocks and cast for age cows to Wyndham. With the construction of the Katherine meat works a completely different aspect was given to priorities for beef roads and it became obvious that the Katherine-Willeroo-Top Springs road and a road westerly to Timber Creek and to Wave Hill were also vital parts of the whole beef roads scheme. The Willeroo to Timber Creek road is part of the whole pattern of roads connecting Western Australia, the top portion of the Northern Territory and the Barkly Tableland to Darwin and Katherine as well as Queensland.

Question resolved in the affirmative.

### WHEAT INDUSTRY STABILISATION BILL 1968

#### Second Reading

Debate resumed from 10 October (vide page 1866), on motion by **Mr Anthony**:

That the Bill be now read a second time.

**Mr ANTHONY**—Mr Speaker, may I have the indulgence of the House to raise a point of procedure? As was mentioned in the second reading speech, this Bill and the Wheat Export Charge Bill are associated measures. It would no doubt meet the convenience of honourable members if the House were to have a general second reading debate covering both Bills. At the conclusion of the debate separate questions would, of course, be put on each Bill. I suggest that this course of action be followed.

**Mr SPEAKER**—Is it the wish of the House to debate the subject matters of these Bills together as suggested by the Minister? There being no objection I will allow that course to be followed.

**Dr PATTERSON** (Dawson) [3.25]—The two Bills, the Wheat Industry Stabilisation Bill and the Wheat Export Charge Bill, are to be debated together. The Wheat Export Charge Bill is, for all practical purposes, a machinery Bill. Most of my remarks, if not all of them, will be related to the Wheat Industry Stabilisation Bill. I move:

That all the words after 'that' be omitted with a view to inserting the following words in place thereof:

'the Bill be withdrawn and redrafted to provide for a one price scheme for home consumption and export wheat commencing with a price which will return to the grower \$1.48 f.o.r. per bushel which is equivalent to a guaranteed price of \$1.51½ f.o.b. per bushel for exports up to a maximum of 200 million bushels from the crop of any season.'

There can be little doubt that the Wheat Industry Stabilisation Bill is one of the most important Bills affecting primary industry to come before the Parliament. The new two price stabilisation scheme of \$1.70 a bushel for home consumption wheat and \$1.45 f.o.b. for export wheat up to 200 million bushels is, in my opinion, a victory for the Treasury. On the other hand, the two price scheme is a clear demonstration of the Government's continued policy to shift a major portion of the cost of supporting the wheat industry from the shoulders of the higher income group to the shoulders of the lower income earners, the consumers of bread, eggs and so on. Under the provisions of every wheat stabilisation scheme up to the present the responsibility for meeting any cost of wheat stabilisation was borne through the Federal Treasury by the general taxpayer according to his ability to pay taxes.

One of the most disturbing aspects of this legislation has been the standover tactics employed by the Government through its spokesman, the Minister for Primary Industry (Mr Anthony), when dealing with those who oppose the legislation. The Government's dictatorial method of forcing wheat growers to accept a two price scheme, which is not as beneficial either to consumers or to wheat growers as a one price scheme, and in fact is only beneficial to the Treasury, is akin to political blackmail.

Anyone, wheat farmer or State government, who dares to oppose the Minister is apparently regarded as a traitor to the wheat industry. I doubt whether even in this Parliament we have seen a Minister who belongs to the Australian Country Party threatening a section of industry made up principally of his own supporters with dire consequences if it does not bow down and accept without qualification the decision to implement a two price scheme. Such a scheme is, in my opinion, loaded against the consumer and may cause marketing problems in Australia.

The shifting of the burden of the subsidy to the lower income groups is deliberately penalising the large bread eating families. This is to be regretted. It is one reason why the Opposition cannot accept the two price scheme. The significantly higher price for wheat consumed in Australia is inflationary both in its direct and indirect effects in that it will lead to increases in the price of bread, selected meats and so on. This in turn will lead to an automatic increase in wages because of the movement in the consumer price index. Except for political expediency, which is, as I have said, a victory for the Treasury and apparently to honour Government policies which consistently impose a higher tax burden on the lower income groups, there is no justification for the Government's two price scheme. The Minister for Primary Industry does not give any sound economic justification for introducing a significantly higher price for wheat consumed locally. He does not mention the real reason, which is apparent to everyone, and that is to reduce the Government's direct contribution by calling on the consumers to pay a higher price. It is very significant that under a one-price scheme the income of the wheat farmer would not, of course, be affected.

The Government's stated reason for separating the domestic price level from the export price level is that this offers the consumer assured wheat supplies at a stable price. I think that perhaps this is humbug. This argument may have been valid in 1947-48 when wheat was a very scarce commodity, but it is certainly not valid in 1968 when all the world knows that there is now a surplus of wheat. For confirmation of this one has only to refer to the

statement by the Chairman of the Australian Wheat Board recently. The Minister's argument in support of the two-price scheme that it will provide a stable price for consumers is open to question. The housewife's main concern is with the absolute level of bread and egg prices. The cold fact is that if this legislation is passed she will have to pay higher prices for those commodities.

Another reason given by the Government for imposing a higher domestic price for wheat than the export guarantee price is that it is a fact of life that the two markets are distinct. This kind of argument is quite strange because the level of Australian prices for all commodities of which there are large exportable surpluses is determined principally by the level of export prices, unless there is artificial control at the domestic level. If export prices are high then domestic prices are high, and if export prices are low then it follows that the domestic price must also be low if there are large exportable surpluses. The fact that wheat production is subject to a stabilisation scheme which involves a guaranteed export price is no reason for making the domestic price distinct from the export price. In the event of wheat becoming a scarce commodity, as it was in 1948, there is ample legislative capacity to control the level of wheat prices in Australia and to guarantee supplies to Australian consumers.

The extraordinarily high export wheat price in the early post-war years was in fact the real reason for the wheat stabilisation scheme. The first stabilisation scheme of 1947-48 has been described as a true stabilisation scheme, the principal objective being to iron out the wide variations in incomes of wheat producers from year to year resulting from the violent fluctuations in export prices. In that year, 1947-48, the assessed cost of production was approximately 6s 3d a bushel whereas the export price was about 17s 6d a bushel. It is perfectly true that in those years wheat producers subsidised the Australian public in the consumption of bread and eggs. But this does not mean that the converse should apply now and that the family man and not taxpayers as a whole should bear the burden of an artificially high domestic price for wheat as compared with the export

price. There is little doubt that a significantly higher home price for wheat could promote illegal trading in wheat, particularly for stock feed, and the interstate movement of wheat.

To summarise my first point, the main difference between the Opposition and the Government on the argument between the one-price or the two-price scheme is simply one of basic policy. The Government believes that the low income family man should bear some burden of the cost and should in fact subsidise the wheat farmer for wheat consumed in this country if any deficiencies have to be made up. The Opposition believes that, as has always been the case until the advent of this legislation, the responsibility for any subsidy rests with the Treasury, which in practice is the whole body of Australian taxpayers, and that the subsidy should be met by taxpayers according to their individual abilities to pay.

The cost of a one-price scheme based on a price of \$1.48 f.o.r. per bushel home consumption price and \$1.514 f.o.b. per bushel for export wheat up to 200 million bushels is estimated at \$135m over 5 years. This compares with the Government's proposal which is estimated to cost \$68m over the same period. This means, of course, that the Government, or the Treasury, will save \$67m by directly imposing a higher level of prices on the consumers of bread and eggs. In essence this Government says that as wheat growing is highly profitable and the average wheat farmer is very well off financially, the industry is therefore not in need of government assistance. Thus, according to the Government, federal financial assistance should be reduced but the price of wheat to the consumer in Australia should, on the other hand, be significantly increased to compensate for the reduction in direct government assistance. This is illogical gymnastics, and I find it difficult to believe that any Country Party member could support a policy which deliberately penalises the Australian family man.

The Government's main argument for abandoning the assessed cost of production formula is, as stated by the Minister, that the very existence of a stabilisation scheme increased the cost of production under the formula and the cost of the scheme to the Government. The Government therefore

attempts to blame both the principle of stabilisation and the principle behind the cost of production formula for the high cost to the Treasury of the wheat stabilisation scheme. I believe this is neither correct nor fair. If wheat growing is highly profitable, as the Government maintains it is, then any blame for increasing the cost of the scheme to the Government—that is to the Treasury—and now, of course, to the lower income group of Australian citizens, must be borne by the Government.

Let me say now that the cost of production principle is not wrong, nor can it ever be wrong. It is fundamental to all economic activities in which there are production factors. What is wrong, however, is the Government's interpretation and calculation of the cost of production as envisaged in the so-called assessed cost of production formula. Let us be aware of statements such as are frequently made that there is no such thing as a cost of production for the wheat industry. There is and there must be an average cost of production for the wheat industry, just as there is a cost of production for 1 farm, for 100 farms or for 1,000 farms. Certainly there are wide variations from the average costs as between farms and as between districts, but this is no justification for saying that the cost of production principle is meaningless. It is no justification for scrapping the cost of production yardstick.

The cost of production formula as used by the Government is, I believe, inaccurate and therefore can provide wrong answers. The fact that it is inaccurate is perhaps clearly shown by the Government's intention now to drop it like a hot potato. Because the formula is inaccurate and has been used incorrectly for years, the Government has been forced to pay larger sums to the stabilisation fund than it would have done if a more accurate formula had been used. The last two economic surveys by the Bureau of Agricultural Economics have shown that the average cash cost of producing wheat is between 55c and 70c a bushel. Assuming the stratified random sampling technique is correct and that the officers collecting information by this technique are efficient the cash costs of production that I have given must be considered as being reasonably correct. According to the formula that is used, cash costs

comprise only 40% of total costs. The other costs, including imputed costs, make up the remainder. The breakup of total costs is as follows:

Cash Costs .. .. ..	40%
Depreciation .. .. ..	15%
Interest .. .. ..	20%
Owner-Operator Allowance .. .. ..	11%
Interest on working capital .. .. ..	1%
 Net cost at siding .. .. ..	87%
Freight and handling charges to seaport .. .. ..	13%
 <hr/>	<hr/>
	100%

It is very clear, therefore, that imputed items can influence tremendously the final conclusion reached on any assessed cost of production of wheat. In this debate I do not intend to quarrel with those imputed items which are entirely subjective and which are based on government policy. If I did my remarks would be subjective also. My quarrel will be with those elements in the formula which in my opinion are incorrect and which could give a false cost factor. But let me deal with the subjective items first because, after all, these are important in the index which may be used to determine movements in actual costs each year. The formula allows for an owner operator allowance. The level of this allowance is purely arbitrary and is fixed by the Government. But for every \$200 change in this allowance, the average cost of producing wheat is changed by approximately 4c per bushel. Now it is logical to argue that if wheat growing is highly profitable and if a farmer is receiving a satisfactory rate of return on capital invested, there is no justification for this allowance to be automatically varied each year, as a result of changes in the wage index, by amounts in excess of what is needed to pay his hired labour. But on the other hand, it can be just as validly argued that because of the opportunity cost of a farmer's labour, he is fully entitled to an allowance at least equal to that of the ruling wage rate. Such arguments, however, as I have said, are subjective. These are matters of Government policy.

Let us take also the question of yield. How subjective is this? What yield should we take in a case of production formula? Whether one takes the average of 10, 15 or 20 years or the average of the last 3

years, or some projected average, the particular yield per acre taken is open to very serious argument. But the level of yield is of extreme importance. The effect on cost of production of taking 18 bushels per acre, for example, as opposed to 15 bushels—a difference of 3 bushels per acre—is a difference of approximately 25c per bushel. So it is patently obvious that this one item of yield is one of the most important decisions to be made by the Government affecting the formula and the particular cost of production figure. Has the Government been right or wrong in the yield divisor used? Again this is subjective. It must be obvious that the Government, if it wished—and I do not say and would not say that it would do so—can manipulate the cost of production level to almost any figure it requires by the use of a particular yield divisor, because of the significant effect which a change in the yield divisor has on the final cost.

Now I turn to interest rates: The actual rate of interest or opportunity cost to be charged on the farmer's investment is again a matter of Government policy. One could argue, quite validly, for interest rates ranging from zero to 10%. This is always a vexed economic argument, as is frequently seen in arriving at the specific rate of interest for discounting in benefit cost analyses. Whatever rate one takes it is always open to argument whether it is the correct rate or not. But again its importance is real. Again it shows the shakiness of imputed cost. A 1% increase in the interest rates results in an increase of approximately 14c a bushel in the cost of production.

I wish now to deal with two items in the formula of assessed cost production which are of great importance and which I believe have not been used correctly. I have no criticism of the Bureau of Agricultural Economics because the actual method used has been the result of Government policy. The two items with which I want to deal are land valuation and the calculation of sideline costs, because both are of fundamental significance in the formula. The Minister has gone to some length to explain how changes in land valuation have had a snowballing effect on the index of costs as well as the determined cost of production. As land prices rose so did the

notional investment in land and hence the cost of production of wheat, because the opportunity interest charges on land must also increase.

Under the first stabilisation scheme land was valued on the basis of the Commonwealth Bank's concept of long term security value, this value being approximately 60% of the market value of land. It is based on the method of discounting the future net returns from land to obtain what is known as the 'present value basis' or the present value of land. In the second stabilisation scheme the Commonwealth also adopted the security values. But in the third stabilisation scheme the Government decided on market values for land, and this meant an automatic increase in cost of production. This decision has been proved, in my opinion, to be a major error, and I believe it is one of the main reasons why the formula of assessed cost of production has now got out of hand to the degree that the Government is now taking the extreme decision to omit land value altogether from the index of cost movements used to vary the guaranteed price each year.

The economic survey carried out by the Bureau of Agricultural Economics showed that land prices have jumped by 91% over the last 5 years. But it is totally incorrect to say or to imply that the average value of every acre of wheat land has jumped also by an average of 91% in the last 5 years. But this is what the formula and the analysis imply. It is wrong for the following reasons: Firstly, the method used in ascertaining the value of all wheat land is based on the actual sales of wheat farms in the various districts. There is nothing wrong with this as a generalised principle. The valuations are carried out by qualified valuers. But wheat farm land is not like apples, motor cars or tractors the annual percentage turnover of which is high so that the market value represents a reasonably accurate estimation of the values of these commodities. There can be little argument that relatively accurate valuations can be assessed for machinery, plant, buildings, livestock and other assets which have some defined life and the prices of which are largely determined by a competitive market.

But research work has shown that established wheat farms are sold at the rate of only 1.9% per annum, which means that,

on average, an established wheat farm changes hands only once in every 52 years. By changing hands I mean a complete change in ownership and not inter-family changeovers or subdivisions for families. If the annual rate of turnover of land in the wheat industry, or in any other primary industry, is sufficiently high, the market price for land being purchased would reflect a realistic value of all land used by that industry. The value of land would be closely related to earning capacity. For example, as the turnover of poultry farms is relatively high, the land value component can be regarded as representing the value of land in the poultry farming industry more accurately than do comparable sales of relatively small parcels of wheat land represent the correct value of all wheat land.

My criticism of the formula is, therefore, that as the turnover of land is very low, the correct earning capacity, or value, of wheat land is not being given its correct weighing by taking a few marginal sales as the measurement of the value of all wheat land. Thus, although it is correct to say that the average cost of production of growing wheat for a brand new owner of wheat land is, say, \$1.70 or \$2.00 per bushel, it does not follow that the farmer who bought his land 40 years ago incurs costs of \$1.70 or \$2 per bushel for the purposes of stabilisation. The importance of land can be shown by the fact that land valuation is around 65% of total farm capitalisation when based on present market values ascertained from the sales of a relatively few parcels of land. Also we know that as wheat land turns over slowly, other non-economic factors influence sales of land. Such influences are a way of life, social prestige, income tax concessions, opportunities for unearned increment and capital gain, and amalgamations of neighbouring farms.

It is clear that the relative strength of these non-economic issues in determining the final price for land would be greatly dependent on the amount of land being offered for sale each year. As I see it, the absurdity of using the market value of small parcels of wheat land which change hands each year, as a means of ascertaining cost of production for stabilisation, should now be clear. In 1963 I carried out some detailed research on this subject. These

figures on land valuation can be gained from the last published survey of the Bureau of Agricultural Economics. Based on earning capacity it was predicted that wheat land prices in the next stabilisation scheme—the one just passed—would rise by over 100% if they continued to be based on the methods used in ascertaining cost of production. As I have stated, the recently completed survey showed that land prices rose by 91%. But no reasonable person would argue that every wheat farmer in Australia had to meet an average increase of 91% in the cost of his land in the last 5 years and, consequently, suffered a substantial increase in his cost of production over that period. However that is what the formula envisages.

If the objective of the formula is to arrive at a fair cost of production for stabilisation—I stress the words 'for stabilisation'—the assessed cost of production must take full account of the rate of sale of wheat land as well as the profitability of wheat production. The income position of wheat farmers is of the utmost importance in determining a fair figure for stabilisation. Though wheat production is highly profitable relative to wool, it most certainly does not follow that as the price of wheat land skyrockets the cost of growing wheat on all farms skyrockets also. This is analogous, for example, to a proposition that because General Motors-Holden's Pty Ltd makes higher and higher profits each year it necessarily follows that the cost of production of the Holden car also must rise each year. But this is the sort of development that the wheat formula shows. One could arrive at the clearly absurd result that, because of higher yields owing to technological advances, the average cash cost of producing wheat might decline, though the higher profitability of wheat growing might cause the price of wheat land to increase, with the consequence that, under the weighting system used in this formula, the cost of production might correspondingly increase. Is it any wonder that the Government has finally decided to take drastic action in relation to the formula?

The second factor is side line costs. The calculation of side line costs on wheat farms is of paramount importance. Its importance can be seen from the fact that only 50%, according to the survey that has just been completed, of the total average gross returns on wheat farms are derived from wheat. The published reports of the BAE dealing

with surveys of the wheat industry show average total costs, both side line and wheat. As no satisfactory method of distinguishing between side line costs and wheat costs has been perfected, a rough subjective judgment is made for the formula, and this assumes that side line revenue is 10% above all side line costs, including interest on capital. Thus, irrespective of the composition or profitability of side line returns, whether they be derived from cattle, wool, barley, sorghum, dairying or some other product or activity, the same assumption is made. Side line costs would then be determined by calculating  $\frac{100}{110}$  of the returns.

Given that calculation, one can subtract side line costs from the total costs to get the wheat costs, and divide by the yield after imputed items have been decided in order to get the cost of production.

I believe this method, as used by the Government, would be subject to inaccuracy. Published reports by the BAE on wool production, for example, or other production associated with wheat, show conclusively that this 10% profit margin—a profit over and above interest on capital—is far too high. One may think that if this 10% profit margin in relation to side line costs is too high, this reduces the costs associated with the cost of production of wheat. But no, the reverse applies. In fact, any increase in the side line profit margin results in an increase in the cost of production of wheat, the size of the increase depending on the proportion which side line costs bear to total costs. Thus, again we see what I think is a remarkable and possibly an absurd situation. The more profitable wool production is, for example, according to the theory of this formula, the higher is the cost of production of wheat. What sort of logic is this for stabilisation?

I now wish to deal with a very important point in the Minister's speech concerning the movement in costs. Clause 7 (3.) (b) of the Wheat Industry Stabilisation Bill states that in fixing the guaranteed price of wheat of a season, the Minister shall:

(b) make such increase or decrease, if any, in that amount as he considers appropriate by reason of increases or decreases in prices, wages or rates of charges (including rates of interest) payable in connection with—

- (i) the carrying on of operations wholly or partly for the purposes of the production of wheat; or
- (ii) the transport, handling or storage of wheat.

But what does this mean? Prices without particular specification, as in the Bill, mean the prices of all factors in wheat production. These include plant, land, fencing, livestock, water, etc. But, according to the Minister's speech, the guaranteed price of wheat will be adjusted according to movements in cash costs, including interest paid, and in rail freight and handling charges. Thus, by implication, depreciation, owner-operator's allowance, and interest on all capitalisation are omitted. I believe that this provision should be more specifically defined.

The Opposition has no general objection to the thought and the objective behind the intention to adjust the guaranteed price of wheat according to movements in cash costs. This clearly can be seen by the problems associated with imputed costs, side line costs and land values. However, it is essential that the application of prices relative to the basic cost structure be truly representative and weighted in accordance with a properly approved sample of the cost structure on which the index is based. It is assumed also that any changes in interest rates will be reflected in the index. However, the Opposition has three objections to using the cash index only. Amendments will be moved at the Committee stage in this regard. These are with respect to the omission of depreciation, interest charges on plant and machinery, and owner-operator's allowance. Machinery and plant are most important in wheat farming and have to be periodically replaced. Wheat machinery is essential to wheat farming. This is basic. Money has to be found for this purpose. If it is borrowed, the interest charges will be shown in the index. But if a farmer pays for his machinery from his own cash reserves, this will not be shown in any way in the index. Surely if a farmer has to sell shares or withdraw money from a bank to buy a tractor, he is entitled to interest on this money which has now been invested in the tractor. If interest rates change, surely he is entitled to changes in the interest rate, based on what he has had to pay for the tractor. Similarly, depreciation is a recognised accounting and economic cost which entails the provision of a depreciation reserve for essential replacement. I believe it should be allowed for also in the index.

The Opposition believes that wheat farmers are just as entitled as anyone else to share in any wage rises given to the community. Wheat farmers are doing a valuable job in earning export income. Their own opportunity cost of working in other jobs should not be ignored and should be written into the index, if, in fact, wages change. The freezing of interest on land values or its omission from the index of cost movements can be justified under present conditions relating to the rate of sales of wheat farms and the failure to provide a more accurate interpretation of the value of land for stabilisation purposes. But in the calculation of a cost of production for the commencement of stabilisation, if there is a new scheme, land valuation must be allowed for in determining this cost of production. It is one of the most important factors of production and no economic justification for its omission exists. In view of the unsatisfactory experience of using market values for land, the original decision as implemented in the first two stabilisation schemes, namely, the Commonwealth Bank's long term security value of land, should be adhered to. But whichever method is used, both earning capacity and the overall profitability of wheat production should be given full consideration in the determination of the particular cost of production level. In other words, again, the income position of the farmer is of paramount importance.

There is one important issue which I believe should be clarified. A lot of sniping at wheat producers has been undertaken by uninformed critics because, in recent years, a subsidy has been paid to growers. The expansion of the wheat industry in Australia has been influenced by the security offered by stabilisation. But the real reasons for the tremendous expansion have been, firstly, the profitability of wheat production based on world prices for wheat and, secondly, the profitability of wheat growing relative to alternative opportunities, particularly in wool production. The BAE analyses show that the average rate of return on wheat capital is about 28% compared with less than 5% for wool production on the same property. Wheat must be grown in rotation for agronomic reasons, and this is the main reason for the absence of wheat specialists in the wheat-sheep zone.

People who argue that the subsidy has been responsible for the great expansion on wheat-sheep properties in the last 5 years are quite wrong, because the fact is that of an average gross farm return of \$22,531 as shown by the BAE economic analyses the amount of the wheat subsidy received was only \$300. Although because of the high domestic price of wheat relative to the true cost of production it may be claimed that an indirect subsidy has been paid, this amount would be relatively small. The hard fact is that because of an abundance of land backed by technological know-how Australia can produce wheat, coarse grains, wool and beef as cheaply as, if not more cheaply than, any other country. This is why wheat production has expanded in the post-war years. It has expanded because of its own profitability and its relative profitability. Beef production will expand tremendously in the future for the same reason. Because wool is grown supplementary to and complementary with wheat, except in the pastoral and high rainfall areas, wheat production, being by far the more profitable, has expanded at a greater rate than the production of wool. It is true that to a degree the profitability of wheat production has been supporting the declining profitability of wool production on wheat-sheep farms over the last decade.

The Australian public should recognise the tremendous contribution which the wheat industry has made to the growth of the national economy. As with wool, wheat has been the backbone of export income since Australia first became a trading nation. We do not want to hear any more of these damaging and incorrect statements that wheat production has been greatly subsidised. One only has to examine the import-parity price relationships over the last 20 years to find that in monetary terms the industry is in credit to the extent of at least \$400m. Converted to present day values, because of the depreciation of the absolute level of currency values, the figure is probably closer to \$1,000m.

In view of the profitability of wheat production on established farms and also in areas that are not too susceptible to drought, it is perfectly valid for us to pose the question as to whether or not a present or future subsidy should be paid to wheat growers. Treated in isolation one could convincingly argue that no subsidy should

be paid at all. But on the grounds of justice, compared with the financial assistance that is being given to other industries, particularly secondary industries, and because of its tremendous contribution to export income, there is every justification for the investment of Federal funds in this great industry. The assistance given by Commonwealth governments since the first stabilisation scheme was introduced has been well rewarded. Let me make this most important point: In view of the insidious and incessant rise in costs within the Australian economy there is also justification for Federal assistance to the wool and cattle industries because of their indisputable comparative economic advantage judged by world standards.

I believe it has been this Government's policy which has largely caused the never ending inflationary spiral of increases in production costs since the last war. It has been this Government's policy which has caused, and is causing, economic difficulties within these highly efficient primary industries which are the economic backbone of the Australian economy and which are now caught up in a vicious cost-price squeeze. I make no bones about this. Something will have to be frozen before very long—he it wages, the price of land or the basic cost of production—if export industries are not to be completely frozen out of existence. In that context alone there is every justification for subsidies to be paid to industries which produce export income.

Primary industries are subjected to attacks by those who seem to have various obsessions against this sector of the community based on published and tangible figures of Federal hand-outs by way of subsidies, bounties and controlled domestic prices for particular commodities. These figures, published in the Budget and white papers, are available for all to snipe at. The amount that is being paid to primary industries in the form of subsidies is chicken feed when compared with the hidden subsidies that are received by secondary industries within the provisions of the tariff. In the last 10 years subsidies paid to primary industries directly in the form of specific grants and bounties, and indirectly in the form of assistance through import restrictions and domestic price subsidies, have amounted to approximately \$2,520m. Sugar, for example, has an artificially high price

compared to the relative export price. That sum of \$2,520m includes the subsidy equivalent of the tariff in the processing of primary products like raw and refined sugar.

Let us look at the estimated subsidy equivalent of tariffs for secondary industries. This can be calculated by ascertaining the level of duties paid on relevant imports which in turn represent the amount by which the level of domestic prices exceeds the import prices of those commodities. The application of these factors to the value of production of commodities manufactured in Australia provides an estimate of the subsidy equivalent of the tariff. The gross subsidy equivalent is equal to the duty paid on imported materials plus the net subsidy equivalent. The apparent rate of protection is taken as the relationship of the gross subsidy equivalent to the value of imported materials, plus the value of the import equivalent of value added to the final manufactured product. On the other hand the effective rate of protection, with which we are more familiar, is the relationship of the net subsidy equivalent to the value of the import equivalent of value added to the final product.

By applying these basic tariff factors, using the same method of calculation as in the case of primary industry assistance, it is calculated that during the 10 years ended 30th June 1968 the total subsidy equivalent to the tariff for secondary industries, as distinct from processed products originating from primary industries, has been of the order of \$12,800m. If one looks at the Vernon Committee report one sees that for the year 1961-62, based on the apparent and effective rate of protection, the estimated subsidy paid to secondary industries was equivalent to \$455m and that for primary industries it was estimated at \$85m. I have used basically the same method in both cases.

When one considers the contribution which the wheat, wool, beef, dairying and sugar industries have made to this nation's export income, to the development of regions and as a means of providing basic employment as well as decentralisation, one fails to see the propriety of the criticisms—indeed, sometimes savage criticisms—which are being levelled in the broadest of terms against primary industries which receive financial assistance by way of bounty or subsidy and which everybody

can see in the Budget or in various white papers. I have not the time to debate the question of protectionism now. My position has been stated before in this House. Those critics who constantly harp on the laissez faire economy are living in the days of Noah's ark. Protectionism or the careful nursing of primary and secondary industry is fundamental to growth. The paucity of people is our greatest resource deficiency. This does not mean that I support indiscriminate protectionism for both primary and secondary industry—far from it. I am opposed to high cost inefficient industries which are utilising valuable basic resources of land, labour, capital and management which could be better employed in other industries and which, in terms of employment and growth criteria, would make a greater contribution to the Australian economy. Let me make it perfectly clear that the Labor Party believes implacably in protection for our secondary and primary industries through assistance by tariff, subsidy or other practices, provided that these resources are used soundly to benefit this nation. For this reason we are 100% behind stabilisation or orderly marketing and the protection of great export industries like wheat, even if it involves the payment of subsidies in some years.

**Mr DEPUTY SPEAKER (Mr Lucock)**—Is the amendment seconded?

**Mr Crean**—I have signed the formal copy of the amendment, as seconder.

**Mr KING (Wimmera)** [4.12]—I second the amendment. Rarely do I find myself in the position of being able to support the honourable member for Dawson (Dr Patterson), but as honourable members will learn from my remarks this afternoon, there are quite a few points on which I agree with the honourable member. This is a very important piece of legislation as far as the Australian Country Party is concerned. I am interested to see that the Party has 100% attendance in the House this afternoon.

I do not wish to go into all the ramifications of the wheat industry or the finer details of the proposed plan. However, I do wish to deal with a few of the more important points in the plan. For 6 months negotiations have been proceeding between the Australian Wheatgrowers Federation and the spokesman for the Commonwealth

Government—the Minister for Primary Industry (Mr Anthony). Members of the Federation have spent many hours and days travelling between Canberra and various other centres in order to put forward their views on the various proposals. With some of the proposals they have agreed; with some they have disagreed. The Minister has not been an armchair adviser in this matter; he, too, has spent much of his time and energy in explaining the ramifications of the plan. I believe that the industry is very grateful to all of these people. Only last week the Minister travelled to Warracknabeal to address an audience of about 600 growers. Present at that meeting were members of the Victorian section of the Australian Wheatgrowers Federation and members of the grains divisions of the Victorian Farmers Union. I am sure that this was a very good exercise. The points of view of the growers and the Government were expressed and I am sure that many growers went away from the meeting enlightened as to the two sides of the case.

I have had numerous discussions with the Minister over the last 6 or 12 months on the subject of wheat. I have had discussions with members of the Wheatgrowers Federation and the Victorian Farmers Union. I have had many discussions with individual growers. I have listened to many different arguments. Unhappily, some of these people—certainly not all of them—who mix their politics with their industry have, by their arguments, had a damaging effect on the proposals put forward. This is unfortunate, but as each of us has the right to voice his opinion, there is nothing we can or should do in the matter.

For more than 20 years we have had a system of orderly marketing within the wheat industry. Stabilisation has proved to be a security of incalculable value to the industry. The industry contributed about \$390m to consumers before drawing one cent from the Treasury. This happened in 1957-58. This was the first occasion on which the cost of production—the home consumption price of \$1-43.3 per bushel—rose above the export price, which at the time was \$1-38.7. Since then the average export price in any 1 year has never reached the official cost of production price. The total payment by the Treasury to date is in the vicinity of \$112m. The amount is

expected to reach \$156m with the winding up of last year's harvest. So it can never be said that given the opportunity, the growers have not pulled their weight. If anybody is lagging it must be Treasury. So far Treasury has honoured its part in the bargain, but unfortunately under this proposal Treasury will cease to honour its part in the bargain.

The Bill deals with the future of the wheat industry and naturally this is the matter about which I want to speak this afternoon. Like many primary industries, the wheat industry has reached a very delicate stage. It would appear that we may have too much wheat for the sales that may be available. Similar conditions have, of course, prevailed before, but not to the same extent as today. In the early 1960s we had huge surpluses, as did other countries, but then the dry years came upon us and other countries and the situation of over-production was quickly solved. During the war we had restrictions. I am informed that within 2 years of the restrictions being imposed Victoria was importing wheat from Western Australia.

Coupled with our normal carry-over, this year's harvest, which was earlier expected to be a record, could still amount to 450 million or 500 million bushels, depending on the weather in the next few weeks. The Australian Wheat Board faces no mean task in disposing of that quantity of wheat. Many suggestions have been advanced for curbing production. These have included reducing the first advance, ceasing the construction of storages and restricting acreages. All of these measures would assist but, I hasten to add, at a price—a very expensive price—to some growers in my electorate. In other cases they could be the answer to the problem.

I think it is of advantage to look at production figures in some States. New South Wales grew 1.7 million acres of wheat in 1956, 5 million acres in 1962 and 8.3 million acres in 1967. The acreage could be even higher in 1968. Western Australia grew 2.7 million acres of wheat in 1956, 4.8 million acres in 1962 and 6.7 million acres in 1967. Victoria grew 1.5 million acres in 1956, 3.1 million acres in 1962 and 3.3 million acres in 1967. So it can be seen that the Victorian growers are not responsible for creating the problem of

over-production. They have increased production, but not to the extent of the other major wheat producing States.

Many primary producers in the Wimmera depend on grain as their main source of income. All other commodities, such as wool and meat, are secondary to grain. If we must curb over-production, I hope that the points which I have made will receive every consideration. Any suggestion for reducing production must be based on production over many years, not just a few. We must not penalise the recognised regular wheat farmer. I venture to say that if the price of wool were to increase—not very substantially—it would help considerably to rectify the position of over-production of wheat.

It is not my intention to take up the time of the House by stating my views about the first advance. These should be well known to honourable members. Unfortunately some growers, particularly those in vast open spaces of what I call dry fringe areas, where they can grow 1,000 acres of wheat as a quick cash crop, are concerned only with the first advance. Anything else that follows means a little extra profit to them. It is true that a high first advance will encourage more production. But we must not penalise the recognised regular wheat growers because of these latecomers to the industry.

The proposal contained in the Bill is vastly different from all the previous ones. As has been pointed out by the Minister, the amount of export wheat to be covered by the guarantee will increase from 150 million bushels to 200 million bushels. This increase will be very much welcomed. The cost formula has been altered because the old formula, if continued, would be too costly for the Treasury because of increased land values and increased costs generally.

One of the most significant alterations to the old scheme is the introduction of a two price scheme. It could be argued that we have a multiplicity of prices under the present plan. We have a world price, a home consumption price and the final price paid to the grower. Under the two price guarantee, a grower will receive \$1.71.5 per bushel for approximately 60 million bushels sold each year for home consumption. Included in the price the grower will

receive will be the 1.5c loading to cover freight to Tasmania on wheat for consumption in that State. Growers will receive a guaranteed price, on 200 million bushels of export wheat, of \$1.45 per bushel f.o.b. This means that the average return to the grower will be about \$1.48.2 f.o.r. per bushel for the first 260 million bushels. Under the old plan the grower was offered a guaranteed price based on 150 million bushels of wheat for export and approximately 60 million bushels for home consumption, a total of 210 million bushels, but under this proposal he will receive a guaranteed return on 260 million bushels. Under the old plan one must of course include 50 million bushels at the average export price to get a true comparison. So, comparisons must be made on the basis of the first 260 million bushels. Taking all these factors into calculation, the price that will be received for the first 260 million bushels under this proposal will be approximately 8c below that received during the last year under the existing plan.

As the Minister indicated at Warracknabeal, although these proposals will give a cover of some \$2,000m over 5 years and an increase of \$400m on the return under the present plan, the price received for the first 260 million bushels will drop. Some of the first 260 million bushels will be sold at a guaranteed price well below the old price, while some will be sold at 5c or 6c a bushel above the old price. This is not a happy situation. I can see the virtue of having two prices, but I can also see some dangers. If the Government continues to follow a two price plan—and it is pretty evident that it will—I hope that I am wrong and the Government is right.

Illicit trading has been mentioned and we know that this does go on. We should not make it easier for illegal practices to be carried out. Since I have been sitting in the chamber this afternoon I have received a message from which I will quote a few words. They are as follows:

A report from the north west border area of Victoria states that a transport operator visited some small farms offering a good deal on interstate trade for wheat. No prices mentioned.

Honourable members can see that some dangers are involved. I will be checking the authenticity of that statement and attempting to find out where it came from. This is an example of the things that must not be

ignored. After all, who is best able to contribute to the Wheat Prices Stabilisation Fund? Is it the consumer or the Treasury? It is recognised that the biggest consumer of flour products is the low wage earner, certainly not the high salaried worker. It is true that the increased price of flour will cause the price of a loaf of bread to go up only a fraction of a cent, but nevertheless this is an increase. The low wage earner should not have to pay the increase. The Treasury has indicated the amount that it is prepared to contribute under the new proposals. Its contribution will be some \$40m below the contribution made under the present plan. I do not think this is good enough, despite the fight the Minister for Primary Industry put up to gain more.

I turn now to the Wheat Prices Stabilisation Fund, to which growers will be expected to contribute if and when export returns are more than 5c over the guaranteed export price. For the first year the growers will have to contribute only if the price exceeds \$1.50 per bushel, which is 20c below the official cost of production or the home consumption price. This will be the first time that growers will have to contribute because the export return is below the cost of production or the home consumption price. We know that the export price is not expected to reach \$1.50 this year. The guaranteed price of \$1.45 may be reached as time goes on and, with the changes that may take place, the export return could reach a figure that is 5c in excess of this price before the plan expires.

The next point I wish to refer to is one that I have never been very happy about. I refer to the fact that the costs of the owner-operator are not included in the cash cost adjustment. There are two components to his costs. Firstly, cash costs include those costs of fuel, superphosphate and so forth, incurred in producing the crop. Secondly, there are imputed costs which include allowance for depreciation, interest on capital and an owner-operator allowance. Railway freight and the cost of handling wheat are included in cash costs, which is only reasonable, but not in the allowance to the owner-operator. This has always been a very contentious subject because, if through some wage adjustment our general

costs are increased, the wheat grower is one of the few who receive nothing from the increase.

Despite what I have been saying, I would like to take this opportunity to congratulate the Minister for Primary Industry for his endeavours to secure a fair return for the wheat growers. I know just how hard he has worked on this issue. If the finance available to him is limited, the proposals he has put forward in this House cannot be expected to be 100% successful or in full accord with the wishes of the wheat growers. This is one of the reasons why I object to some of the issues we are discussing here today. I represent in this House a large number of wheat growers, and I endeavour to speak on their behalf. I am sure that most of them believe that the average return of about \$1.48 f.o.r. per bushel is a reasonable one, but they do not believe in the principle of a two price scheme or the breaking away from the original cost of production formula. For 10 years I have supported Government legislation. That legislation has not always been palatable but, as a supporter of the Government, I believe I have a responsibility to support it. But there are certain limitations. In this instance the Government has not fulfilled its obligations to the wheat industry. As I said a moment ago, the Treasury's contribution falls short by \$40m compared with the previous plan. The Treasury has placed the burden on the low wage earner to save its own funds. I wish to quote from an article in the 'Australian' of 30th August 1968, which attributes certain statements to the Treasurer (Mr McMahon) when he officially opened the annual conference of the Cold Storage Association of Australia in Canberra recently. The article, which is entitled 'Farmers Will Suffer As They Adjust To Markets', stated:

The Treasurer, Mr McMahon, yesterday forecast a painful period of adjustment for Australian farmers as they met the national need to produce goods that could be sold profitably on the world market.

Implying the elimination of the small farmer, he said: 'Farming seems likely to become increasingly a large scale business operation'.

I wonder whether there is any connection between that statement and the actions of the Treasury. It is interesting to note that

the honourable member for Calare (Mr England) has also raised this subject with the Treasurer. Later on, the article stated:

He then underlined the Federal Government's intention of discontinuing financial support to rural industries with no prospects of standing on their own feet.

He said: 'It is up to the producer, and he has got to take whatever action is possible, to overcome the difficulties facing the agricultural community'.

Can anyone suggest that the wheat industry has not been able to live up to its obligation over a period of time? I do not think so. The wheat industry has played its part in its contributions to the Australian economy. I am very reluctant to oppose the majority decision of the Australian Wheat-growers Federation, but as I represent Victorian wheat growers whose organisation is the Victorian Farmers Union, which wants a one-price scheme, I feel I must give consideration to that request. A resolution carried by a large meeting at Warracknabeal last Thursday stated:

The Wheat Committee of the Grains Division of the Victorian Farmers' Union calls on the Minister for Primary Industry to undertake to:

- (a) Implement an investigation into the cost of production survey with a view to introducing, with the agreement of the industry, a wider and thereby more accurate survey of the wheat industry.
- (b) Implement with the co-operation and agreement of the industry a revised cost of production formula at the earliest possible time to apply to the guaranteed home consumption price and the guaranteed export price.
- (c) Examine its economic and fiscal policies as they affect primary industry as a whole, and in particular, the wheat industry with a view to amending these policies where necessary to ensure a level of prosperity equal to that enjoyed by other comparable sections of the community.
- (d) Introduce, after consultation and agreement with the industry, such measures as are thought wise and practical for the rationalisation of wheat production in Australia.
- (e) That prior to the presentation of any future stabilisation plan by the Government, an early round of talks with the Australian Wheatgrowers Federation be initiated by Government.

In supporting the amendment moved by the honourable member for Dawson (Dr Patterson), I wish to make it perfectly clear that I realise that we are on the verge of this year's harvest. I also realise it is absolutely imperative that we have

legislation to cover this harvest. Unfortunately, due to the delays we are experiencing, it is possible that if the Victorian Farmers Union does not agree to some complementary legislation for the State of Victoria the Australian wheat growers could find themselves in an embarrassing position. I assure the House that if the amendment is defeated I will not block the legislation because I think it is absolutely important that we have some legislation to cover the wheat industry.

Before I conclude my remarks I wish to refer to the devaluation of sterling. Devaluation has affected the sale of many primary products but the Australian Government has not yet decided to alter our currency and so fall into line with the 16 or 17 other countries that have devalued in the last 12 months. If I or anyone else had suggested early last year that we should appreciate the Australian dollar the proposal would have been frowned upon, but the fact that 16 or 17 countries have devalued and we have not taken any action really means that we have appreciated the Australian dollar. It was implied 12 months ago that industries adversely affected by the decision of the United Kingdom Government to devalue sterling would be considered sympathetically on economic grounds. The Government covered the commitments that had been entered into in regard to wheat and other primary products, but there has been nothing in the form of assistance to the wheat industry following the earlier commitment. It appears to me on present trends that there will be no assistance in the future. I should point out, as I have done on numerous occasions, that no man has fought harder for Australia to consider devaluing her currency in line with the United Kingdom than the present Minister for Primary Industry. That is all I wish to say at this juncture, Mr Deputy Speaker, but I reserve the right to speak, when the Bill is being debated in committee, on some of the points that I have raised so far and some that I have not.

**Mr BUCHANAN (McMillan)** [4.37]—I am rather surprised that the Opposition has not been able to persuade one of its supporters to support the mover of its amendment to this very important Bill. It seems extraordinary that the House should have

to accept the honourable member for Dawson (Dr Patterson) as the sole spokesman for the Opposition on this very important Bill.

**Mr Hansen**—Will you be the only Liberal?

**Mr BUCHANAN**—Yes, but I will not be the only Government speaker. After all, the Government is a coalition government. Several supporters of the coalition government will give their views on this legislation. But the Opposition does not have enough faith in its amendment for another speaker to support the mover of the motion. I do not think this is the right time to go into details of the mechanics of the wheat industry. I think most of us who have taken an interest in our primary industries are aware of the mechanics of the industry. These have been thrashed out in recent months at meeting after meeting of the organisations concerned. We all have known that there had to be a revision of the form of assistance given to the wheat industry.

Any person who has any concern for the future of Australian primary industry will support wholeheartedly stabilisation and orderly marketing, particularly where such features are already established and have been proved to be necessary and beneficial to the industries concerned. However, I have been rather concerned at the change in the method of giving assistance to primary industry. For some years now I have heard it stated that when an industry can come to the Government and give an assurance that a particular scheme is what the industry wants, the Government is prepared to go along with it. Naturally there are many conflicting views in industry. A small grower has very different views from what the larger grower has on what is wanted. In the case of the wheat industry this has created a situation in which the Government is experiencing difficulty because industry representatives cannot come along with a definite viewpoint for the whole industry. Now we find that a change has been made in the method of providing assistance.

Much has been said about the Minister for Primary Industry (Mr Anthony). The honourable member for Dawson referred to standover tactics and political blackmail. These were rather nasty comments, if I may say so. It was not the Minister's intention

to adopt any such attitude. I believe he is to be congratulated on the way in which he has carried out the very difficult task of introducing some different thinking into the whole concept of stabilisation schemes or forms of assistance to industry. Many industries are getting much help. Very few secondary industries could say that they can manage without some form of assistance. I agree with what the honourable member for Dawson said about more support being given to secondary industry than to primary industry. We must remember, too, that secondary industry is assisted by the duty that is imposed on competing imported commodities.

It is essential that we reconsider means of support for primary industry, and this is the field in which the Minister, the Department of Primary Industry and the Bureau of Agricultural Economics can help. There must be some examination of our forward markets, especially in respect of possible prices. As far as I can gauge the reason for the present transition, it is that no longer can we work on the old fashioned cost of production figures which, after all, are fictitious figures and always have been. Probably about two stabilisation plans ago it was necessary to write up the cost of production figures so that the wheat farmer could be assured of a reasonable return. After all, he is just as entitled to money to live on as is the wage earner whose wages are increased by the Commonwealth Conciliation and Arbitration Commission. The wheat farmer is entitled to a reasonable living standard and in the past it has been necessary sometimes to adjust the cost of production figures to give him a somewhat higher return than he would otherwise have received.

Some quite unusual factors have arisen that have created peculiar changes in the Australian economy, and these must be considered in our consideration of a stabilisation plan for the wheat industry. For instance, some extremely large areas have been turned over to wheat cropping. This is a legitimate action. Men are not doing this to gain the benefit of the subsidy. They know that food is what the world wants and there is no reason why they should not engage in wheat production; but their entry into this industry, after having paid

high prices for land, has brought about a change. People whose families have been growing wheat for many years are not worried by land costs. The new wheat growers would like to retain in the cost of production figure a large interest component, but it would throw the whole cost of production figure out of balance and would add considerably to the cost of the Australian consumer. It has been suggested this afternoon that the burden of the increased home consumption price of \$1.70 should be put on to the wage earner, the pensioner and the people who regard bread as the staple item in life. I have found that the richer the person is the less bread he eats.

What we need to do is not to check cost of production figures but to examine the returns that are obtainable from this industry. It is obvious that gross farm returns have increased over the past 10 years. The latest figures available indicate gross returns to wheat growers ranging from \$13,000 to \$22,000. People will not grow wheat just to get the subsidy, which would be only \$330. We must remember also that wheat growers do not grow only wheat. The industry really is a wheat-wool or a wheat-fat lamb industry, and if a farmer finds that one branch of primary industry is not particularly profitable he will look at another. We know that the average net farm income has increased from \$6,208 to \$9,398. This is not really a large income. We must realise that to enjoy this income the farmer has had to provide a lot of money to develop his farm and that \$9,398 is not a big return on his outlay. But this return is of more benefit to the farmer than a salary of the same amount would be to a person in, say, an executive position in industry.

The person in industry in some ways is much better off, because he does not have the worry and work associated with primary industry. That is why more consideration should be given to people in primary industry. But the person in industry would have to pay much more for his house and for other items in his ordinary living than would the farmer and he would not enjoy as many taxation concessions as the farmer does. The wheat farmer is entitled to a subsidy to keep his standard of living in line

with standards in the community generally. However, the level of income in the wheat industry is very much more than the level of income in the dairy industry. The comparable figure in the dairy industry is \$2,200. So wheat growing is very attractive because wheat is still sought on the world markets. If the present international grain agreements fall to pieces, naturally wheat will become a very unattractive product and many people who have rushed into wheat growing because wheat seemed to be more profitable than wool will find that they have not made a good choice and will turn to some other product.

I have not really entered this debate to argue the rights and wrongs of a one price scheme for wheat. I can see some advantage in having one price—a home consumption price with a guaranteed export price related to it. We have such an arrangement in the dairy industry, which has a home consumption price and a much lower export price. But stabilisation in the dairy industry has been achieved by a different method. It tries to obtain equalisation. I commend this principle to the wheat industry. Although the machinery of the Bill will maintain two separate prices in the scheme for the wheat industry, wheat growers may be happier if they think of it, as the honourable member for Wimmera (Mr King) has suggested, as averaging out at about \$1.48. Although two schemes have been suggested, a two price scheme and a single price scheme, it is stressed that the return to the wheat grower will be no different under either scheme. If this is so, what is worrying the wheat growers? Why does the Victorian Farmers Union want to hold up the whole scheme of stabilisation in order to gain a very minor point? A comparable industry, the dairy industry, has enjoyed orderly marketing and stabilisation support from the Government for even longer than the wheat industry has and it has found that this works out all right.

**Mr Anthony**—The Union wants 5c more. It wants \$1.53.

**Mr BUCHANAN**—The Minister suggests that the Victorian Farmers Union wants a price of perhaps \$1.53. But that is not what the amendment seeks. In this debate, various prices have been mentioned as the appropriate price in a one price scheme. The main point really is that there should

be a one price scheme. If Cabinet, even at this very late stage, were to accept the one price basis, we would have to go back and do some more arithmetic. I believe we would finish with a price of \$1.50 f.o.b. I think that figure would give exactly the same return as the present proposal does. This is all that the industry has really been seeking. I do not think that the Victorian Government is holding up the legislation because it wants to get more money for the wheat growers in Victoria. I think it is holding up the legislation only because it has been told that a principle is at stake, the principle being a one price formula. It is important, however, that the hold-up in Victoria should not throw the whole industry into confusion. It is important that we have stabilisation.

The Australian community, by its support in the past, has endorsed the whole concept of stabilisation. It has been found that this is the only way that support can be given to primary industries. Secondary industries have recourse to tariffs. They receive tangible support from Government action that helps them to get more money for their products. But this cannot be done with primary industries. The produce comes off so many different farms at so many different prices that the only way to keep a primary industry in a reasonably comfortable situation relative to the rest of the Australian community is by the introduction of a stabilisation scheme. That is why I stress that in this present proposal stabilisation is the vital factor. I have made a comparison with the dairy industry, in which stabilisation also is the completely vital factor. We need an extension of the equalisation scheme for the dairy industry to skim milk powders. Perhaps that is a different subject, but it is just as important for the people who are concerned with the welfare of that industry to come to an agreement as it is for those who are concerned for the welfare of the wheat industry to agree on a scheme.

At the beginning of my remarks I said that I was a little surprised to see a change of approach. In the past the Government has said to an industry: 'You tell us what you want and we will put it into operation'. That may be an over-simplification, but it is the type of approach that has been made. I believe the time has come when the

Government will have to say to the industry: 'This is about as far as we can go'. Of course when an industry puts a case to the Government it always asks for more than it expects to get. It is like the trade unions taking a case to the Commonwealth Conciliation and Arbitration Commission. They always ask for more than they expect to get, and then negotiations proceed. We must eventually reach the stage at which the Government will have to say: 'This is about as much as the economy can stand', if it is a question of money, or: 'This is as far as we can reasonably go, having in mind the interests of all the other people of Australia'. There is no reason why one section of the community should be overfavoured; likewise there is no reason why a particular section should be penalised.

Looking over the various primary industries of this country it seems to me that the wheat industry has been offered a pretty fair scheme. It is demonstrable, perhaps, that the amount of actual cash that will be paid per bushel this year will be lower than was paid last year, but is not this for the very reason that the formula got out of balance with the result that this industry was given a rather more favourable basis for its calculation than was intended?

Comparing the treatment given to this industry with that received by other industries, I come back again to the dairying industry. It has just been faced with a very sharp drop in the price of butter fat and now needs additional help. Its position has deteriorated while the position of the wheat industry has improved. When the Government looks at the problems of primary industries it should not say: 'We established a cost of production formula once, and that formula must continue indefinitely.' That sort of thinking has gone by the board. What the Government should say now is: 'What is the right thing to do at the present time?'

While I am on the subject of orderly marketing let me suggest that there is another industry which at present is having a lot of trouble in deciding what it really wants. The wool industry is trying to establish some basis on which it can come to the Government and say: 'This is what we want'. So far it has not been able to establish such a basis. It is faced with a

choice between statutory and non-statutory bodies for marketing. A lot of trouble was taken to establish what has been called a 'parliament of the wool industry'. I do not agree with the term because obviously this body consists of people who are nominated by various organisations, and who, if they do not vote in the way those organisations want them to vote, do not remain members of that body. Perhaps this is the way the Australian Labor Party would run a parliament, but it does not seem to me to be fair to have organisations send representatives to make up a body for the purpose of considering a specific matter and then allow the executives of such organisations to remove those representatives if they do not do what they are told.

The Australian Wool Industry Conference gave a strong vote in favour of a statutory body. Then another vote was taken and although a few people changed their minds the vote was still overwhelmingly in favour of a statutory body. But it seems that somebody has been got at because now the word has gone around: 'We had better change and vote for a non-statutory body'. I do not know whether this is what the Government wants. The Australian Wool Board itself said that it wanted a statutory body. The chairman of the Wool Board was said to be in favour of it and he has not said anything about changing his mind. But there are some very strong rumours current in the industry at the moment. Many people would be content if they could come to the Government and say: 'This is what 80% of us want'.

I hope the Government will extend to the wool industry treatment similar to that which it has given to the wheat industry. I hope also that, having examined the position fairly, with all the facts before it, it will be prepared to say to the industry: 'This is as far as we can go. If we were to carry on according to the old basis the people of Australia would probably have to find about \$200m over the 5-year period instead of a reasonable amount of perhaps \$60m or \$70m'. I hope the Government will give a very strong lead to the wool industry and help it to establish itself on a favourable basis by seeking as soon as possible the preference of the great majority of those in the industry, which is for a statutory body.

I believe that what we are offering the wheat industry under the Bill now before us is a very attractive proposal. The cost remains reasonable. The people of Australia will not be burdened with any excessive costs. I remind those who have been talking about the transference of costs that whether the money comes from the Treasury or from the sales of the particular commodities, it eventually comes from the people. It is a case of the people paying either way.

**Mr HALLETT** (Canning) [5.8]—The legislation before the House is designed to provide stability for the wheat industry over the next 5 years. It provides stability not only for the wheat industry, however, but also for many other industries as well. The various railway systems, for instance, derive tremendous amounts of revenue from the transport of wheat. It is noticeable that when droughts have affected the wheat growing areas railway revenues have declined. The legislation will also assist the machinery manufacturers. It would be reasonable to suggest that if it were not for the wheat stabilisation scheme the machinery manufacturing industry in Australia would feel most insecure. I refer to the industry which produces the tractors and other items of machinery used by farmers. The bulk handling people, of course, have tremendous assets throughout Australia, and this is another direction in which the legislation before us will provide stability. The economy of many towns and cities throughout the country areas depends to a very large extent on the wheat industry. They rely very heavily on the operations of the wheat industry.

Every 5 years it is usual for the Commonwealth Government to negotiate with the Australian Wheatgrowers Federation and the State governments which are interested in the wheat industry. This is a very important matter. For a number of years the Federation has engaged in negotiations with the Commonwealth Government. It is only right that the industry should come forward with a united voice and negotiate with the Government. I believe that this practice should continue. The Federation, the Commonwealth Government and the State governments

which are interested in this matter then reach an agreement. They accept proposals and counter-proposals that are advanced from time to time. That, in my book, is fair enough. Once we interfere with this machinery under which the Wheatgrowers Federation, which has been set up by organisations in Australia to do a job, negotiates with the Commonwealth Government and the State governments concerned, then we will be on the road downward, not upward. I support, very strongly, the continuation of this machinery, and I will do so at all times. It is a pity that we do not have similar machinery in some of the other major primary industries in Australia, particularly in the wool industry.

Apparently the Wheatgrowers Federation, the Commonwealth Government and a majority of the State governments have agreed to the proposals. If I understand the position correctly, the Victorian Government is standing out against the proposals of the Wheatgrowers Federation, of the other State governments and of the Commonwealth Government. When we consider what is involved in this action, the Victorian Government is taking a very big load on its shoulders. I shall deal with that matter shortly. Over the years we have seen some changes in the production of wheat in Australia. Fifteen or 20 years ago we were producing considerably less wheat than we are at the present time. I think that in 1967 we produced some 466 million bushels. This year, from various forecasts which have been made, I think that our production will be approximately 500 million bushels. It is quite obvious that Australia could produce fairly large quantities of wheat in the future. It is necessary that Australia should do so in the light of existing circumstances—our requirements, our balance of payments position and so forth. If we are to grow as a nation, surely we must increase our production. But the problem is to find markets overseas.

From the latest annual report of the Australian Wheat Board for 1966-67 I note that 15 or 20 years ago we were producing between 180 million and 200 million bushels of wheat per year. Our production figures have increased considerably. But even taking the expected production of 500 million bushels of wheat this year, it is not a great quantity of wheat when compared with the

overall world situation. The annual report of the Wheat Board shows the provisional wheat acreages and production for countries and for world regions in 1967-68. In round figures, production in the European countries totalled approximately 2,600 million bushels. The Union of Soviet Socialist Republics produced 2,976 million bushels. The North and Central American countries produced 2,232 million bushels, which is quite a lot of wheat. South America produced 345 million bushels. The countries which are listed in Asia produced 1,369 million bushels. I will not quote the production for China because the report does not give a figure for 1967-68. The African countries produced approximately 217 million bushels of wheat. The world, excluding mainland China, produced approximately 10,000 million bushels of wheat in 1967-68. So when we look at our expected production of 500 million bushels of wheat this year, I suggest that it is not a great quantity, and we can expect that this great country of Australia will be looking forward to increasing its production.

The Bill provides for a two-price scheme. Actually, it provides for a three-price scheme. Since the early stages of the wheat stabilisation scheme we have always had at least two prices. The home consumption price was somewhat less than the export price. This was the two-price system. The Bill provides for a home consumption price of \$1.70 per bushel f.o.r., and there has been some criticism about this aspect. I have been associated with primary industries for a long time. One of the things which their representatives have always said is: 'Why cannot primary industries receive the same compensation as other industries in Australia and get full cost of production?' This comment is applicable to many other industries in Australia. This Bill is designed to give the Australian wheat growers the full cost of production, estimated on the 1967 Bureau of Agricultural Economics formula which is based on a yield of 20.25 bushels per acre for all wheat consumed in Australia. I do not think that any wheat grower who sits down and thinks about this matter will argue about this figure.

Why is not the wheat grower in Australia entitled to receive this money? Every secondary industry is protected by tariffs, and I will not argue about that. The wage and salary earner is protected by a system

of arbitration. Why should not primary industry receive full value for wheat which is consumed in Australia? The second point is that the Government has come down with a guaranteed price of \$1.45 f.o.b. for the 200 million bushels of wheat that are to be exported. There was a guaranteed price for only 150 million bushels in the last scheme. When we look at the overall situation we ask ourselves, as the Wheat-growers Federation has asked: 'Why should not the price of \$1.70 per bushel, which is the price for wheat that is consumed in Australia, be applied to wheat that is exported?' I think that all realistic Australians would agree that the amount of money which is required to raise the price to \$1.70 per bushel for the 200 million bushels of wheat that are exported, to bring it into line with the home consumption price, would involve Treasury in a great deal of expenditure. The Minister and the Government, in order to give the industry stability, have come down with a figure of \$1.45 per bushel for wheat that is exported. If my calculations are correct, this works out at an average price of \$1.48 f.o.r. per bushel for 260 million bushels. In my book, Australian wheat growers are entitled to full payment for the amount of wheat which is consumed in Australia. If the Opposition's amendment is accepted, as I see it, we will lose completely any relationship between price and cost of production in this country.

I am speaking of the quantity of wheat that is grown. Ever since I have been associated with the wheat industry, people have been saying that we are growing too much wheat and that if we do not watch our step we will not be able to sell it. They said that in 1955 and some very broad statements were made about it in 1957. If my memory serves me correctly, in 1958 we were importing wheat from Canada to feed our people and also to protect our markets overseas. This shows how quickly things happen in the wheat industry. When I look at the world's production of wheat, as I have, and look at Australia's production, with our marketing system I do not think that we should have great difficulty in selling our wheat. For years people have been saying that we are growing too much wheat. As I see it, the time to start worrying is when we have not enough wheat. This is the time when most countries really get a headache.

There has been mention of the storage position from time to time. Weevils eat wheat in storage. Back in the 1950s, we had a pretty chaotic storage situation. At that time I was associated with the port of Fremantle. I can well remember the horrible shambles I had to try to sort out in respect of the storage facilities at that port. They consisted of a long strip of bitumen surrounded by sheets of galvanised iron. This was situated next to the sea shore. Obviously, if one leaves wheat in that sort of situation, open to dampness and without proper protection, it would be surprising if weevils did not get into the stored grain. So this was a challenge. The Australian Wheat Board, the State Government, the Western Australian Railways and the Fremantle Port Authority all were involved in the situation. I think it took 3 years to sort out this shambles. Since that time, we have been able to go ahead and build some decent storages. The programme for the provision of storages will go on for some years. In various parts of the world proper storages are being built to hold grain which has been well grown and delivered in good condition. We must have reasonable wheat storage available if we are to be able to look after this product which is worth so much money. Over the years we have improved the position of port storage and inland storage in Australia. I believe that we will continue to do this.

The wheat industry is a mighty industry worth a lot of money. We have to look at it in this light. If we cannot produce under sound economic conditions we will be in trouble. But these Bills are not just the start of efforts to put the industry into sound shape. Actually, the Government started negotiating to put the situation right back in 1963 when the Minister for Trade and Industry (Mr McEwen) attended meetings early in the Kennedy Round. We produce today a vast amount of wheat and a lot more than we produced in the past. It was obvious that we needed some protective measures overseas to protect the industry in Australia. In 1963 the Minister for Trade and Industry and his officers attended the initial sessions of the Kennedy Round. In 1964 they got the ball into court and discussed what we now know as the International Grains Arrangements. This is the

basis on which our industry rests. If we do not have this sort of machinery, obviously we will be in trouble. As I see it, \$1.45 a bushel as the guaranteed price for the 200 million bushels of export wheat is based on this agreement. This figure is flexible and could be influenced by freight rates, which change from time to time. But I think that \$1.39 a bushel f.o.b. at ports in Australia would be near enough to the mark.

The International Grains Arrangements involve about twenty-eight signatory countries. The main exporting countries include Argentina, Australia, the European Economic Community, Canada, Mexico, Sweden and the United States of America. All of these countries have signed the Arrangements. We must have agreements of this type if the Bills that are now before us are to be effective. The Minister for Trade and Industry, his Department and the Government have in fact achieved this objective. As a result, we can go on producing with some confidence. But I would point out that these Arrangements, as I see them, are good only for 3 years from 1st July this year. So it is obvious that those who know what is involved will need to go back into the field again before the end of this period to see that the Arrangements are continued. It is only through this sort of fighting in world affairs that we can get stability in big industries like the wheat industry.

What is involved in these Bills? Firstly, there is the \$68m that the Minister mentioned which is a contribution by the Government. He said that this is the size of the contribution now but it could vary over the 5 years. What is really involved? On the figures that I have, we will have an average production of 400 million bushels a year. This is a fair sort of average, I should imagine. At this level of production, \$3,000m will be involved. This is what we have to look at when we are negotiating world agreements. After all, \$3,000m is a lot of money. As I understand it—the Minister no doubt will correct me if I am wrong—the Government, in doing what it is doing by means of these Bills, is in fact guaranteeing \$2,000m over 5 years to the Australian wheat growers. These are the figures that are important to the growers, and they show how stability is engendered

in the industry. These are probably the highest figures we have ever had. In my book, they are reasonable and I expect that the Australian Wheatgrowers Federation is of the same opinion. I only hope that our friend, Sir Henry Bolte, also will realise this. Big money and a lot of people are involved.

However, there is one other point I would like to touch on. I refer to the first advance in relation to these Bills. In recent years, it has been traditional to pay \$1.10 a bushel in the first advance. There has been no statement on the payment of a first advance this season, and I do not say that there will not be one. However, I would like to get in first and say that I can see no reason why at least \$1.10 a bushel should not be paid in the first advance again. I say this in the light of circumstances as they exist today and of what we can see in the future. The payment of this advance is important because of the factors that I mentioned earlier. Firstly, it is important to the wheat grower, who has commitments to meet. It is fair enough to say that the wheat farmer would expect to receive this advance because there has been no statement up to this point about any variation in the practice. There has been no statement in the last 12 months to suggest that the advance will not be \$1.10 a bushel again. Is there any reason to suggest that it should not be at this figure? Wheat farmers have already made sowings to produce a crop of wheat this year, and although there was no guarantee of a continued stabilisation scheme, it was reasonable to expect that a stabilisation Bill would be brought into this House and would give reasonable returns to the growers. This in fact has happened. Also it would be reasonable to expect that \$1.10 a bushel would be the first advance under these circumstances.

As I said before, not only the wheat growers are affected if an adequate advance is not paid. Machinery firms, storekeepers and people generally in country towns are affected also. The railways, of course, are not affected. All concerned would expect the payment of \$1.10 a bushel as in the past. A reduction of this amount would have tremendous repercussions. If the Government wished in any year to make an alteration because of certain factors, I suggest that it should make a statement on the matter at least 12 months before, or before

a crop is sown. An announcement should not be left until a time when the harvesters are almost ready to start work. So I would say to the Government on this occasion, and indeed in the future, that the advance should be \$1.10 a bushel. If there is an alteration the growers should be given a reasonable chance to know what it is some time before they plant their crop.

I do not want to say any more about these Bills. They are really important. I have covered the main field that I intended to speak about. I am sure that the wheat growing industry in Australia will continue to produce wheat much more cheaply than it can be grown anywhere else in the world. I believe that when a primary industry has problems we should deal with that industry, as we are doing at the moment with the wheat industry. We should examine in this House the problems of the particular industry. This is what we are doing for the wheat industry in considering the Bills before the House at the moment. Similarly, if there is a problem in the meat industry we should deal with that industry. The same applies to the wool industry. But all primary producers must do as the wheat growers have done. Producers in each industry must form a strong organisation or federation to represent them in Canberra when their problems are being discussed. Anyone who wants to try to smash the established machinery is not a real Australian. I support the Bills.

**Mr CORBETT** (Maranoa) [5.30]—I support the Wheat Industry Stabilisation Bill now before the House, but at the same time I believe that it does not give to the wheat growers all that they deserve or all that they requested. My colleague the honourable member for Canning (Mr Hallett) has made the same point. The Australian Wheat-growers Federation has accepted the stabilisation plan proposed in the Bill. I must say that I have confidence in the members of the Australian Wheatgrowers Federation, and I have a special knowledge of the representatives from my own State of Queensland. I believe that this State is particularly well served by the people who represent its wheat growers. The negotiations which led to the adoption of the plan were spread over a period of time, but I regret that not more time elapsed between their conclusion and the bringing down of this Bill. However, in the course of those

negotiations the representatives of the wheat growers, to the benefit of the industry, did persuade the Government to alter substantially the plan originally proposed.

The first plan that was offered to the wheat growers could have been regarded as having a Treasury subvention of approximately \$48m over a period of 5 years. Following the negotiations the Government probably will be supporting the industry to the extent of \$68m, plus the cost of freight loading to Tasmania which could be in the vicinity of \$8m. The representatives of the Australian Wheatgrowers Federation deserve considerable credit for having the Government's proposal amended to the benefit of the growers. I have no doubt that this was contributed to by the fact that they were dealing with a sympathetic Minister.

The stabilisation plan proposes a home consumption price of \$1.70 a bushel. As the honourable member for Canning has said, this is based on a cost of production structure derived from the 1967 economic survey. There is to be a guaranteed price of \$1.45 f.o.b. for 200 million bushels of export wheat. The last benefit obtained for the wheat industry by the representatives of the Australian Wheatgrowers Federation was a lifting of the proposed export quota from 175 million bushels to 200 million bushels.

**Mr Clyde Cameron**—What about the surplus?

**Mr CORBETT**—The surplus has to be disposed of, and this is one of the problems confronting the wheat industry. Would the honourable member like this to be covered to the full amount? Is this the way the Opposition would govern if it were in office? Would it cover the whole of the Australian wheat crop irrespective of the full expenditure and the cost of production? Would the honourable member be prepared to guarantee that on behalf of the Australian Labor Party? No, he would not. The Opposition advocates it while it is in opposition but it would not do so if it were in office. It has been suggested that the guaranteed price should be \$1.50 for both home consumption wheat and 200 million bushels of export wheat. This has desirable aspects. It would have the advantage of providing cheaper feed wheat in Australia to assist other industries. On my figures it

would cost \$10m over and above what the Government is prepared to provide, or \$50m over the 5-year period. Where would the money come from?

**Mr Clyde Cameron**—Are they not worth it?

**Mr CORBETT**—The honourable member may make a speech on this. He is welcome to do so. He is taking up my time and is wasting his own. The Government has indicated it would not be prepared to provide the funds required to support this proposal. We have had strong indications from the Government that the proposal contained in the Bill is as far as it is prepared to go. What would happen if we had a one price plan without further assistance from the Government? It would mean a reduction in the net return to the wheat growers. I would be unwilling to accept this and I am sure that most of the wheat growers' representatives and most of the growers themselves would not be prepared to accept it. I believe that the net return under the new plan is little enough for wheat growers to receive when increasing costs and seasonal variations are taken into consideration. The net return to the grower is estimated to be about \$1.36 a bushel, less individual freights. Although it has been claimed that this is a generous plan, it offers little enough to the growers if they can work at that figure; but it is certainly no more than the wheat growers deserve and is no more than the stabilisation of this industry requires.

The stability of the wheat industry, brought about by the Government with the help of industry leaders, has resulted in more land owners turning to wheat production. Of course this has also been contributed to by the fact that other primary industries are not very prosperous—for example, the wool industry, which has gone through a very difficult time because of low prices and unfavourable seasons. Areas which previously were not thought to be fit for this purpose have been turned over to wheat production. Fortunately for the people concerned, wheat has been grown fairly successfully. There have been changes in wheat varieties, machinery and methods of farming which have led to an expansion of the area that can be used for economic wheat production. The rise in land values in particular has been responsible for the

cost of production under the existing formula rising to a level which was unrealistic and which would have placed on the Government a cost which it could not reasonably have been expected to meet. This is recognised all round. It is recognised by the wheat growers in general, and by their representatives.

**Mr Clyde Cameron**—Are you prepared to tell them that?

**Mr CORBETT**—Yes, I am. I will tell them anything that I say here. It would be a good thing if many other members of this House could do the same. By and large, I believe the new plan will enable wheat growers to operate on a reasonably economic basis, provided that the amount of wheat produced outside the scope of the protection given is saleable at prices which are in line with the International Grains Arrangements. This is one of the things that has to be taken into consideration when dealing with the assistance to be given to the wheat industry. For these reasons I say that the plan is no more than a reasonable plan from the wheat growers' point of view. Present wheat stocks and crop prospects are such as to cause concern about whether this wheat can be sold in line with those prices, or at least whether it can be marketed in sufficient quantities to avoid serious storage problems on the farms. The wheat grower may have to set aside badly needed money in order to deal with the difficult conditions which he has been experiencing. This position has given rise to opinions being expressed that some means should be found to discourage the rapid increase in wheat production. This is a logical line of thought and is a matter that has been considered by wheat growers, but it is something which should be considered by the component bodies of the Australian Wheat Growers Federation. I have every confidence in the Federation. I believe that it will be able to devise a scheme which will represent the considered opinions of wheat growers. Undoubtedly problems will arise in implementing any scheme for the reduction of wheat production. In considering any legislation the Country Party has always valued highly the opinion of our primary industries. On this occasion I think such an opinion would be valuable and I recommend that the Government consider hearing the views of primary industry on this matter.

In any discussion about wheat stabilisation I think we should recall the work done by former leaders of the wheat industry to promote stabilisation. They deserve a great deal of credit. In those early years the wheat growers set a very fine example by being prepared to establish for their own benefit a wheat stabilisation fund. In considering whether financial assistance should be provided to the wheat industry, the Government and the people of Australia should bear in mind that the industry has been prepared to help itself. In earlier years wheat growers contributed large amounts of money to the benefit of the national economy. I will not give the figures, because I am not sure of them, but the amount contributed was considerable. The wheat growers established a fund for their own protection. I would hope that some day this fund might again operate.

In considering wheat production and the wheat industry generally I think it is important to pay some regard to the markets that could be available to Australia and to the rapid increases in population in some countries. There is a need for food in many areas of the world. The problem is in providing those people with food in an economic way. The problem for people in other countries is to finance the importation of food. This is an aspect which we must consider.

I would not like the opportunity to pass without paying a tribute to my parliamentary colleague and fellow Queenslander the right honourable member for Fisher (Mr Adermann), who served the wheat industry so ably during his term of office as Minister for Primary Industry. I answer the honourable member who is interjecting by saying that my colleague deserves recognition for his efforts. I reiterate that we of the Country Party at all times say what we believe.

I turn now to the matter that is causing concern to wheat growers. I refer to the amount of the first advance, which in recent years has been \$1.10. Because of the probable difficulties in disposing of the very large crop that is expected, suggestions have been made that the first advance may be reduced, due to the conditions attaching to the advancing of funds to the Australian Wheat Board for this purpose. One of those conditions is that the money shall be repaid within 12 months. I believe that this is a

matter calling for additional consideration on the part of the Government. If there is any difficulty in financing this first advance by the means used in recent years, serious consideration should be given to extending the time for repayment of the first advance. Today's conditions are unique. We have a record crop on our hands. The world market is such that we may have difficulty in selling our wheat. We are signatories to the International Grains Arrangements. It is in our own interests to maintain the present price level. The first advance is a matter that will greatly concern wheat growers in Australia. If it is not possible to arrange the type of accommodation which I have suggested, I urge that a special loan be made by the Government to ensure the payment of a first advance of \$1.10 a bushel. I do not think this is too much to expect. I know that the Government cannot act outside the rules that have been laid down. It has to retain some control over the provision of finance but this is a special occasion. The wheat growers have gone through difficult times. They have experienced drought and low prices for sheep which they may run in conjunction with the growing of wheat. As this has been the amount of the first advance in recent years, they have been entitled to assume that they would get \$1.10 a bushel. If the amount is reduced they will receive a sudden jolt and will find themselves in difficulties. I know that governments are loath to create precedents but if this year is covered by the advance of \$1.10 the wheat growers will have time to plan diversification of their agricultural activities. They will have a warning that in other years the first advance might not always be \$1.10. I believe good reasons exist for the Government's providing a special loan to cover the finance needed to make an advance of \$1.10 a bushel for this season. In addition, the effect of devaluation of sterling on our exporting industries, including the wheat industry, is another reason why the Government should give special consideration along the lines I have suggested. After all, if the Government were to take this action, no cost would be involved. The Government would be making available finance which would eventually come back to the Government.

It is worth while mentioning that any adjustment in wages or salaries in recent times has meant an increase of income to

the section of the community concerned, but under the new stabilisation plan, even if the first advance amounts to \$1.10 a bushel, the returns to wheat growers will be reduced. So I strongly urge the Government to take every measure possible to see that a first advance of \$1.10 is provided, and I recommend that this be done by means of a special loan.

I believe that the Bill gives to the producer the greatest return that can be provided within the limits of the support which the Government is prepared to give following negotiations with the Australian Wheat-growers Federation on behalf of Australian wheat growers. Because it is absolutely essential that we have operating a wheat stabilisation plan so that we may provide the security which the wheat growers of Australia need, I support the Bill.

**Sitting suspended from 5.50 to 8 p.m.**

**Mr MAISEY** (Moore) [8.0]—The two Bills before the House tonight propose, in conjunction with complementary State legislation, to continue in existence organised marketing of wheat through a single selling authority, the Australian Wheat Board. But some important changes will be made in the principles previously adopted to determine the guaranteed price for home consumption and export wheat. The proposed new wheat stabilisation scheme departs from the basic principle of stabilisation in providing for a minimum export price for a given quantity of wheat which will be varied up and down as costs rise or fall during the next 5 years in accordance with a cost regimen which has been considerably curtailed so as to contain within much stricter limits the sort of upward variations which we have experienced in previous plans.

We should have regard to the magnificent contribution which the wheat industry has made to the internal economic stability of this country over the past 20 years and to its splendid contribution to the development of Australia, which has been reflected right through the whole economy and has assisted tremendously with the maintenance of one of the most exciting immigration programmes that any country has ever experienced, certainly in the postwar era.

Having regard to these facts and the fact that the industry in its early and formative years made a tremendous sacrifice to establish the principle of organised marketing and stabilisation, one must look on the provisions contained in these Bills as a great betrayal of an industry which, because of its past record, surely earned the right to a better fate.

Because of my past association with the wheat industry and the marketing of wheat I could not in all conscience support these Bills. For other reasons I could not support the amendment moved by the honourable member for Dawson (Dr Patterson) either. I do not support the amendment because I believe in the principle of a one price plan where the price paid to the grower is based on a cost of production that is fair and reasonable to both the industry and the consumers of wheat and wheat products throughout Australia. Therefore, I do not believe that it is reasonable to have a one price plan based on a cost of production figure which will give growers a return of \$1-51.5 per bushel f.o.b. I have had only a little time in which to study this amendment, but my assessment is that if the proposal contained in it were adopted the Treasury would incur a contingent liability of something in excess of \$125m for the 5 years the plan will be in operation. I think that assessment is conservative. I do not think that is a reasonable proposal to accept. I believe a cost of production price of \$1.50 f.o.b. is a reasonable proposition. The introduction of the guaranteed price recommended in the amendment would add to the cost of bread to the consumer on this price of \$1.50. The present price of bread is reasonable. It would add to the cost of bread and stock feed in Australia during the next 5 years an additional \$4,500,000. This increase would constitute another form of indirect taxation and would be to the detriment of not only the wheat industry but all other export industries which today are finding it tremendously difficult to sell their products at competitive prices on overseas markets. For these reasons I cannot support the amendment moved by the honourable member for Dawson—not because there is anything wrong with the principle contained in the amendment, but simply because the price proposed is too high.

I would like now to devote a little attention to the second reading speech of the Minister for Primary Industry (Mr Anthony). After having read the speech through several times I understand the message contained in it. But if one takes the speech in association with previous statements in the Press attributed to the Minister, one cannot help but gain the impression that the Minister's main theme has been the profitability of wheat growing. The reason for the drastic change and the abandonment of the principle for which the industry paid so dearly seems to be based on the argument that the industry is profitable. I cannot for the life of me understand why it is that it should suddenly be regarded as some kind of crime for an industry to be profitable, particularly when we realise that so much of the development of Australia outside the confines of the metropolitan areas depends on a profitable wheat industry. It is also in the interest of decentralisation, if that word is ever to be given any meaning at all, to have a profitable wheat industry, to say nothing of our developmental programmes and our immigration programme.

One finds it very hard to see why it is suddenly regarded as wrong for an industry to be profitable. This affront to the industry, as I see it, is aggravated when one compares the profitability of this industry with the alleged profitability of other primary industries. It is this mythical profitability to which is attributed the tremendous expansion of the wheat industry yet there is the rather embarrassing situation in the absence of the Chinese market which we seem to be running into at the moment, and there are difficulties with regard to production, storage, transport and other ancillary problems. The truth of the matter is that the wheat industry is not so profitable. The industry some 20 years ago made a tremendous sacrifice and accepted approximately one-third of the export value of wheat for home consumption purposes in order to establish the principle of stabilisation. Of all industries, it was wise enough to see that the day would surely come when the cost of production in Australia would rise to the point where the industry was not so profitable, and it looked to the time when

it would be able to get some compensation for the sacrifice it had made. That is what has happened to the wheat industry to a very great extent.

Other industries did not have a similar experience. The wool industry did not have the foresight to continue after the war the marketing arrangements which had been operating so successfully during the war. These arrangements were thrown overboard on the ground that to some extent they were socialistic and because it was claimed that free competition through the auction system could do a better job than organised marketing through a central authority. Because the wheat industry had the good sense to hang on to its marketing arrangements and the principle of stabilisation, it maintained a degree of prosperity in the post war period as production costs rose, which no other industry enjoyed. In a situation of mixed farming such as we find in the great majority of agricultural areas in Australia it was not surprising that the growers were swinging away from wool and all other forms of primary producton to the greatest extent possible and were devoting their maximum effort to producing wheat, which enjoyed the benefit of an organised and to some extent stabilised market. Continuing with the Minister's second reading speech we find that he said:

So in 1968-69 growers stand to gain 4c per bushel over the first year of the present scheme and the return from domestic and guaranteed export sales will be \$82m higher.

I do not know what that sentence was meant to convey. All it means to me is that between 1963 and 1968 the grower gained 4c per bushel as compensation for the tremendous increase in costs which had taken place during that period. I suggest that any economist would show that the grower was in fact asked to accept an arbitrary reduction in real income. I do not think that the Minister's statement that the return from domestic and guaranteed export sales will be \$82m higher means very much except that another 50 million bushels of wheat is covered. One would naturally expect that the return would be quite a few million dollars higher than it was under the previous plan. The Minister continued:

Similar arithmetic will show that the return from domestic and guaranteed export sales in the coming year must be \$41m more than in the current year.

Of course it must be. Another 50 million bushels of wheat is included. The Minister continued:

It can also be demonstrated that if the cost and price experience of the 5 years of the present scheme were to be repeated grower incomes in the next 5 years would be higher than they have been during the period from 1963-64 to this year.

It can also be demonstrated that if the price provisions of this plan were related to the last harvest and if the assumptions with regard to export realisation were treated similarly the return per bushel would be many cents lower than it was under last year's plan. But that is not mentioned. At a later stage the Minister said:

The breaking of the link between the home consumption and the guaranteed price is recognition of a fact of life. The domestic and export markets are distinct. They have long been so. In the first stabilisation plan, which started in 1948, domestic consumers derived considerable benefit because the home consumption price was below the export price. More recently the home consumption price has continued to edge up while the export price has not.

The last sentence simply reflects the tremendous increase in costs under the influence of arbitration court decisions, margins allowances, general increases in salaries, tariff protection and the sort of things that are tending to compound, one on top of the other, to cause a dramatic increase in the production costs of primary producers. The Minister said that the breaking of the link between the home consumption price and the guaranteed price is recognition of a fact of life. But what he does not say, of course, is that although there were differences in the prices and the returns to the growers from the various markets under the earlier plan there was in the main one common guaranteed price. That common guaranteed price was based on the cost of production, which is a principle that the growers laid down in the first years of stabilisation and have been happy to accept in the main as the years have gone by. Proceeding with the Minister's second reading speech we find that he said:

The guaranteed price proposed is not significantly out of line with world market prices. It is higher than current export prices and higher than the minimum set by the International Grains Arrangement. It is high enough so that in conjunction with the home consumption price, growers can look forward to a return on 260 million bushels of \$1.48 per bushel.

I think that statement has probably no peer as a meaningless and almost misleading remark because the return from the quantity under the guarantee has very little real meaning so far as the growers are concerned. The only figure that has any real meaning to them is the average export realisation in association with the average home consumption price and the Treasury guarantee spelt out in the form of an average price per bushel that the grower will receive at the end of the pool. So, what this figure is supposed to represent and what message it is supposed to convey to a properly informed person is rather hard to detect. The Minister also said:

This Bill is intended to bring about a very significant development in the orderly marketing of wheat.

I would say that it has brought about a very significant development in the orderly marketing of wheat. I think it has brought about an even more significant development in what was known as, but can scarcely be called any more, the wheat stabilisation plan. The Minister went on to say:

The experience of the past few years has disclosed that there are loopholes in the provisions of the Act debarring trade outside the Wheat Board. Changes have been made in order to close these loopholes so that the Board will have adequate authority to carry out its responsibilities.

I think that is a very necessary—in fact essential—requisite so far as this legislation is concerned. I would like to devote a little time to the home consumption price provisions of the proposed legislation. Assuming a crop of something of the order of 460 million or 470 million bushels, a home consumption wholesale price of \$1.70 a bushel, a calculated minimum price under the International Grains Arrangement of \$1.39 and a Treasury subvention of the order of \$12m, I think it can be safely said that the return to the growers would be about \$1.36. I know that some people who will put pencil to paper will use a larger figure than 60 million or 70 million bushels for home consumption at \$1.70. They will say therefore that less is to be sold at \$1.39 and they will juggle these figures around and come up with a figure of \$1.35 or \$1.37 a bushel. But I think that a reasonable calculation is that the pool will return about \$1.36 a bushel. If the Australian Wheat Board is able to negotiate with the Treasury to pay a first advance of \$1.10 a

bushel—this is a very optimistic expectation at this point of time, nevertheless it is one which many wheatgrowers are hoping for or, because of financial difficulties, praying for—it will probably be about May or June 1970 before the grower receives another payment, and it will probably be at least another 12 months or more before he receives a final realisation that will take him up to \$1.36.

It is common knowledge that various guesses are being made about the New South Wales crop this year. As a member of the Australian Wheat Board for many years I know that the inability of New South Wales ever to come up with any reasonably precise estimate of what its harvest will be has been a standing joke. But New South Wales has estimated the harvest this year to be as high as 220 million bushels and as low as 185 million bushels. Most of us know that even if we take the grimmest assessment it is very doubtful whether New South Wales will be able to receive into storage all the wheat that is available. This will mean that at this time next year many hundreds of thousands of bushels of wheat which cannot be delivered will be lying about.

I have heard opponents of organised marketing, mainly powerful vested interests, describe the legislation that we are debating tonight, and associated State legislation, as constituting a conspiracy between the State governments, the Federal Government and the Australian wheat industry to circumvent the Australian Constitution, particularly section 92. Unless this legislation is tightened up considerably this incentive to black-marketing or dealing in wheat in New South Wales outside the Australian Wheat Board will be increased. With a wholesale home consumption price of 170c a bushel and a final pool realisation of 136c less freight, which in New South Wales can be well over 20c a bushel, there is a very real prospect that there will not be much wheat for stock feeding purposes in New South Wales. When we start making assessments of what the realisation of the pool will be it would be rather optimistic, with a wholesale home consumption price of 170c, which gives a retail price far in excess of 170c, to base the estimate on the sale of 60 million bushels. This would mean, of course, that there would be a lot more

wheat to be sold at 139c, which is the estimated price under the International Grains Arrangements.

Not only has the plan spelt out in the two Bills we are considering and in the complementary State legislation destroyed for all time the basic principles of stabilisation, but the two price system, with its very wide margins between the proposed home consumption price and the final pool realisation, could well start something which could bring to an end organised marketing itself, quite apart from stabilisation. For these various reasons I cannot, in all conscience, support this legislation.

In the few minutes remaining to me I should like to conjecture what has brought about this situation. I do not think there can be any reasonable doubt at all that the reason why these drastic changes have been made is that the cost structure within Australia has risen so high that the Commonwealth Government now proposes to run out on the industry. This is the brutal truth of the situation. As a sop to the industry, and as compensation, the Government has said: 'We will fix the home consumption price at 170c a bushel. We are prepared to impose what is in effect and in fact an indirect tax on the big users of bread, breakfast foods, meat, eggs and all these things in order to compensate the wheat industry for the loss of a principle which it paid so dearly to establish.' I want to say here and now that I will have no truck with that sort of principle. It is absolutely morally wrong to place what is, in effect, a tax of this nature on people with complete and callous disregard of their ability to pay. This impost will fall on the men with big families, most of them on low wages and salaries; it will fall on pensioners; it will fall on people on fixed incomes, and, generally speaking, it will fall heaviest on the low income group within the community. Notwithstanding the fact that an increase of 5½c in the home consumption price need increase the price of flour in a 2 lb loaf of bread to the extent of only 0.2c, those of us who have been dealing with these things for years know very well that the price of bread has been increased by 1c a loaf and more on far flimsier excuses. This is a lesson we have learned in the school of bitter experience.

There is no doubt that the change has been brought about because the Australian cost structure has been permitted to rise to

the point where the Government can no longer stand up to its contingent liability under the provisions of previous stabilisation plans. I should like now to devote a little time to the history of those plans and to remind the House of a very significant fact. The first stabilisation plan came into operation with the 1948-49 harvest, with a cost of production of 66.667c per bushel.

**Mr James**—We had a Labor Government then.

**Mr MAISEY**—Yes, it is true that this plan was negotiated and introduced by a Labor Government and under the direction of the then Minister for Commerce and Agriculture, Mr Pollard. It is rather significant that with the introduction of this plan in 1949 we had a change of government. I should like to read to honourable members an extract from the policy speech of the new Government. It was as follows:

Every housewife knows how grievous this problem is.

The statistician will conservatively allow that the £1 of 1939 is now only worth 12s 2d in purchasing power. But on the true cost of household requirements it would be nearer the mark to say that it is worth only 10s. The greatest task, therefore, is to get value back into the £1, that is, to get prices down.

**Mr Curtin**—Who said that?

**Mr MAISEY**—That is an extract from the policy speech of R. G. Menzies, as he then was. As I said, the first stabilisation plan began with the 1948-49 harvest, with a cost of production of 66.667c and a yield divisor of 12 bushels an acre, which was 0.3 of a bushel an acre higher than the industry had achieved up to that time. It is a magnificent compliment to the efficiency of the wheat industry and to the way it has grappled with the tremendously increasing cost structure that the yield divisor in these plans has been progressively increased to the point where in the last plan it was 17 bushels an acre. At present, to justify the home consumption price of 170c, we are using a yield divisor in excess of 20 bushels an acre. Notwithstanding the magnificent efforts of the wheat industry towards greater efficiency, the cost structure has beaten the industry and the plan being spelt out in the two Bills before us cannot be interpreted in any other way than as a frank admission by this Government that it has lost control completely of the internal economy of Australia.

**Mr TURNBULL (Mallee)** [8.30]—We have heard some very fine speeches on the Bill, chiefly from honourable members who represent wheat growing areas. As I represent the great wheat growing area of Mallee, I am eager to take part in the debate. A lot of detail has been given and I need not repeat it, but I want to draw the attention of the House and of the people to one or two points that I believe are appropriate. Somehow or other, when progress has been made or improvements effected, after a while we take them for granted. If a very poor road over which we usually drive is replaced by a good bitumen road, in 5 or 6 years we forget what the old road was like. We take things for granted, and this is part of human nature. Many people today do not know what marketing of wheat was like before the Second World War. I am one of the few members who were in the House when the first Bill to stabilise the wheat industry was introduced.

**Mr Hansen**—Did you support it?

**Mr TURNBULL**—Of course I did. The first suggestion to stabilise the industry was withdrawn and new legislation came forward and was supported. The advances that have been made in stabilisation legislation since then are remarkable. The original Bill that came into force in 1948-49 would hardly be recognised now. It has been brought up to a standard of excellence. Before the original legislation was enacted, wheat growers did not know how they stood with sales. Wheat buyers would purchase wheat at sidings throughout the country. Different prices were offered and different reports on the state of overseas markets were received. It reminds me of the story of two bachelors who lived in the Mallee. They had 1,000 fat sheep and decided to market them. They agreed that one brother would go down to Newmarket in Melbourne and see what the position was like. He would then send a telegram to his brother telling him what to do. After the one who went to Melbourne had looked around, he sent a telegram to his brother saying: 'Arrived safely. Have been at Newmarket today. Some say they will go up. Some say they will go down. I think so too. Act quickly. Whatever you do will be wrong.'

That is exactly the position that prevailed in wheat marketing before our fight brought about orderly marketing and stabilisation. The wheat growers did not know what price they would get. They would take a price that was offered to them and perhaps within a week or two the price would rise by 6d a bushel. We must keep these factors in our minds so that we can appreciate the excellence of the conditions for marketing wheat in Australia today. The first question I want to put to the House is this: Where can the Commonwealth Government invest money to greater advantage than by a guarantee to the Australian wheat industry where all the machinery for orderly marketing and stabilisation is well established and operative?

**Mr James**—You are a Socialist. But you have denounced Socialism.

**Mr TURNBULL**—The honourable member for Hunter is very vocal about Socialism. Let me answer his interjection. Before proposals for stabilisation and orderly marketing were introduced, a poll was taken of the growers and the growers agreed to accept the suggestions. The Australian Labor Party hopes to introduce Socialism into this country. Why does it not hold a referendum, put its proposals before the whole of the Australian people and ask them whether they want a Socialist state?

**Mr Bryant**—Why do you not do that with redistribution?

**Mr DEPUTY SPEAKER (Mr Lucock)**—Order! The honourable member for Wills will cease interjecting.

**Mr TURNBULL**—Opposition members are interjecting. I suppose if I am to get a reasonable hearing, I had better cut down my enthusiasm a bit and speak quietly. A quiet talk sometimes even calms the savage lion. With the exception of a few points that I will make towards the end of my speech, I want to treat this Bill quite differently from the way that most honourable members have treated it so far. I want to base my remarks on the answer to a question I asked the Prime Minister (Mr Gorton) in this House very recently. I will not read the whole of the question, but I will not take it out of context. I asked:

Is he aware that it is high costs, chiefly due to tariff protection of secondary industry, and not lower prices for primary products that are causing

the prevailing dissatisfaction, uncertainty and in many cases financial embarrassment to primary producers? In order to reduce the gap between the economies of secondary industry and primary industry, will the Prime Minister make an investigation with a view to reducing tariff protection to secondary industry or to introducing substantial price support for primary industry?

I will read only part of the Prime Minister's answer, without taking the passage out of context. He said:

I do understand that it is increasing costs that are causing difficulty to many farmers in some industries . . .

What is happening? Certainly tariffs are not being reduced. We are asking, and have asked for a long time, that primary industry be given price support so that it can operate satisfactorily. But instead of getting additional price support, the support that primary industry has been receiving is being reduced. I remember quite well that the Prime Minister, during his speech in the Budget debate, said that heavy industry is going from strength to strength. I am very pleased that this is happening and I hope that secondary industries will be very prosperous. But at the same time we do not want the wheat industry and primary industries generally to be going from weakness to weakness.

I do not object to very much in the Bill. I would like to see the stabilisation scheme continued in its previous form, but I know that in some respects this is not practicable. A lot has been said in this debate about the value of land and about the high price of land. The honourable member for McMillan (Mr Buchanan) said that the people who have owned the land for many, many years are not worried about the high cost of land. That is not right. They are very worried about it. Only 1% or 2% of wheat farms are sold each year. The land sold at the high price of \$16 or \$18 an acre just after World War II may sell at \$80 an acre now. But the man who owns the land cannot enjoy the wealth it represents unless he sells it. In the meantime, the people mentioned by the honourable member for McMillan, who bought their land cheaply, must pay rates and taxes and other charges assessed on valuations that are based on sales of land at high prices. The price of land may have gone up, but the prices of many items used by primary producers have also gone up. Primary producers must pay high prices for

everything they purchase and this has forced them into a difficult position. The Government, as I said before, wants to protect secondary industries. The Australian Labor Party also wants to do this. I am in favour of this protection, provided always that the Government will give equal price support to primary industries. They will then have the same advantage as is given to secondary industries, which have the benefit of high tariff protection. This is a fair proposition and I put it to the House that the primary industries must aim to achieve this support and must fight for it.

But now the reverse is happening. I believe it is happening in this Bill. We are speaking about the wheat industry tonight but this may be the yardstick for all primary industries. People ask why there should be a fight between the primary industries and the secondary industries. There is no fight between them. However, the secondary industries are getting all the plums. What happens is this: The workers say they want a rise in wages. The Labor Party says there is nothing wrong with this; it says they are justified. The Conciliation and Arbitration Commission meets and decides to give a rise according to what industry can pay. But of course it is what secondary industry can pay, and it can pay handsomely. A wage rise is granted and the secondary industries—the manufacturers and the retailers—simply change the price tags on their products, and these products find a ready sale in Australia. The wheat grower can get this kind of protection only to the extent of what is sold for home consumption and 200 million bushels of the total amount exported.

If the primary producer could buy everything he needs inside the Australian economy, and if he could sell everything he produces inside the Australian economy, all our stabilisation schemes could go out the window. But he cannot do this. I know the home market is best and therefore I am in favour of building up secondary industry and bringing population to this country. At the same time I cannot see how any sound minded man could take exception to giving maximum protection to primary industry. The pastoral pioneers were the first people to bring an influx of population to Australia. Then in or about 1851 gold was found in Victoria and there

was a rush to the goldfields. People wanted to get money quickly. Then when the gold deposits petered out and it became unprofitable to work them the people turned to something more stable. They turned to primary industry.

We know that it has been primary industry that has built up not only the greater Australia outside the metropolitan areas but also the metropolitan areas themselves. Our cities were built on the foundations of money that came from the soil—from primary production. Now many people are taking it for granted that our cities have been built up by secondary industry. Secondary industry has priced itself out of world markets. I have here a very interesting book. I think I picked it up on the aeroplane that brought me to Canberra. I cannot for the life of me understand why it was thought necessary to show a half-dressed woman on the front cover. I showed this to one of my colleagues and he said: 'She is not even half-dressed.' This book advocates export action. On the back of it is a photograph of the Prime Minister. Why put the Prime Minister on the back and a half-naked woman on the front? This defies explanation.

Also on the back of the book is a photograph of Mr White, Chairman of National Export Week, which was to be a great week for Australia. The Prime Minister and all sorts of other people spoke out in favour of an export drive, but the exports they are encouraging are chiefly in the secondary industries. They are searching for ways in which to give subsidies for exports of secondary products. They are considering such incentives as remission of pay-roll tax and various other kinds of protection for secondary industries so that they may export more of their products. We find only a couple of words here and there about primary industries. There is nothing about the great work that primary industries have done through the years to build up this great nation. There is nothing about the necessity for aiding primary industry to continue to do so. It is all about secondary industry. The reason is, of course, that primary industry is playing its part to the full. The Government cannot ask it to do more because the Australian farmer is already efficient and effective. It

is the secondary industries that are not playing their part. Because of the high wage structure they have built up they are unable to sell their products overseas.

Of course the primary producer is also finding it difficult to sell overseas satisfactorily any more of his product than that amount which is covered by a guaranteed price. After the Wheat Board has sold overseas the 200 million bushels covered by the guaranteed price the rest is paid for at world market rates. We have heard a lot of talk about the enormous crop we are going to have this year. I think the Minister for Primary Industry (Mr Anthony) said in his second reading speech that the crop might reach 550 million bushels. I doubt this. I could tell the House about some pretty poor crops in the part of the country that I know. But even if we do have a very big crop we must remember that the Government accepts responsibility for only 200 million bushels. Someone has suggested by interjection that the Government is also responsible for the wheat sold on the home market. Of course it is not responsible for home consumption. The people themselves must pay for the wheat they buy for home consumption. The Government is responsible for only 200 million bushels, and if we have a record crop of 600 million or 700 million bushels the wheat grower must accept the lower price that he will undoubtedly get for any amount over 200 million bushels that is exported.

If the wheat grower is growing too much wheat, as has been suggested, he will soon wake up to the dangers involved and will not continue to grow such large quantities. After all, it has been shown over the years that the seasons regulate the size of the crops. I remember quite well, because I was watching developments pretty closely, although I was not here at the time, that in 1943 or 1944 the Labor Government, under the wartime regulations then operating, restricted the acreage of wheat that could be sown. I know of a man at Sea Lake in Victoria who was allowed to grow 150 acres and who had another 50 acres of self-sown wheat which would yield about 8 bags to the acre. He asked permission to strip this and feed it to his own pigs. He was told that he could strip it but that he would have to leave 50 acres of his regular crop. Within 12 months we were importing wheat. Do not make any mistake about it,

the seasons regulate these things. We have been mighty fortunate in having about 20 years of reasonably good seasons. When I went to the Warracknabeal area many years ago a man was lucky if he had one good season to two bad ones. There are countless people in that district and throughout Australia who would agree that this is correct. We will be fortunate in the future to have good seasons similar to those we have had over the past decade or two.

The Minister said in his second reading speech that the average net income of wheat farmers was \$9,400 per year in the 3 years from 1964-65 to 1966-67, one of which was a drought year. What is net income? I fill out my income tax return and I calculate my net income after all allowable deductions but before taxation. After taxation the amount of \$9,400 would be considerably reduced, and it is the reduced amount that the grower has to live on. In any case I am given to understand that the net income mentioned by the Minister was for properties and not for individuals. A man with a wheat farm may have two sons living on the property and depending upon it for their living. There may be three family units living on the income from the one property.

But one of the most important factors upsetting calculations of this kind is that today there are some remarkably large wheat farms. Some of them run to thousands and thousands of acres, and these are the ones that build up the average. If a man wants to grow 400 acres of wheat a year he must have available, under the rotational system, at least 1,200 acres. On this question of average incomes I suggest honourable members try to determine the average income of shops in Bourke Street, Melbourne. I suggest that some of the little shops at the top end of Bourke Street or some of the others down at the Spencer Street end would be amazed at the average income of shops in that street, because they include the Myer Emporium Ltd, Woolworths (Victoria) Ltd, G. J. Coles and Co. Ltd, Waltons Ltd and many other big stores. The difference in income would be gigantic. We cannot average things out this way. We cannot take the average of the big man and the small man. The big man builds up the estimate of the small man's income until it looks ridiculous. I know that if honourable members came with me through the

Mallee—and the Mallee farmers are as efficient as farmers anywhere else—they would find that the farmers would say, very definitely, that the average income stated did not reflect their position. In fact, I had an opportunity to listen in to part of the Minister's speech which he made during his visit to Warracknabeal. When the Minister referred to an average income of about \$9,000 the roar from his audience was terrific. Of course, the honourable member for Wimmera (Mr King) and the Minister would remember that this really happened. That is all I heard of it. I think that wheat growers are a pretty even going lot of fellows.

The honourable member for Wimmera said that he did not like opposing the Australian Wheatgrowers Federation. I do not mind opposing the Federation; in fact, I enjoy it because I have found out that the Federation was determined to accept the wheat stabilisation scheme, come hell or high water. A large meeting was held at Bendigo. At that meeting I told the gathering: 'I am not representing the Federal Government; I have not the authority to do so. I am representing the electorate of Mallee because I am its elected representative'. I also said to the gathering: 'Do not accept for one moment people saying that the Treasury is the trouble. How is Treasury the trouble? I do not like this at all. We have the Cabinet which controls the Treasury. The members of Cabinet are the highly, authoritative people in this country'. Everybody was referring to the wheat industry stabilisation scheme as the 'Anthony plan'. I think this is a Cabinet plan. Even if the Minister for Primary Industry (Mr Anthony) and his advisers worked it out, it had to be approved by Cabinet. You cannot present a plan to the people unless it is approved by Cabinet. Everybody knows this. Cabinet is responsible for the scheme. If the scheme is not popular in some areas then the Minister should not get the blame. If it is popular in other areas, he should not get the praise. After all, Cabinet decided whether it would have the scheme or not. This is one of the things that must be watched very closely.

At the meeting in Bendigo I said to the people: 'Why not go to Canberra and see the Prime Minister, the Treasurer and the Minister for Primary Industry? These men

can make decisions on the spot'. In a motion, they accepted my suggestion but they could not get moving until the Federation meeting the following Friday. In the meantime the Treasurer (Mr McMahon) had gone overseas. When they put the proposition to the Wheatgrowers Federation in Melbourne, I understand that Mr Saint, who is Chairman of the Federation, said: 'We do not want any politicians leading us to Canberra'. But somebody pointed out that I was the one who had made the suggestion. Although it was a simple suggestion, apparently no-one else had thought of it. These people came to Canberra. I was here on the Monday. The Prime Minister (Mr Gorton) met me in the lobby and he said: 'I understand you are bringing a deputation to see me about the wheat industry'. I said: 'I do not know whether I am or not. I have the right to do so from 800 wheat growers but not from the Federation'. As soon as the Federation heard about this the Chairman decided that he would get in touch with the Prime Minister and come up to Canberra himself, because he did not want any politicians introducing him. Why, I do not know. If people go to see politicians they want other politicians with them because they can do the job better than an outsider. Therefore, I believe that I should have had an opportunity to come to Canberra with the deputation.

I received a telegram from a man up in the far Mallee which said: 'Congratulations on your stand on the wheat plan'. I wired back to him and said: 'I appreciate the sentiments contained in your telegram, but the Wheatgrowers Federation gave me no chance whatsoever to assist in the negotiations'. Why should I worry about the Federation? The people in the Mallee whom I represent believe that we should have a better plan. I told them that I would do two things. Under no circumstances will I have anything to do with the high land values in the formula. I believe that we should have a one price plan. I believe that the high price for home consumption will turn all hands against the wheat grower. People will say: 'He is getting all this money'. The wheat growers themselves have said in my hearing: 'We do not mind if we receive a little less money provided the principle is protected because there will be a chance to keep costs down. Costs are the thing that is worrying us'. If there is a high

price for wheat inside Australia, as the honourable member for Moore (Mr Maisey) said, the flour millers will immediately say that they must have a rise; the bakers will want a rise; the pig feeders will want a rise; and the poultry farmers will also want a rise. This price spiral continues but there is no redress for primary industry. This is what is really happening.

I have looked very carefully at one or two things that have happened in this chamber today. The amendment moved by the honourable member for Dawson (Dr Patterson) reads as follows:

That all words after 'That' be omitted with a view to inserting the following words in place thereof:

'the bill be withdrawn and redrafted to provide for a one price scheme for home consumption and export wheat commencing with a price which will return to the grower \$1.48 f.o.r. per bushel which is equivalent to a guaranteed price of \$1.51½ f.o.b. per bushel for exports up to a maximum of 200 million bushels from the crop of any season.'

If I had had the chance of getting in first, which the laws of this Parliament do not allow, I would have moved this amendment:

That all words after 'That' be omitted with a view to inserting the following words in place thereof:

'the Bill be withdrawn and redrafted to provide that (a) the guaranteed export and home consumption price be equalised so as to relieve the Australian consumers of the higher price for home consumption as set out in the Bill . . .

But I would have gone further. I understand that the honourable member for Dawson has said that he will move a further amendment at the Committee stage. It is a strange thing that two amendments cannot be moved one after another. The question is put: 'That the words stand part of the question', and if it is carried, that is the end of it; you cannot go further. The second part of my amendment was:

(b) the formula which is the basis of the sound cost of production be revised to make provision for yearly adjustments of the owner operator allowance according to wage movements in Australia.

Recently a wage increase of \$1.35 was granted. Is that included in that static owner operator allowance which will operate for 5 years? Does any honourable member in this chamber know by what amount wages will rise between now and 5 years hence?

Is it right that the allowance for the owner operator, who has always been reimbursed according to a rise or fall in the wage level in Australia, should remain at the same level for 5 years? What would the Labor Party say if some people in Australia had a certain wage level and had to remain on that wage level for 5 years? There would be an uproar. The Australian workers would soon screw the Labor Party into the position where it would be advocating a rise in wages.

I do not exactly like the figures which the honourable member for Dawson has set out in his amendment. I did say to the wheat growers—and I do not say things before I give them some thought: 'When the Bill comes before the House I will support any amendment—I do not care who moves it—that will improve the Bill for the wheat industry'. But I said: 'But if the amendments are defeated—and from what I can see they certainly will be defeated—I will not vote against the Bill in the final vote'. I shall now give an instance of what I mean. When the last Budget was presented the Labor Party said that it was the worst Budget that you could ever think of. It said that the Budget would devastate Australia; that everything was wrong about it. The Labor Party moved that the Budget be withdrawn and recast in another way. But that amendment was defeated and when the Budget came before the House the Labor Party did not vote against it.

**Mr Birrell**—That is right.

**Mr TURNBULL**—Of course that is right. This is the attitude I am taking to the Wheat Industry Stabilisation Bill. I am not like a dog in the manger. Let me finish up with a little story about a man who had a horse. He was a rather mean man and he thought that the horse was eating too much chaff. So he decided to cut down on the horse's rations gradually for 6 weeks, which he did, but at the end of 6 weeks the horse died. It is no good trying to flog a dead horse. Let us hold the wheat industry up while it is strong. Do not let us weaken it by certain items in this Bill. As far as possible, let us try to get these amendments through. I do not agree with the figures given by the honourable member for Dawson but I will vote for his amendment on principle. I believe that there should be

an equalisation between the home consumption price of \$1.70 and the 200 million bushels export price. If that is to be so, I shall be happy. But I do not think it is to be. Anyway, I have stated how I will vote. I believe that in voting in this way I shall act in the best interests of my constituents and of the Commonwealth of Australia.

**Mr ARMSTRONG** (Riverina) [9.1]—I would just like to make a few brief observations on these Bills. I say at the outset that I support them after having given them a lot of considered thought. There is overwhelming confusion among wheat growers about the basis of the cost of production. The main difference now, of course, is that the formula allows only for items that are cash costs. Ten years ago cash costs comprised about 60% of the officially computed gross cost of each bushel of wheat, on the basis of which adjustments were made to the domestic price and also the guaranteed export price. But in the last years of the fourth stabilisation scheme, the notional cost comprised an increasing proportion. A lot of this cost was brought about by the level of land values, to which the honourable member for Mallee (Mr Turnbull) referred. This cost was made up of the theoretical interest payable on land and improvements, as calculated from time to time, in allowing for what proved to be a continually increasing purchase price of wheat land. A considerable proportion of this increase was, of course, brought about by the very pricing system that took this rise in land values into consideration.

In fact, of course, very few wheat growers do pay this interest, as this increase applies only to land that has been purchased in comparatively recent times. In the past decade, this interest charge on capital value has added more than 30c per bushel to the price of wheat. Nearly twice this amount is added by the other notional costs. The cash items now to be considered in the annual adjustment are, in my opinion, based on a realistic approach. They include labour, petroleum products, fertiliser, seed, repairs, corn sacks where applicable, cartage, rates and taxes, insurance, contract work, chemicals, motor registration and interest paid on debts incurred. Like the honourable member for Mallee, I believe it is a pity that the

owner-operator allowance was not kept as an item to be considered in determining the annual adjustment.

The cost of production formula has in the past been extremely flexible. I do not mean this as a criticism of the Bureau of Agricultural Economics, but I suggest that to take 385 farms in five States, mostly in favourable wheat growing districts—although not entirely—and to arrive at a figure which is to apply to the whole industry, which is made up of about 55,000 growers, is to arrive at no more than a very loose guide. The yield divisor used, of course, is the average for the whole of Australia over the last 15 years and is applied as a reasonable estimate for the next 5 years. It is from this same source that we obtain the figure of \$9,400 for the average annual farm income in the wheat industry. I believe that this is not a realistic figure when it is applied to the industry as a whole.

The very important point that I want to stress tonight concerns the first advance payment of \$1.10 per bushel. I support the honourable member for Canning (Mr Hallett), the honourable member for Maranoa (Mr Corbett) and the honourable member for Wimmera (Mr King) in this regard. I believe it is vital that our wheat growers receive \$1.10 per bushel as a first payment. I know that there are difficulties over the rural credits legislation which limits borrowing to one year. But this is a terribly important aspect. It has been argued that the payment of this amount would be of more encouragement to the large wheat grower. But I believe that the payment of less would be destructive of the small wheat grower, who is the man on whom the industry traditionally depends, and would create more difficulty for him than for the large grower.

There is another matter that I believe will be of considerable concern to the wheat industry in the long run. The honourable member for Mallee mentioned that people have been encouraged to enter this industry. I for one would never like to see production stifled, but I believe we should explore at the earliest opportunity some way of ensuring that the guaranteed price, the support price, the subsidised price—call it what you will—is paid to wheat growers on a per capita basis. I would like to see

each grower paid for a certain amount of wheat. All that is produced over and above this amount could be paid for at world prices. I know there are constitutional and administrative difficulties in the way. But a lot of things have presented difficulties that we have overcome before. I believe that the advance payment system is vital to the traditional wheat growers as a whole. They represent a large proportion of the 55,000 growers in the industry. If the economic welfare of these people is impaired or they are placed in serious financial jeopardy, not only economic problems for the country but also human problems for the growers result.

The situation in New South Wales was mentioned by the honourable member for Moore (Mr Maisey). I would like to share his optimism about the wheat harvest in New South Wales this year. I know that the estimate for the crop this year is about 170 million bushels. At present about 7 million to 8 million bushels are held in storage. The State's storage capacity is 160 million bushels. This means that we will be lacking space for about 20 million bushels. From what I have seen over a large area of New South Wales—and I would not pit myself against people who have guide lines to measure these things—I am afraid that the State's production this year will be very much lower than most people think. My electorate, on the average, grows as much wheat as does any other electorate in Australia. In a large part of the Riverina, no wheat at all will be grown. In many areas production will be down 50%. Nowhere will it be up to average. The situation is similar in a great number of other areas in New South Wales that I have seen, for the early crops were frost damaged and the late crops are suffering from lack of moisture.

A number of honourable members have asked: What will these Bills do to the cost of living? This question was raised particularly by the honourable member for Dawson (Dr Patterson). I want to repeat something that was said by the secretary of the Bread Manufacturers Association of New South Wales, Mr R. E. Steel. He said that bread prices would increase by the end of the year but not because of the new subsidy for wheat. He went on to say:

Any increase to us through the subsidy will only be added to the list of about 20 areas in which our costs have risen since July 1967.

The effect of the subsidy is not sufficient to justify a bread rise increase in itself.

With respect to added costs to the stock feed and poultry industries, I see no valid reason why the wheat industry should be called upon to subsidise any other industry. I do not think it should be required to do so.

I conclude my remarks by saying that I, like many of the wheat growers in my electorate, would have liked the guaranteed price to have been a little higher. But I share the point of view that has been expressed by Mr J. P. Cass, Treasurer of the United Farmers and Woolgrowers Association of New South Wales, who is also a member of the Australian Wheatgrowers Federation and Mr C. D. Renshaw, who is President of that Association. They have both said that they consider that the wheat industry has received a reasonable deal. Production is up in every wheat producing area of the world this year, except in eastern Europe. There is a lot to be said for an across the board price but in the light of the world wheat situation, and the amount of money that was available from the Treasury, I do not condemn the Minister. I congratulate him on the job he has done for the wheat industry and for his tireless efforts on its behalf. I support the Bills.

**Mr IAN ALLAN (Gwydir) [9.10]**—I strongly support the plan that has been put before the House for the stabilisation of the wheat industry. In doing so I am encouraged by a knowledge of the views of leaders of the wheat industry and the responsible growers of wheat in my own electorate. These men have been able to assess the full weight of this legislation and they are in favour of it. I support their views because I am very conscious of the extraordinary difficulty being experienced in marketing our wheat and of the prospect of further difficulties in future years. I do not take the pessimistic view of the Chairman of the Australian Wheat Board but I do believe that these difficulties should be recognised for what they are—profound problems which have to be faced up to and overcome. The Chairman of the Wheat Board, Dr Callaghan, said a few days ago:

It would be internationally irresponsible and inimical to our future wheat growing prospects if the momentum of the present rate of wheat expansion in Australia is not curbed.

Dr Callaghan forecasts a restriction of wheat acreages because, he says, there has been a positive wheat explosion in Australia. I do not agree with him when he says this. I do not agree that the situation is that drastic. I do not believe it is one that calls for such a drastic measure as an acreage restriction. I think that our problem of finding markets for our wheat can be overcome, and that the problem of stemming the rate of production in Australia also can be overcome by a much more pleasant method than the harsh proposal put forward by Dr Callaghan.

One method that could be explored is encouragement of the growth in Australia of other cereal products. I do not quite know how this can be done but I am very conscious of the fact that because of the high degree of organisation in the wheat industry, which goes back many years, the position of other cereal crops, particularly the feed grains, barley, oats, maize and sorghum, has deteriorated. These products have not been receiving the same degree of attention from marketing and research experts as they should have been receiving, and consequently the pattern of cereal production in Australia has deteriorated. This is because the wheat industry is the key to the whole of the cereal industry and has for a long time been highly organised and efficiently handled.

The time has now come to move forward and to make sure that the other grain crops receive their share of efficient handling, care and Government initiative. Yesterday in answer to a question I put to him about the need for Government initiative to protect and encourage the production of these other cereals the Minister for Primary Industry (Mr Anthony) denied that this was a Commonwealth Government responsibility. I challenge this view because in my opinion all primary products are a natural resource, and it is in the interests of the nation as a whole that all natural resources should be developed to their fullest extent. The potential of all our national resources should be realised. It is up to this Government, since no initiative is coming from any other direction, to supply the appropriate initiative to ensure that the potential of cereals other than wheat is properly realised for the advantage of the whole Australian economy.

It has been suggested that we should adopt towards the wheat explosion, as Dr Callaghan has described it, a negative approach such as a reduction of the first payment for the current crop from \$1.10 a bushel. I reject this suggestion, because I am quite sure that any farmer who received a smaller income for his work in preparing and producing his crop would be encouraged not to reduce his acreage in the following year but actually to increase it. On that ground alone I urge the Government to ensure that it maintains the traditional first payment of \$1.10 a bushel for the current year's crop. Although this undoubtedly will mean the injection of a very large sum of money into the economy I do not think it could be regarded as having possible inflationary consequences, for the great bulk of that money is already committed to banks, firms, machinery agents and so on. I do not think it will have any considerable inflationary effect. This money will be mopped up immediately; it has already been spent. It will be absorbed without a quiver on the general surface of the economy.

I referred a few moments ago to the way in which this dominant position of the wheat industry in the primary industry section of the economy has distorted the pattern of cereal production. By way of illustration I draw a comparison between Australia and the United States of America for the last 2 years. For the years 1965-66 and 1966-67 the Australian production of maize was static; in the United States production showed a steady rise from 105 million metric tons to 120 million metric tons. The Australian production of barley declined, whereas the American production could be regarded as static or slightly improved. The Australian production of oats declined while the American level remained static. The Australian production of sorghum increased by about 50%, but this increase was phenomenal. It was a most extraordinary year. Looking back over a period of years the Australian production of sorghum showed a steady rise, if any at all, whereas the United States production had a definite steady rise.

The export figures of the two countries are even more striking. Exports of maize from the United States in 1966-67 were twice as high as average exports in the years between 1956-57 and 1960-61,

whereas Australia exported no maize in 1966-67. Between 1960-61 and 1966-67 America's exports of maize increased by more than 100% from 5,064,000 metric tons to 12,855,000 metric tons. While Australian exports of sorghum showed a small increase over the same period, American exports of sorghum trebled. When those figures are analysed they give some indication of how our pattern of cereal production has departed from the pattern established and maintained in the United States.

I believe that this is very bad, because although circumstances in the two countries may not be identical, the fact is that the Americans have been able to follow market opportunities whereas Australia has forfeited its opportunity to exploit markets which are readily available to it for coarse grains, such as maize and sorghum. We have forfeited these markets although everyone connected with the industry knows that there is virtually a limitless demand for feed grains in certain overseas countries. In concentrating our attention solely on wheat we have neglected opportunities to market other grains. It would be utterly disastrous for Australia, and particularly for primary industry in this country, if we were to settle for a single crop culture and disregard opportunities available to us to export other grains. By growing other grains for export not only would we earn more income for Australia but also we would enable the farming industry to diversify and become stronger. I would like the Government to consider changing the Australian Wheat Board into an Australian grain board. My suggestion opens up all sorts of possibilities. This is a highly speculative proposal. I would not like to go further than to suggest the new name, but I envisage a grains board being able to co-ordinate all activities, especially marketing activities, covering the whole spectrum of cereals in Australia. It might serve to provide an incentive for the co-ordination of research work, either by Commonwealth departments or State instrumentalities. It might engage in field trials and lead to the introduction of new and better varieties of cereals. It might provide an emphasis for other crops, where such emphasis is called for, depending on the availability of markets. I put that suggestion to the Government. I know that in so doing I am departing a little from the subject matter of the Bill, but since the wheat

industry is so closely linked with the production of other cereals, I think that this is a matter that should be considered when we are considering the stabilisation scheme under which the wheat industry will function for the next 5 years.

When I began my speech I commended the Bill. I conclude my speech by commending the Minister for Primary Industry (Mr Anthony). He has rendered excellent service to the wheat industry and to the Australian economy. I commend him particularly for being able to secure a guarantee of 200 million bushels for export. In view of the present circumstances, this is a very praiseworthy and creditable achievement.

**Mr ANTHONY** (Richmond—Minister for Primary Industry) [9.25]—in reply—I oppose the amendment moved by the Opposition. I appreciate the remarks that have been made by some honourable members during the course of this debate. It is obvious that those honourable members who have participated in the debate are familiar with the wheat industry and no doubt have had a long association with it. To those people who are interested in the Australian wheat industry this debate must have been both interesting and absorbing. I was pleased to see in the chamber during the debate my predecessor, the right honourable member for Fisher (Mr Adermann), who was charged with the responsibility of negotiating the fourth—the current—stabilisation scheme. The right honourable gentleman will be well aware of the problems involved in negotiating a wheat stabilisation scheme. One must negotiate on behalf of the Commonwealth Government with the Australian Wheat-growers Federation and with the State Ministers for Agriculture.

The scheme negotiated by my predecessor was a little more straightforward than the scheme which I have negotiated. For the current scheme the normal wheat industry survey was carried out to a set formula and from the information obtained a new base price was determined, from which the cost of production, the home consumption price and the guaranteed price were determined. When the recent survey was carried out it produced such figures that it was impossible to remain rigidly tied to the previous procedure for determining cost of

production, home consumption price and guaranteed price. So I had to negotiate some compromise with the wheat industry and with the State governments. My objective was to obtain for wheat growers an income at least as good as they have managed to obtain over the past 5 years and to give a degree of security to that income so that stability would be maintained in this all important rural industry—the greatest of our agricultural industries. The wheat industry ranks second as an earner of export income, surpassed only by our great wool industry.

It has been interesting to note that although some difference of opinion has been expressed in the debate tonight as between the Government and the Opposition and even as between members within parties, not one honourable member has disagreed with the price which growers will receive. All honourable members have accepted the base price which I managed to negotiate with the wheat industry. My base price is the weighted price between the guaranteed price on export and the home consumption price, which is \$1.48 f.o.r. In its amendment the Opposition seeks a single price of \$1.48 for home consumption and for guaranteed exports, giving the growers exactly the same return. So there is no dispute in this area. The only dispute is in relation to the procedure for arriving at the price of \$1.48.

On the subject of security of income to the growers there is no difference of opinion. All speakers have agreed with a guaranteed cover of 200 million bushels, plus 60 million bushels for home consumption. As the honourable member for Canning (Mr Hallett) pointed out in his speech the new scheme will give the home consumption and export sections of the wheat industry a guaranteed return over the next 5 years of about \$2,000m irrespective of what the world price is and irrespective of our capacity to be able to sell on world markets. It is anticipated that the total income of the wheat industry over the 5-year period the scheme will be in operation will be somewhere between \$2,500m and \$3,500m. Of course, the total return to the industry will vary according to seasonal conditions. It is quite obvious that the Government is giving

the industry a guaranteed assurance of a return on at least two-thirds of its production. Nobody can say that this provision is unreasonable or niggardly.

The honourable member for Dawson (Dr Patterson), who led for the Opposition in this debate, gave a very learned, studied and considered speech. I do not think the honourable member would mind my saying that the subject of this debate is right in his bailiwick, because he was head of the survey section of the Bureau of Agricultural Economics which carried out the survey of the wheat industry some years ago. So nobody is better qualified than he is to know the details of the survey. But it was most noticeable that during his contribution to the debate he highlighted the weaknesses of the cost of production formula. In fact, I would go so far as to say that he rubbishised it. He said that he had no quarrel with the elimination of imputed costs from the formula because these did create anomalies in arriving at a cost of production figure. Imputed or notional costs are discretionary and are determined by an arbitrary decision of the Government. They include such things as land values, which the honourable member described as quite fictitious. He said that there is a turnover of only 1.9% of wheat properties a year. He said that artificial factors such as social values, amalgamation of farms and a number of other factors, which he mentioned, determined land values. He pointed out some of the weaknesses of including an owner-operator allowance and also talked about the yield divisor. He said that all these factors could be manipulated to arrive at whatever cost of production it was desired to achieve. According to him the cost of production was actually being determined by a decision of the Government and that the cost of production could be worked out by doing statistical gymnastics, as I think he put it. That is what happened this year in arriving at a cost of production for home consumption.

When I began to negotiate with the Australian Wheatgrowers Federation I said that the Government did not want to stand by the old principle of determining a price based on the cost of production because it would have to juggle the figures to arrive at a satisfactory price. The Government suggested that the home consumption price

ought to be \$1.70. The industry came back and said that it would like to maintain the principle of cost of production and that it was prepared to manipulate the figures to arrive at a cost of production of \$1.70. That is what the industry did. By altering the yield divisor it arrived at a price of \$1.70. What is the cost of production? I mentioned in my second reading speech that for the past 15 years wheat growers have been receiving a return less than their cost of production and yet the industry has continued to flourish and expand. If we look at the cost survey that was carried out during the 3-year period of the current scheme, we will see that the net farm income of all wheat growers has gone up from \$7,700 to \$9,400 a year.

The honourable member for Dawson and other honourable members spoke about the anomalies of land values and said they should not be included in the growers imputed costs and that some other system of determining land values ought to be incorporated. They mentioned that there was another system of determining land values which would give a value known as the long term security value of land. This was the system recommended by the Commonwealth Bank, which conducted an inquiry in conjunction with the various trading banks to determine what land values were. Leading up to 1956 there was quite a difference of opinion within the wheat industry about whether this was a reliable method of determining land values. So at the suggestion of the wheat industry a special independent committee of inquiry headed by Sir John Crawford was set up. Sir John recommended the present system of land valuation, that is, an acceptance of the Commonwealth Bank's determination of true land values. Of course, we can see that it is anomalous to be guided by this system, because during the 5-year period of the present scheme some land values went up by 91%. Land value is an artificial factor in determining the cost of production of wheat.

The Opposition maintained that it was not in favour of giving the growers any more money than the Government is offering to them in its proposals. But the Opposition wanted to shift the burden of providing this money from the consumer to the Treasury. It felt that this would be a better way of providing the growers with a reasonable

income. When negotiating with the industry, the Commonwealth Government and the State governments I had to arrive at a balance that was fair and just to all parties concerned. The Commonwealth was not prepared to make a heavy Treasury subvention to the industry. There is some justification for the Government not becoming too deeply involved in subsidy support to an industry. Subsidies can be self-defeating in their purpose. If a subsidy to an industry tends to grow to abnormal proportions and if that industry is in a relatively healthy or prosperous state, there will be public reaction against that industry, and it will be only a matter of time before the resentment becomes so great that you will find governments cutting down on that support. We have endeavoured to spread the burden so that the consumer pays some of it and the Commonwealth Government pays the rest.

The proposal of the Australian Labor Party for a single price of \$1.48 f.o.r. per bushel would involve a Treasury commitment of \$135m over the period of 5 years, whereas the proposal put up by the Government will involve a commitment of \$68m. In other words, the Labor Party proposal would cost the Treasury another \$67m. If we include the imputed items the Opposition mentioned in foreshadowing another amendment, it would cost the Treasury an additional \$24m. So, the total Treasury subvention to meet the Opposition's proposals would be \$159m over the next 5 years. This would give the wheat growers only a slightly increased return on the amount that they will receive under the present proposals. They would get a little more under the Opposition's foreshadowed amendment because certain imputed items would be included, such as an owner operator allowance and interest on machines.

It is not fair or realistic to say that an increase in the home consumption price of 5½c a bushel will place a hardship on the consumer. The effect on the consumer will be very marginal. The 5½c increase in the home consumption price will mean a 0.2c increase in a 2 lb loaf of bread. In other words, there has to be an increase in the price of wheat on the domestic market of 33c to occasion a 1c rise in a 2 lb loaf of bread. The principle of spreading the commitment between the consumer and the

Treasury is nothing new; it has been adopted by many other rural industries over a period of years. For instance, a higher home consumption price operates in the dairy industry for butter and cheese. We have a higher home consumption price for sugar, as the honourable member for Dawson must be well aware. I do not know how the sugar industry would survive if this system of a higher home consumption price was not in effect. It is, in other words, a policy of making the Australian public pay the production costs of Australian agricultural commodities. National policies that are of benefit to most of the nation, such as tariff protection and other fiscal policies, impose a burden on the primary producers. One of the means by which primary producers can be compensated for the impost that is placed upon them is by charging a higher home consumption price for their products. There is a higher home consumption price in the dried vine fruit industry, the canned fruit industry and the rice industry.

In 1953, the cost of a 2 lb loaf of bread was 10.5c. The actual cost of the wheat in that loaf was 4.9c, or 45.6% of the cost of that loaf. In 1968 the cost of a normal 2 lb loaf of bread is 18c. So, it has gone up by 7.5c since 1953. In the same period the cost of the actual wheat in that loaf of bread has gone up by 1c and the percentage content of wheat has dropped to 33%. The facts can be illustrated much more dramatically than that because very few people buy a normal 2 lb loaf of bread; the bulk of sales is for the 1½ lb loaf, wrapped and sliced. This loaf costs 23c. The wheat content in that loaf is 4.5c or 20% of its cost. So, it is nonsensical to say that increases proposed by this legislation will boost the cost of living in Australia. Such a statement cannot be supported. Furthermore, the cost of domestic wheat is as low in Australia as in any other country. I have obtained figures from world wheat statistics that were prepared for the International Wheat Council in 1968. These show that the price of wheat in Australia under the new proposals—\$1.70 a bushel—is equivalent to \$US69.9 per metric ton. The next lowest price that I can find is for Canada, where it is \$US72. Then came Mexico \$US96, the United States \$US94, France \$US100, Italy \$US104, Spain \$US114 and Sweden \$US115. Even with the present proposed

increase, the domestic price of wheat in Australia will be as low as in any of the other wheat producing countries.

The honourable member for Dawson mentioned—and rightly so—that the great expansion in the industry was mainly due to its relative profitability compared to the wool industry. I think we are all a little apprehensive about the prospects for the future should this expansion continue. But I would be the last to suggest that we should at this point of time think about imposing restrictions. The Government will certainly have to think positively in that direction if there is another bumper crop next year, but from long experience we know that circumstances can change quite rapidly. We only need adverse seasonal conditions in Australia or in any part of the world and the wheat surplus will be required. I was a little surprised to hear the honourable member for Dawson suggest that consideration should be given to freezing wages. The United Kingdom Labour Government has been grappling with this problem for some time and it is meeting a few difficulties. But I never thought that this was part of the Opposition's philosophy.

It is all right to say that there should be support for rural industries but there must be some justification. I cannot see any justification for abnormal subsidies to the wheat industry. An economic survey of that industry has shown that it is in a relatively prosperous position when compared to other rural industries. If additional support is to be given to rural industries, I think that many others could claim assistance before the wheat industry. The honourable member for Wimmera (Mr King) mentioned a point that was also raised by other honourable members and that is his apprehension about a two price scheme and the incentive that it would give to illicit trade in wheat. He said that if there was such a scheme there would be more interstate trading and that the Wheat Board would not be able to control this form of marketing. The amendments to the Bill contain certain provisions to tighten up measures to control illegal trading in wheat. There has always been a degree of interstate wheat trading, but it has mainly been in the form of stock feed. There has been no illegal trading of wheat to millers. The Government has an

arrangement with all millers to abide by the marketing regulations. Each flour miller has entered into a written agreement with the Australian Wheat Board and has undertaken not to trade other than in accordance with that agreement. The Board considers that the undertaking is observed to the letter. If, of course, this did become a problem the Government would have to look at it, but the Wheat Board assures me that it is quite confident that the two price proposal will not lead to any increase in the illicit trade of wheat in Australia.

The honourable member for Maranoa (Mr Corbett) hit the nail on the head when he said that he supported this legislation and the responsible leaders in the industry who had sat in on the negotiations and when he urged that, having come to a conclusion with the Federation and having got the majority support of the Australian wheat industry supreme council, we should move on as quickly as possible to have the legislation implemented. This is exactly what I have been trying to do. The honourable member for Dawson said that my attitude to the wheat industry had been heavy handed, that I had adopted a threatening attitude to the industry and that I had used stand over tactics. During the course of negotiations I was responsible for putting the Commonwealth's point of view, which, of course, determined the limit of Treasury subvention that it was prepared to enter into. Having reached a point of agreement with and acceptance of the proposal by the Australian Wheat-growers Federation and having managed to get five States willing to pass complementary legislation, to find that the grain section leaders of the Victorian Farmers Union were suggesting to the Victorian wheat growers and to the Victorian Government that a new proposal ought to be put forward and that the present proposal should not be accepted naturally brought resentment from me and caused me great concern. Only one State government needs to fail to pass complementary legislation and there will be no stabilisation or orderly marketing of wheat in Australia. The legislation has to have the unanimous support of all State governments. The Victorian Government says that it is willing to pass legislation but that it is waiting to

hear from the wheat growers and to get their approval before it does so. Such a situation cannot continue indefinitely. I should hope that the State Government does not think that it can shed the responsibility entirely onto the Victorian wheat growers, because in the long run if the legislation is not passed in the Victorian Parliament the Victorian Government will have to share the responsibility with the wheat growers for any failure to implement the new orderly marketing and stabilisation proposals.

I thank all those honourable members who have indicated their support of these proposals, and I thank them for any complimentary remarks they have made about me; but all I was doing was acting as the agent for the Commonwealth Government. I oppose the amendment moved by the Opposition.

Question put:

That the words proposed to be omitted (Dr Patterson's amendment) stand part of the question.

The House divided.

(Mr Speaker—Hon. W. J. Aston)			
Ayes ..	..	..	67
Noes ..	..	..	36
Majority ..	..	..	31

#### AYES

Adermann, C. F.	Howson, P.
Allan, Ian	Hughes, T. E. F.
Anthony, J. D.	Hulme, A. S.
Armstrong, A. A.	Irwin, L. H.
Arthur, W. T.	Jarman, A. W.
Barnes, C. E.	Jess, J. D.
Bonnett, R. N.	Jessop, D. S.
Bosman, L. L.	Jones, Andrew
Bowen, N. H.	Katter, R. C.
Bridges-Maxwell, C. W.	Kelly, C. R.
Brownbill, Miss K. C. M.	Kent Hughes, Sir Wilfrid
Buchanan, A. A.	Killen, D. J.
Bury, L. H. E.	Lee, M. W.
Cairns, Kevin	Lynch, P. R.
Calder, S. B.	Mackay, M. G.
Cameron, Donald	McLeay, J. E.
Chaney, F. C.	McMahon, W.
Chipp, D. L.	Munro, D. R. R.
Cleaver, R.	Nixon, P. J.
Corbett, J.	Pearson, T. G.
Dobie, J. D. M.	Pettitt, J. A.
Drury, E. N.	Robinson, I. L.
England, J. A.	Sinclair, I. M.
Failes, L. J.	Snedden, B. M.
Fairhall, A.	Stokes, P. W. C.
Forbes, A. J.	Street, A. A.
Fraser, Malcolm	Swartz, R. W. C.
Freeth, G.	Turner, H. B.
Gibbs, W. T.	Wentworth, W. C.
Gibson, A.	Whitton, R. H.
Giles, G. O'H.	Wilson, I. B. C.
Haitlett, J. M.	Tellers:
Haworth, W. C.	Erwin, G. D.
Holten, R. M.	Lucock, P. E.

## NOES

Barnard, L. H.  
 Beaton, N. L.  
 Beazley, K. E.  
 Benson, S. J.  
 Birrell, F. R.  
 Bryant, G. M.  
 Cairns, J. F.  
 Calwell, A. A.  
 Cameron, Clyde  
 Clark, J. J.  
 Collard, F. W.  
 Connor, R. F. X.  
 Costa, D. E.  
 Courtney, F.  
 Crean, F.  
 Cross, M. D.  
 Curtin, D. J.  
 Davies, R.  
 Everingham, D. N.

Tellers:  
 James, A. W.  
 Stewart, P. E.

## PAIRS

Gorton, J. G.  
 Fairbairn, D. E.  
 Fox, E. M. C.  
 Graham, B. W.  
 McEwen, J.  
 St John, E. H.  
 Cramer, Sir John.  
 Batt, Jeff

Whitlam, E. G.  
 Cope, J. F.  
 Daly, F. M.  
 Devine, L. T.  
 Fraser, J. R.  
 O'Connor, W. P.  
 Fulton, W. J.  
 Webb, C. H.

Question so resolved in the affirmative.

Amendment negatived.

Original question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

## In Committee

Clauses 1 to 6—by leave—taken together and agreed to.

Clause 7 (Guaranteed price).

**Dr PATTERSON** (Dawson) [10.5]—There can be no question about the commonsense nature of clause 7. It proposes to vary the guaranteed price of wheat each season and for this purpose an index will be established. When price relatives are applied to the index, it will show the movements in certain costs of production of wheat. In his second reading speech, the Minister for Primary Industry (Mr Anthony) said that, under this clause, the items which will be moved and which will be the basis of the cost structure are the cash costs, including interest actually paid, and costs associated with the transport, handling and storage of wheat. The purpose of the clause is to remove from the index the difficulties associated with measurement of changes in imputed costs of land, the influence, to a degree, of sideline costs and the influence of yield, depreciation and owner-operator's allowance and interest on all capital items, such as land, fencing, other structure, artificial waters and livestock.

The Opposition believes that, in practice, the objective of this clause is a very sound move. During the debate, the Minister and honourable members have shown very forcefully the great difficulty that arises in measuring imputed costs. This clause will provide a smaller base and will give a more accurate and more acceptable measurement of the movement of costs year by year than can be obtained if the other 60% of total costs, which are made up principally of imputed items, is included. On the subject of costs, I would like to make one point clear. The Minister asserted that I had said that I believed in the freezing of wages. This is true only in the context of the freezing of the factors of production. This means the freezing of prices of commodities, the prices of land, the prices of materials and the prices of management, which obviously means also indirectly the freezing to a large degree of profits on manufactured goods.

There are in this index, however, three items which I think should be included. The first is the owner-operator's allowance. This is an allowance which is payable through the cost of production formula to the farmer for the use of his labour on the farm. The proposed index will exclude the owner-operator's allowance. I said earlier in this debate that there are sound arguments for excluding the owner-operator's allowance. I admitted that. In other words, if a farmer is making a reasonable return on his capital and management costs then it is open to doubt that he should in fact receive an allowance for labour in excess of what is needed to pay for his hired labour. I do not argue one way or the other on that. I could validly argue that it should be excluded; on the other hand I think I could validly argue that a farmer is entitled to the rises that all other wage earners in Australia enjoy because he is using his own labour on the farm instead of using his labour in some other enterprise. In such circumstances he is entitled to have included in the movements of his costs each year any increase or decrease in wages. So on balance I would say that I support the inclusion of that item in the index.

Similar arguments apply with depreciation and interest charges on capital invested in plant and machinery. The index would completely eliminate these charges. It takes into account repairs and maintenance certainly,

but it leaves out depreciation and interest. A farmer must get this money from somewhere. If he borrows it, it is included in the index, but if he uses money from his own bank account or if he sells some shares, for instance, to buy a tractor or a header, he is not entitled to have that included in the index. I think this is wrong and that he is fully entitled to have that depreciation and interest charges on capital invested in plant and machinery for wheat production included as an item of cost in the index. Any increase in his interest rate would then be reflected as an increase in costs. Surely if the bank overdraft rate went up by 1% he should be entitled to have that included in his index as an increase in costs.

I can see no reason why the farmer, in all fairness, should not have his own labour included as a cost in the index. I am not going to argue that he should have the management allowance. That is wholly an imputed item and I will not argue on it, just as I will not argue on these highly subjective items of yield and so on, but I believe that he is entitled to have, as a minimum, the owner-operator's allowance up to the basic wage or some specific award wage, and that this should be varied in accordance with general rises and falls in wages, as is done in respect of all other wage earners. As to depreciation, the farmer must replace machinery and he must make provision for such replacement by savings or by selling something so that he can always have a reserve to buy tractors and other machinery. So I suggest that in the farmer's cash costs there should be included these three very tangible items of the cost of production, the owner-operator's allowance up to at least a minimum of award wages, and depreciation and interest charges on capital invested in plant and machinery for wheat growing only. I move, therefore:

That the clause be postponed—

as an instruction to the Government:

That increases or decreases in the guaranteed price shall be based on changes in:

- (a) cash costs of growing wheat;
- (b) owner-operator's allowance, depreciation and interest charges on capital invested in plant and machinery for wheat production; and
- (c) costs involved in the transport, handling and storage of wheat,

as determined by the Bureau of Agricultural Economics.

**The CHAIRMAN (Mr Lucock)—Order!**  
The honourable member's time has expired.

**Mr TURNBULL (Mallee)** [10.17]—During the second reading debate I directed attention to the owner-operator's allowance and said that I was in favour of its being continued and adjusted each year. I had already drafted an amendment that I would have moved but for the fact that the honourable member for Dawson (Dr Patterson) received the first call and moved the amendment which is now before us. My amendment would have been in these terms:

That the clause be postponed as an instruction to the Government that the formula which is the basis of the found cost of production be revised to make provision for yearly adjustments of the owner-operator's allowance according to wage movements in Australia.

The honourable member for Dawson has included other items in his amendment. He has included cash costs of growing wheat, costs involved in the transport, handling and storage of wheat and depreciation and interest charges on capital invested in plant and machinery. The situation in relation to depreciation on farm machinery has changed dramatically since the stabilisation scheme was introduced in or about 1948. This Government some years ago provided that depreciation be an allowable deduction for tax purposes. It is now allowed at the rate of 40% for the first year and 20% per annum thereafter. This has largely taken care of the depreciation problem. The honourable member for Dawson has put me in an awkward position. Although I am very much in favour of a continuation of yearly adjustments of the owner-operator's allowance I do not support the other proposals inherent in his amendment. Therefore I shall have to vote against the amendment.

**Mr KING (Wimmera)** [10.19]—Like my colleague, the honourable member for Mallee (Mr Turnbull) I am a little surprised that the honourable member for Dawson (Dr Patterson) has proposed such a broad amendment to clause 7. I think we should take a close look at this clause. Sub-clause (3.) provides:

In fixing the guaranteed price of wheat of a season the Minister shall—

- (a) . . . . .

- (b) make such increase or decrease, if any, in that amount as he considers appropriate by reason of increases or decreases in prices, wages or rates of charges (including rates of interest) payable in connexion with—
- (i) the carrying on of operations wholly or partly for the purposes of the production of wheat; or
  - (ii) the transport, handling or storage of wheat.

Personally I am very sympathetic to the proposal for the inclusion of the owner-operator's allowance. When one considers that in all the previous plans the allowance has not been included, it is only natural that we are asking for a bigger variation of the original plan by having the allowance included. But when one looks at the broad aspect of the amendment moved by the honourable member for Dawson, I believe that this is unnecessary.

When one looks at the actual cash costs that are included at the present time we find important factors such as labour, fuel, fertiliser, repairs, rates and taxes, seed, contract work and insurance. The imputed costs include depreciation, interest on capital, interest on working capital and owner operator's allowance. I appreciate that this owner operator's allowance is a pretty contentious issue in the industry. These people claim that if there is a general increase in costs in the form of a salary rise, they should be entitled to recover it. I go along with them on that point. But when it comes to the other three issues involved in the amendment, they are definitely expenses incurred not during the year but prior to the actual production of the wheat. Interest on capital is paid only once a year. It is not a case of interest continuing all the time.

Some years ago when the industry was trying to increase the guaranteed price of wheat we were looking at all the ways in which we could increase the home consumption price, which was the guaranteed price. Today the story is a little bit different. It is not a case of increasing the price at all. The whole problem is that according to the survey of the Bureau of Agricultural Economics, the cost of producing a bushel of wheat, in theory, is much higher than the Government is prepared to accept. So that particular point falls to the ground. While I am sympathetic towards paragraph (b) of the amendment,

which relates to owner operator's allowance being included as a cash cost, I find that I must support the Government and vote against the amendment.

**Dr PATTERSON** (Dawson) [10.23]—I shall just answer the honourable member for Mallee (Mr Turnbull). Although he may be satisfied with the depreciation allowance of 40% or the special allowance of 20% these have no relevance whatever to this clause. The amendment seeks the inclusion of an item, depreciation, which is then varied according to changes in the depreciation elements each year. This is not a cost of production formula; it is an index, which is quite different. The honourable member for Wimmera (Mr King) referred to interest. Again, this is an index. In the cost structure there would be an item called 'interest' and any changes in the interest rate, that is, in the bank overdraft rate, for example—a benefit if there were an increase and the reverse if there were a decrease—would be taken into account in the index itself. In other words, if it is argued that interest on borrowed capital must be included—and this is in fact what the Minister for Primary Industry (Mr Anthony) said in his second reading speech—surely if a person borrows money from his own bank account, the position is no different except that he is not paying it out to somebody else. But it is an opportunity cost.

I am not arguing, one might say, strongly on this point. I believe that the interest charge should be included. But so long as the cash costs are included—and, after all, these are the real costs which the farmer knows and with which he deals—he can plan ahead. He knows full well that if there is a move in cash costs, a compensating move will occur in the base price. I believe these items are genuine costs. They can be measured far more accurately than other imputed costs of land and the yield factor. As regards the owner operators' allowance, if Country Party members, as representatives of farmers, say that a farmer is not entitled to a wage for working his own farm—that is what they are all saying—

**Mr Turnbull**—No, we are not saying that.

**Dr PATTERSON**—If they are not saying it they should be supporting the amendment. I am not referring specifically to the

honourable member for Mallee. I am referring to all the members of his Party. I will repeat what I have said: If members of the Australian Country Party maintain that a farmer is not even entitled to an award wage for working his own farm—

**Mr Pettitt**—What utter nonsense.

**Dr PATTERSON**—When it comes to a vote members of the Country Party will vote for the Government—this is what they are saying.

**Mr TURNBULL** (Mallee) [10.26]—First of all, I want to say that what the honourable member for Dawson (Dr Patterson) says is completely wrong. What he has done is to include three paragraphs in his amendment, knowing that we would not support one or the other while he himself is not too keen on one of them. He said that members of the Australian Country Party do not believe that there should be an adjustment in the owner operator's allowance when there is a rise or fall in wages. In my speech during the second reading debate I specifically referred to this matter. I have already indicated to honourable members that had I had an opportunity to move an amendment I would have moved one along the lines which I read out as follows:

That the clause be postponed as an instruction to the Government:

That the formula which is the basis of the found cost of production be revised to make provision for yearly adjustments of the owner operator's allowance according to wage movements in Australia.

Now the honourable member for Dawson has the audacity to stand up in this chamber and say that we are not in favour of adjustments being made yearly. If he had moved the amendment in three separate parts I would have supported him in his amendment regarding the owner operator's allowance. But when he included the three paragraphs in the one amendment—and he himself is not very keen on one of them—this prevented the Country Party from supporting the amendment. Nevertheless, I have made it very clear where I stand on this point. Although my vote will not be recorded on this question, my speech will be recorded. The honourable member for Dawson has not stated the correct position. The best thing he can do is to get up and

say so because, after all, I do not think that he really wants to indulge in some sharp practice. He wants to win points, but I think that he wants to win them fairly. Therefore, he must admit that I cannot vote for the paragraph relating to the owner operator's allowance unless I vote for the other two paragraphs, because they are all included in the one amendment. This is not desirable, so far as we are concerned. What the honourable member for Dawson said is not true. I very much deprecate the words he used.

**Dr Patterson**—I seek permission to speak again.

**The CHAIRMAN** (Mr Lucock)—Is the honourable member for Dawson given leave to speak again?

**Mr Turnbull**—No.

**Dr Patterson**—In order to answer the—

**The CHAIRMAN**—Order! According to the strict rules of this place, it would not be permissible for the honourable member to speak again, as one honourable member has called no. The honourable member for Dawson has asked for leave to speak in order to alter the proposed instruction to the Government, which he forgot to alter when he presented his amendment originally. For that reason I feel that the Chair on this occasion can exercise a discretion and allow the honourable member now to make the change.

**Dr PATTERSON** (Dawson)—I do not want to apologise to the honourable member for Mallee (Mr Turnbull); I agree with him. Therefore, I wish to change the proposed instruction by omitting the reference to depreciation and to interest charges on capital invested in plant and machinery in paragraph (b). The owner-operator allowance is the only item to be included. This change will now give the honourable member a chance to vote.

**Mr ANTHONY** (Richmond—Minister for Primary Industry) [10.32]—I have the latest edition of the instruction to the Government proposed by the honourable member for Dawson (Dr Patterson) but I do not know whether it is late enough.

I am against any postponement of this clause. There seems to be some confusion in the thinking of some honourable members as to what the yearly adjustment factors are. The proposed instruction by the honourable member for Dawson on behalf of the Opposition requires three items to be considered. Firstly, it refers to cash costs of growing wheat, and secondly to the owner-operator's allowance. I presume this does not include depreciation and interest charges on capital invested in plant and machinery for wheat production. Thirdly, the proposed instruction refers to costs involved in the transport, handling and storage of wheat.

It seems a bit superfluous to move this amendment because two of the three items mentioned are already included in the Bill. The only new ingredient is the owner-operator's allowance. When the Government was looking at the question of annual adjustments, it decided that notional or imputed items would be excluded. In other words, only the actual cash involvement of the producers would be taken into account in the calculation of annual adjustments. Costs to be taken into consideration include those incurred in regard to fuel, fertilisers, rates, interest on debts actually outstanding, handling and storage costs, and transport. It is not right to make the accusation that no allowance is made for owner-operator costs. The economic survey that is carried out in the industry determines two things—the cost of production and the net farm income. In arriving at the cost of production—the base price for the commencement of each scheme—we take into account the owner-operator's allowance, depreciation on capital, and such things as interest charges.

When we were negotiating with the industry to arrive at a new base price for the cost of production, as I said earlier, the industry was prepared to manipulate the various factors such as owner-operator's allowance, yield and all the other ingredients, to arrive at a figure of \$1.70 a bushel. So the amount of \$1.70 does include the owner-operator's allowance, with the exception that there will not be an annual adjustment of the wage content. We do not include the owner-operator's allowance in the annual adjustment because it

does not have any direct bearing on the income of the farmer. If a farmer has a good season and prices are high, it does not matter what the wage movement is during the year. In these circumstances, his income will depend on his yield and the price at which he sells. This determines his net income.

**Mr Clyde Cameron**—Why is the Minister snarling at me?

**Mr ANTHONY**—I snarl at the honourable member perpetually. The same thing applies in regard to interest on land values and farm machinery and to depreciation. These are all subjective items; they are arbitrarily determined; and they are notional or imputed factors that do not involve a farmer in actually paying out money each year. The items he actually pays out for are taken into account in the annual adjustment. In other words, the wheat grower has a degree of protection against the increasing costs of the production factors he uses, except in regard to his own labour for the production of wheat. I oppose the amendment moved by the Opposition.

Question put:

That the clause be postponed.

The Committee divided.

(The Chairman—Mr P. E. Lucock)

Ayes ..	..	..	33
Noes ..	..	..	65
Majority ..	..	..	32

#### AYES

Barnard, L. H.	Griffiths, C. E.
Beaton, N. L.	Hansen, B. P.
Beazley, K. E.	Harrison, E. James
Birrell, F. R.	Hayden, W. G.
Bryant, G. M.	Jones, Charles
Cairns, J. F.	Luchetti, A. S.
Calwell, A. A.	McIvor, H. J.
Cameron, Clyde	Minogue, D.
Clark, J. J.	Nicholls, M. H.
Collard, F. W.	Patterson, R. A.
Costa, D. E.	Feters, E. W.
Courtinay, F.	Scholes, G. G. D.
Crean, F.	Turnbull, W. G.
Cross, M. D.	Uren, T.
Curtin, D. J.	Telliers:
Davies, R.	James, A. W.
Everingham, D. N.	Stewart, F. E.

## NOES

Adermann, C. F.  
 Allan, Ian  
 Anthony, J. D.  
 Armstrong, A. A.  
 Arthur, W. T.  
 Barnes, C. E.  
 Bonnett, R. N.  
 Bosman, L. L.  
 Bowen, N. H.  
 Bridges-Maxwell, C. W.  
 Brownbill, Miss K. C. M.  
 Buchanan, A. A.  
 Bury, L. H. E.  
 Cairns, Kevin  
 Calder, S. E.  
 Cameron, Donald  
 Chipp, D. L.  
 Cleaver, R.  
 Corbett, J.  
 Dobie, J. D. M.  
 Drury, E. N.  
 England, J. A.  
 Failes, L. J.  
 Fairhall, A.  
 Forbes, A. J.  
 Fraser, Malcolm  
 Freeth, G.  
 Gibbs, W. T.  
 Gibson, A.  
 Giles, G. O'H.  
 Hailett, J. M.  
 Haworth, W. C.  
 Holten, R. M.

## PAIRS

Whitlam, E. G.  
 Webb, C. H.  
 Benson, S. J.  
 Connor, R. F. X.  
 Cope, J. P.  
 Daly, F. M.  
 O'Connor, W. P.  
 Devine, L. T.  
 Fraser, J. R.  
 Fulton, W. J.

Tellers:  
 Chaney, F. C.  
 Erwin, G. D.

Gorton, J. G.  
 McEwen, J.  
 Graham, B. W.  
 Fairbairn, D. E.  
 Fox, E. M. C.  
 Hasluck, P. M. C.  
 Snedden, B. M.  
 Cramer, Sir John  
 St John, E. H.  
 Kent Hughes, Sir Wilfrid

In division:

(The honourable member for Cunningham having proceeded to cross the floor of the chamber)

The CHAIRMAN—Order! The honourable member for Cunningham will have to stay on the side of the chamber on which he was seated as the tellers have already been announced.

Question so resolved in the negative.

Clause agreed to.

Proposed new Clause 7A.

Dr PATTERSON (Dawson) [9.47]—I move:

After clause 7, insert the following new clause:

7A. A review of the index shall be made at the commencement of the third season to ascertain what effect the omission of owner-operator allowance and the valuation of land and other structural assets used in wheat production has had on the production cost level.

This clause is only a safeguard designed to assist the wheat industry in the event of any increase in the factors of production which have not already been taken into

account in the index—for example, depreciation. There could be changes in the cost of materials themselves, and therefore any depreciation would cause a change in the index. Similarly, if there is a significant increase in interest, that increase would show in the index. After all, who is to know what will happen next year? The balance of payments situation is such that there could easily be an increase in interest rates next year. This would have a significant effect on the cost of production. The whole purpose of this amendment is simply that, without any strings attached, the Government should review the position at the start of the third season. I would have thought that the Government would have welcomed this amendment. I hope that members of the Country Party realise that if a decision is made now, the index cannot be changed for the next 5 years. No matter what happens in the next 5 years with regard to interest rates, depreciation or the owner-operator's allowance, you are stuck with them. Of course, the Government could bring down an amendment at a later stage, but apart from taking this action, nothing can be done for the next 5 years about interest rates or depreciation. I repeat that the principal objective of my amendment is to safeguard the interests of the wheat industry in the event of something unforeseen happening, particularly in respect of interest rates, which are such a significant factor in the cost of production. Interest rates are of paramount importance when one has to borrow money or invest in machinery. All that the amendment requires is that at the start of the third season, for example, the Government shall look at the index to see what would have been the position if the owner-operator's allowance and other imputed items had been included. It is highly possible that the Government will watch the position very closely to see what happens. I would hope that if something unforeseen did happen—if wheat growers were suffering an injustice—the Government would seek to amend the Act within the 5-year period. This could be done, but at least my amendment, if accepted, will be written into the legislation ensuring that we give some measure of security to wheat growers, so that if they accept movements in cash costs and something unforeseen happens with respect to imputed items, they would have the right to have the matter

examined. I repeat that in all probability the Government will ask its advisers to look at factors such as I have mentioned.

**Mr ANTHONY** (Richmond—Minister for Primary Industry) [10.52]—I oppose the amendment. I do not believe it is necessary. The honourable member for Dawson (Dr Patterson) is well aware that the Department of Primary Industry, in association with the wheat industry, undertakes a constant review of the economic position of the industry. The items to which the honourable member has referred—the owner-operator's allowance; the value of land and other structural assets used in the production of wheat—are constantly reviewed. The Government has undertaken to carry out the normal economic survey of the industry in the fourth year of the scheme. This survey is undertaken in the fourth year so as to obtain the facts of the second, third and fourth years and so get a fair spread of information and a fair idea of the cost of production factors during the period. This enables a determination to be made of the cost of production and of net farm income. I see little importance in the amendment and I must oppose it.

Amendment negatived.

Remainder of Bill—by leave—taken as a whole, and agreed to.

Bill reported without amendment; report adopted.

### Third Reading

Bill (on motion by Mr Anthony)—by leave—read a third time.

## WHEAT EXPORT CHARGE BILL 1968

### Second Reading

Consideration resumed from 10 October (vide page 1866), on motion by Mr Anthony:

That the Bill be now read a second time.

Question resolved in the affirmative.

Bill read a second time.

### Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by Mr Anthony) read a third time.

23285/68—R—[82]

## REPATRIATION (SPECIAL OVERSEAS SERVICE) BILL 1968

### Second Reading

Debate resumed from 16th October (vide page 1999), on motion by Mr Swartz:

That the Bill be now read a second time.

**Mr BARNARD** (Bass) [10.57]—The Opposition supports the Bill, which proposes three important changes to the Repatriation (Special Overseas Service) Act. The Opposition offers no criticism of these amendments, which it regards as being extremely important. In fact, we think that the Government should have moved much earlier in this respect.

The first amendment relates to rest and recuperation leave for servicemen now serving in special areas overseas. The amendment will provide that the provisions of the repatriation legislation shall continue to apply while servicemen are on R and R leave in Australia. This is a sensible amendment, particularly in view of the fact that the provisions applied to servicemen who, while serving overseas in areas such as Vietnam, were on R and R leave but did not return to Australia. The Opposition agrees with the Government's contention that the same provisions should apply to servicemen who return to Australia for R and R leave.

The Minister for Civil Aviation (Mr Swartz) in introducing the Bill indicated that the normal period of R and R leave is 6 days but that the provisions of this Bill will relate to a period of 14 days. The Opposition hopes that the choice of a period of 14 days for purposes of the legislation has been considered carefully by the Government and that the period will cover servicemen who return to Australia on R and R leave and who, perhaps as a result of special circumstances, may be obliged to remain in this country for longer than the prescribed 14 days. Apparently the amendment will also provide that servicemen will be able to return to Australia for reasons other than rest and recuperation leave. The provisions of the Act will apply to those who come back to Australia on compassionate leave or on special duty. I have already indicated that the Opposition supports this amendment. It believes that it is a useful provision. In view of the fact that the Act already applies to ex-servicemen

serving in other areas overseas, the same provision should apply to those here in Australia.

The second amendment proposed by the Government refers to the provisions of section 37 of the Repatriation Act. That section deals with the automatic acceptance of tuberculosis as a war caused disability for those who are serving in special areas overseas. Some suggestions and criticisms have been made by people interested in this matter. I refer to those members of ex-servicemen's organisations who belong to the Federated TB Sailors, Soldiers and Airmen's Association of Australia, who have recommended to the Government over a long period that section 37 of the Act should be applied to Australian servicemen who are now serving in special areas overseas, particularly in Vietnam. It would be a very interesting exercise for one to read again the reasons advanced on a number of occasions by the Minister for Repatriation (Senator McKellar) in saying that the Act should not be amended to allow the provisions of section 37 to apply to those who are serving overseas in the areas to which I have referred. However, the Minister has now agreed that section 37 should apply to servicemen who are serving in these special areas.

When this Bill was presented in another place it did not include these amendments. If the Minister had not moved to amend the Bill to incorporate the provisions of section 37, the Opposition would most certainly have moved an amendment along the lines of that moved by the Minister to provide that this section should apply to those who are serving in special areas overseas. The Opposition has maintained over a long period that section 37 should apply to servicemen serving in special areas overseas. I have indicated in this House on a number of occasions that the Opposition believes this should be done. The Minister has accepted, I would hope, the arguments that have been advanced by honourable members in this House and in another place and the representations that he has had from those who represent the TB Association as members of ex-servicemen's organisations. When the Act is amended section 37 will in future apply to servicemen serving in the special areas overseas to which I have referred. Again, the Opposition supports this amendment.

The third amendment contains provisions that should have been considered by the Government much earlier, when the Repatriation (Special Overseas Service) Bill was first introduced into this Parliament. This amendment provides that servicemen serving in special areas will be eligible for the full benefits of service pension payments. At this stage it would be difficult for the Government to argue that the entitlement under the Repatriation Act that has applied to ex-servicemen from the First and Second World Wars and the Korean War should not apply to those who are now serving in special areas covered by this Bill. Again the Opposition supports the Government's move, belated as it may be, to allow servicemen from these areas to qualify for the service pension. Under the existing circumstances of the Repatriation Act they would be eligible for this pension at the age of 60 years, or earlier on the ground of permanent unemployability.

The Bill contains three useful and commendable amendments to the Repatriation (Special Overseas Service) Act. While I may have criticised the Government Members Ex-servicemen's Committee in the past, the Committee has at least been active in this way. If it is in any way responsible for the commendable amendments which have been proposed and which are now before this House, it deserves some credit. I would be the first to offer congratulations to the members of the Committee. The amendments are belated. They could and should have been proposed in this Parliament long before the Minister decided to adopt the recommendations, if I may use this expression, of the Committee which would normally be in a position to advise him on these matters. The Opposition supports the Bill. It believes that the amendments to be made to the Act are worthwhile. In this respect I am sure that those who will benefit from these amendments and alterations to be made to the Repatriation (Special Overseas Service) Bill will appreciate the way in which the Government has acted on this occasion to provide some well deserved and improved benefits under the Act.

**Mr STOKES** (Maribyrnong) [11.7]—This Bill, which originated in the Senate, seeks to amend the Repatriation (Special Overseas Service) Act, as the Deputy Leader of the Opposition (Mr Barnard) has said, in three major respects. The short title of

the Bill refers to two of them. No doubt this is due to the fact, as has been stated, that clause 4 of the Bill was introduced by way of amendment in the Committee stage of the debate in the Senate. The first amendment seeks to extend the payment of service pensions to military personnel who have served in recognised or prescribed areas for a minimum period of 14 days after they have returned to Australia for rest and recuperation leave, for emergency or compassionate leave, or on duty or to receive medical or surgical treatment at the direction of a military or medical authority. This point has been well covered by the Minister for Civil Aviation (Mr Swartz) in his second reading speech on 16th October and by the Deputy Leader of the Opposition here tonight. The effect of this amendment is to eliminate the knife edge determination of the member's special service in the circumstances which I have outlined and which now prevail.

The second amendment extends the eligibility to the service pension to those who have served in prescribed areas. This amendment has been covered by the Minister and by the Deputy Leader of the Opposition. I do not intend to go over that ground again. However, I do want to say something about clause 4 of the amending Bill. This has a very different application. As a matter of history, some years ago—I think it was in 1943—the Repatriation Act was amended to give ex-servicemen of the 1914-18 war the right to automatic acceptance of pulmonary tuberculosis as a war caused disability irrespective of the time of discovery. After a man was discharged from hospital as cured and returned to the work force he was entitled to at least the 100% general rate war pension for the remainder of his life. The reasons for this decision were undoubtedly tied up with the extensive use of gas during the First World War. However, this provision was extended at a later point of time to cover those who served in the Second World War, in Malaya during the mid 1950s and in the Korean War.

Last year representations were made to the Government by the Federated TB Sailors, Soldiers and Airmens Association of Australia for the inclusion of personnel who served during the Malaysian con-

frontation and in the war in Vietnam. I understand that the present amendment will confer similar rights upon those who served in those two conflicts. I understand that the modus operandi of section 37 of the Repatriation Act is that after discovery of the disease the ex-serviceman is admitted to a military hospital. While he is there he receives a class C pension, which is equivalent to the total temporary incapacity rate and which equates with the total permanent incapacity rate. After an ex-serviceman has been discharged from hospital as cured he becomes eligible for the class B pension, which is equivalent to the intermediate rate general war pension. He receives this rate for an adjustment period of about 6 months or until he has settled down in a civilian job. When he has settled down in a civilian job he is reclassified as class A, which is equivalent to the 100% general rate war pension. As I have mentioned, this rate continues during his lifetime as a minimum. But if his condition deteriorates at some later point of time he can apply for reassessment to the higher rate of either the intermediate pension or the TPI pension. After death his dependants receive the pension and other benefits as though his death was due to war service. In other words, his widow would receive the normal benefits available to a war widow classification.

At first sight the inclusion of those who engaged in the later conflicts in the benefits under section 37 would appear to be a logical projection of the accepted principle. However, upon careful reflection one comes to the realisation that there have been changed conditions and circumstances over the last 20 years. They include the methods of discovery of the disease, the inception of compulsory X-rays, the easier or more ready treatment when the disease is discovered at an earlier stage and the fact that the former long term in-patient treatment has now given way to a shorter period of hospitalisation. Of course, modern drugs have also played a part in the changed circumstances. As we know, the number of tuberculosis cases in Australia since 1949 has fallen to an appreciable degree. Under the Commonwealth's tuberculosis scheme the civilian community receives free treatment and quite adequate allowances. Therefore, if the ex-servicemen that this amendment will now cover remained dependent on the civilian set-up they would receive

the same free treatment in a civilian hospital instead of a military hospital and would certainly receive the equivalent allowance until they returned to the work force as cured. But he would not continue to receive after that time a pension as is paid under section 37.

In its submissions the Federated TB Sailors, Soldiers and Airmen's Association of Australia, perhaps realising that the continuance of this practice might be more generous than justified, or perhaps thinking that the lesser benefit would have a better chance of being accepted by the Government, suggested that instead of the automatic application of the 100% general rate war pension for the remainder of the pensioner's life each case would be independently assessed as to the degree of entitlement to pension. If this course were adopted we would have two standards. The Government has avoided this by extending, by this amendment, equal benefits in all cases, past and future. When I first looked at this problem I was inclined to feel that an independent assessment should operate in all cases, that is, to those already receiving the 100% general rate pension and to those coming within this amendment. I thought that perhaps the automatic application of the 100% rate as a minimum should be discontinued. However, certain factors have been brought to my mind and these have completely changed my outlook on the subject. One was the attention which was drawn by the Association to a comparison of the 1939-45 war members of the forces whose tuberculosis was accepted under section 101 of the Repatriation Act as due to war service with those whose illness was accepted under section 37(3) of the Act. The comparison was made over the last 10 years. In referring to this comparison the Association referred also to those who had been prisoners of war of the Japanese, and in its submission to the Minister it said:

When one considers there are, in the 37(3) Group, quite a percentage of former prisoners of war (Japan) whose treatment by their captors made screaming headlines a little more than 20 years ago, the need to press a claim for the currently serving man becomes even more imperative. We well remember the return to Australia of these prisoners and the press pictures of their ill-nourished skeleton bodies under the caption: 'The nation can never do too much for these men'. Yet, a few years later some of them have been officially informed the disability from which they suffer is: Not due to war service.

Such departmental decisions, we regret to say, have had the support of the independent War Pensions Entitlement Appeal Tribunal.

Yes, the Prisoner of War (Japan) is grateful for the protection of section 37(3) for without it he would have had no war pension for his TB disability. He would, in other words, have received Commonwealth Tuberculosis Allowance like any other civilian male TB sufferer, of his age group, who did not suffer war strain, hunger and privation as did the prisoner of war.

This reference was highlighted more when I had brought to my notice the case of one of my own constituents. He had applied to have his tuberculosis disability accepted as being due to war service under section 101 of the Act. As a member of the Royal Australian Navy he had sought his discharge after completing 12 years service. The pre-discharge medical examination revealed that he had tuberculosis. His seagoing duty in Malaysian waters during the Indonesian confrontation has been recognised by the Government as special duty in a special area. During this time his ship was engaged in night patrols to prevent infiltration by the Indonesians. During daylight hours the ship returned to port in Sabah, and personnel not otherwise required for duty were given shore leave between 0800 and 1700 hours. Over three separate periods which aggregated 12 weeks this man was ashore in daily contact with the civilian population, having meals, drinks, refreshments, etc., as one does in these places. I took the opportunity of checking the incidence of tuberculosis in this town in Sabah. I was provided with figures by the government medical authority there and these revealed that 2% of the population above the age of 15 years were suffering from tuberculosis. As a comparison, in Australia the incidence is 19.2 for every 100,000 of total population. I discovered that 40% of the 15-year old school children in this town in Sabah were infected. This does not mean that they have the disease actively. A comparative figure for Melbourne and Sydney would be about 5%.

We established before the Repatriation Board the presence of the disease prior to the man's discharge; we proved that he served in a prescribed area; there was evidence that for 3 months he had had contact with the civilian population, and we supplied authoritative figures of the high incidence of the disease in that area. His

application to the Repatriation Board was rejected. I was rather irate at this and I referred the matter to the Minister. I quote part of the Minister's reply as follows:

I have been informed that a Repatriation Board has decided after carefully considering all the evidence including his medical history during service and since that his disability was not due to his special service. As a result, he is not eligible to receive from my Department a war pension or medical treatment for his disability.

Although an appeal has now been made to the Repatriation Commission I want to illustrate to the House the difficulty an ex-serviceman has in establishing grounds for the acceptance of such a disability, even when the illness was discovered prior to his discharge. I ask honourable members to consider how much greater would be that difficulty if the discovery occurred some years after discharge. If only this one man is benefitted by the passage of this legislation, I am in favour of it.

**Mr Barnard**—The acceptance of the disability should be automatic now, should it not?

**Mr STOKES**—Yes; that is the point. At present an ex-serviceman who served for 3 months continuously in Darwin during the prescribed period of the 1939-1945 war and who contracts tuberculosis at any time right up to the time of his death is covered by section 37 (3). However, servicemen have been serving in Malaysia and Vietnam for considerably longer periods. We have been told by medical authorities that tuberculosis is the greatest killer in Vietnam. We also have evidence that in nearby Indonesia over 2 million people show active signs of the disease. I feel that it is right that the people we now propose to cover should be covered and should be entitled to the full benefits of section 37.

When the Minister for Repatriation moved, as an amendment, clause 4 of the Bill in the Senate he said:

Fortunately, because of the precautions taken to guard against infection there has been a very small incidence of tuberculosis amongst our troops who have been serving in South East Asia including those who have served in Vietnam. Since the Repatriation (Special Overseas Service) Act came into operation on 28th May 1963 there have been only four claims for acceptance of pulmonary tuberculosis, arising out of 'special service'. Two,

including the one from Vietnam, have been accepted and one of the others was accepted in respect of earlier service in Korea. If this amendment is adopted the remaining case can be accepted under the new provision.

I think it is fair to say that our regular troops and the national servicemen serving in Vietnam are of very high physical standard. It is quite possible that the resistance given them by their youth and physical strength will hold at bay for many years after their discharge from the forces any active manifestation of the bacilli with which they may have been infected for many years. So it seems to me that it is a little early to accept the Minister's assessment that very few men would be covered by the amendment made in another place.

I think I have made it plain that I support this Bill fully. I have changed my attitude because I found how hard it was for men in the circumstances I have outlined to establish before discharge that their disabilities were war caused. Because of that and because of the information given by the Federated TB Sailors, Soldiers and Airmen's Association of Australia about prisoners of war taken by the Japanese, I felt it more necessary than I had felt it before to ensure that the servicemen involved were protected. Even with the most modern methods, the so called cures of tuberculosis are rarely complete. People pronounced cured have usually to live to a strict regimen in respect of diet, physical activity and social behaviour, infringement of which could lead to suffering and diminution of the life expectancy. The Association referred to this aspect in its submission to the Minister. It wrote:

Medical science has taken giant strides and has come down heavily on the obstinate TB bug but it has not yet found a way to re-vitalise lung tissues on which the bug has been at work nor has it been able to restore life into dead cells after the bacilli has eaten into them. We all know the surgeon has no suitable substitute to take the place of the diseased section of the lung he has removed. Drugs do not open doors that have become firmly closed to known tuberculars and lost opportunity is seldom regained by the sufferer.

I am very pleased that the Opposition has come out so strongly in support of this measure. I am sure it will prove to be of great benefit. I am also sure that all honourable members commend the Government on this legislation, although a rather

bobtailed crack was made by the Deputy Leader of the Opposition about delay in introducing it. I think it is true to say that the measure has been introduced in good time because only a few cases have come to light in the interim period from 1963 to 1968. The people covered by the provisions of the Bill will appreciate the benefits it contains. I certainly commend it to the House.

Question resolved in the affirmative.

Bill read a second time.

**Third Reading**

Leave granted for third reading to be moved forthwith.

Bill (on motion by Mr Swartz) read a third time.

**BILLS RETURNED FROM THE SENATE**

The following Bills were returned from the Senate:

Without amendment—

Papua and New Guinea Loan (International Bank) Bill 1968  
Coal Excise Bill (No. 2) 1968  
States Grants (Coal Mining Industry Long Service Leave) Bill 1968  
Income Tax Assessment Bill (No. 3) 1968

Without requests—

Excise Tariff Bill 1968  
Excise Tariff Bill (No. 2) 1968  
Income Tax Bill 1968  
Income Tax (Partnerships and Trusts) Bill 1968

**House adjourned at 11.31 p.m.**

## ANSWERS TO QUESTIONS UPON NOTICE

The following answers to questions upon notice were circulated:

### **Department of Health Research Division (Question No. 513)**

**Mr Whitlam** asked the Minister for Health, upon notice:

1. How many persons are employed in the Research Division of the Department of Health?
2. What are the qualifications of each member of the Division?
3. How long has each member of the Division served in the Division?

**Dr Forbes**—The answers to the honourable member's questions are as follows:

1. The establishment of the Research Section of the Department of Health consists of twelve positions. At present two positions are vacant.

2 and 3. The qualifications and length of service in the Section of officers currently employed in the Research Section are:

Tertiary qualifications	Length of service in the Research Section as at 15 October 1968
Bachelor of Economics .. .. ..	Four years five months
Bachelor of Arts (Economics) .. .. ..	One year one month
Bachelor of Arts (partial completion) .. .. ..	Ten months
Bachelor of Law (partial completion) .. .. ..	Three months
Bachelor of Arts (partial completion) .. .. ..	One month
Diploma of Accountancy (partial completion) .. .. ..	One month
Nil .. .. ..	Four years four months
Nil .. .. ..	Two years seven months
Nil .. .. ..	One year six months
Nil .. .. ..	Four months

The tertiary qualifications of the officers provisionally promoted to the vacant positions are (1) Bachelor of Economics and (2) Bachelor of Law (partial completion).

### **Defence Equipment (Question No. 383)**

**Mr Whitlam** asked the Minister for Defence, upon notice:

1. What was the expenditure in 1967-68 on defence equipment for the Australian Services and the Departments of Defence and Supply which had been (a) purchased in Australia and (b) purchased overseas?

2. What was the value of equipment received by the Services and departments in 1967-68 which had been (a) procured in Australia and (b) imported?

**Mr Fairhall**—The answers to the honourable member's questions are as follows:

1. Expenditure in 1967-68 on defence equipment and stores for the Services and the Departments of Defence and Supply amounted to—
  - (a) purchases in Australia—\$176m;
  - (b) purchases overseas—\$279m.
2. The value of equipment and stores received by the Services and the Departments of Defence and Supply in 1967-68 was—
  - (a) procured in Australia—\$170m;
  - (b) imported—\$242m.

### **Maritime Conventions**

#### **(Question No. 770)**

**Mr Whitlam** asked the Minister for Shipping and Transport, upon notice:

1. What further Commonwealth, State and Territorial legislation has been passed pursuant to the Maritime Conventions mentioned in his predecessor's answers to me on 28th September 1967 (Hansard, pages 1551 and 1552)?
2. When did the legislation come into force in each case?

**Mr Sinclair**—The answers to the honourable member's questions are as follows:

1. (a) The following Commonwealth legislation has been passed or made:
  - (i) pursuant to the Safety of Life at Sea Convention 1960:
    - Navigation Act 1967
    - Navigation (Cargo—Hazards Prevention) Regulations
    - Navigation (Cinematograph Film) Regulations
    - Navigation (Construction) Regulations
    - Navigation (Dangerous Goods) Regulations
    - Navigation (Direction-Finders) Regulations
    - Navigation (Fire Appliances) Regulations
    - Amendments of the Navigation (General Amendments) Regulations
    - Navigation (Grain) Regulations
    - Navigation (Life-saving Appliances) Regulations
    - Amendments of the Navigation (Load Lines) Regulations
    - Amendments of the Navigation (Miscellaneous Equipment) Regulations
    - Navigation (Musters and Drills) Regulations
    - Navigation (Nuclear Ships) Regulations
    - Navigation (Radio) Regulations

Navigation (Signals of Distress, Urgency Signals and Danger Messages) Regulations

Navigation (Survey) Regulations

Navigation (Watertight Doors and Scuttles) Regulations;

(ii) pursuant to the International Convention on Load Lines, 1966:

Navigation Act 1968.

(b) The following State legislation has been passed: The Western Australian Act No. 16 of 1967, being an Act to amend the Prevention of Pollution of Waters by Oil Act, 1960, has been passed pursuant to the 1962 Amendments of the International Convention for the Prevention of Pollution of the Sea by Oil, 1954.

(c) No relevant Territorial legislation has been passed.

2. All the Commonwealth legislation listed above, except the Navigation Act 1968, came into force on 20th March 1968. Sections 1, 2 and 15 of the Navigation Act 1968 came into force on 27th June 1968: the remaining sections are expected to be brought into force on 29th October 1968, when the 1966 Load Line Convention comes into force in respect of Australia. The Western Australian Act referred to came into force on 20th October 1967.

### **Human Rights**

(Question No. 782)

**Dr Everingham** asked the Minister for External Affairs, upon notice:

1. Has his attention been drawn to a UNESCO Courier article by Sean MacBride, Secretary-General of the International Commission of Jurists and Chairman of the International Committee of Non-Governmental Organizations for Human Rights Year?

2. Did Australia vote in the General Assembly to mark the Assembly's twentieth anniversary by proclaiming 1968 as the International Year for Human Rights? If so, what has Australia done to implement these ideals?

3. Does Australia subscribe to the 1907 Hague Convention which describes the law of nations as derived from the usages established among civilised peoples, from the laws of humanity, and from the dictates of public conscience?

4. Can he say whether a European Convention for the Protection of Human Rights and Fundamental Freedoms has been formed and whether analogous regional Conventions have been drafted and repeatedly urged because of the unreliability of national governments in safeguarding such rights in time of political turmoil or when under entrenched bureaucracy?

5. What rights as enunciated in the Universal Declaration have been ensured by Australian legislation since Australia took part in the Declaration, and what other such rights will be so protected as a result of moves initiated this year?

6. Has Australia ratified the International Convention on the Elimination of Racial Discrimination and the International Covenants on Human

Rights which await sufficient signatories to become effective? If not, why not?

7. Will he consider the advisability of Australia moving for a Regional Convention for Human Rights and, at the United Nations, for a Universal Court of Human Rights, analogous to the European Court of Human Rights, with jurisdiction to pronounce (albeit at first in declaratory fashion only) on violations of human rights?

8. Has he any information which might indicate whether public condemnation influenced Nigeria's leader to take action against an officer guilty of atrocities?

9. Will he consider Mr MacBride's suggestion in the UNESCO Courier that a Regional and a Universal Court of Human Rights could be set up at once, pending evolution of a code of crimes against humanity, to make indictable those offences which violate United Nations and Red Cross Conventions and the Hague Convention?

10. Has Australia accepted that fundamental human rights are superior to the law of the State and are protected by international criminal sanctions, even if violated in pursuance of the law of the State, as affirmed in the Charter of the International Military Tribunal?

11. Has Australia accepted the right of the individual to appeal direct to international authority as provided under Conventions concerning Human Rights and Racial discrimination, and as provided by the Upper Silesian Treaties?

**Mr Freeth**—The answers to the honourable member's questions are as follows:

1. Yes.

2. Yes. The Australian Government attaches considerable importance to education and teaching as one method of effectively promoting respect for and observance of human rights. It has made a grant of \$10,400 to a national committee of voluntary organisations to organise on the non-governmental side a suitable programme to observe the Year. Projects which were undertaken by this committee included:

(i) the distribution of a copy of the Universal Declaration of Human Rights to every secondary school student in Australia, to State Human Rights committees and to interested non-governmental organisations;

(ii) the distribution of the major United Nations documents on Human Rights, including the International Covenants on Human Rights, to every secondary school library in Australia, to State Human Rights committees, and to interested non-governmental organisations; and

(iii) the production of a newsletter to keep schools, non-governmental organisations and state committees in touch with developments in human rights at both national and international levels.

The Government is undertaking a review of those conventions in the human rights field to which it is not yet a party. In making this review the Government had in mind that a re-examination of previously expressed difficulties in the light of the current situation might enable Australia to become

a party at least to some of the conventions in question. One result of this review was that reservations in respect of Articles 17, 18, 19, 26 and 32 made by Australia at the time of accession to the Convention relating to the Status of Refugees, have now been withdrawn.

3. Australia is a party to the Hague Convention of 18th October 1907, concerning the Laws and customs of War on Land, the relevant preambular paragraph of which is as follows:

'Until a more complete code of the laws of war has been issued, the high contracting parties deem it expedient to declare that, in cases not included in the Regulations adopted by them, the inhabitants and the belligerents remain under the protection and the rule of the principles of the law of nations, as they result from the usages established among civilized peoples, from the laws of humanity, and the dictates of the public conscience.'

4. The European Convention for the Protection of Human Rights and Fundamental Freedoms was adopted under the auspices of the Council of Europe at Rome on 4th November 1950, and entered into force on 3rd September 1953. A number of instruments relating to human rights has also been drafted under the auspices of the Organisation of American States. I am not in a position to state the reasons motivating the governments concerned in drafting such Conventions.

5. The Universal Declaration does not require Australia to enact any legislation. The Declaration is, to use its own words, 'a common standard of achievement for all peoples and all nations'. The position, when Australia voted for the adoption of the Declaration, was, and still is, that there is probably no country in the world in which human rights, whether of individuals or of groups, are more extensive or better protected than Australia. It has not so far been felt necessary to express fully in formal documents the fundamental human rights which our system of government protects. Our laws provide remedies for the infringement of rights.

6. Australia has signed the International Convention on the Elimination of all Forms of Racial Discrimination but has not yet ratified it. The question of ratification is currently under consideration. Australia has not signed the International Covenants on Economic, Social and Cultural Rights, and Civil and Political Rights and the Optional Protocol to the latter covenant. The question of Australia's signature and ratification is under consideration and to this end consultations are taking place between the appropriate Commonwealth and State authorities.

7. For regional conventions for human rights to be effective they would need to rest on the common desire of countries in a particular region to join together for that purpose. A proposal for a regional convention in this part of the world seems premature. The question of the establishment of a Universal Court of Human Rights has been raised on a number of occasions in the United Nations but the suggestion has not so far attracted strong support.

8. No.

9. See answer to question 7.

10. Australia adhered to the Agreement for the Prosecution and Punishment of War Criminals of the European Axis and the Charter of the International Military Tribunal on 5th October 1945.

11. See answer to question 6.

### Courts-Martial Appeal Tribunal

(Question No. 824)

**Mr Whitlam** asked the Attorney-General, upon notice:

1. How many appeals from (a) naval courts-martial, (b) military courts-martial and (c) air force courts-martial have been heard by the Courts-Martial Appeal Tribunal in each year since it was established?

2. How many of the appeals were allowed?

3. In how many appeals did the Tribunal substitute another sentence or another finding?

**Mr Bowen**—The answers to the honourable member's questions are as follows:

1. (a) 1 in 1962;

(b) 1 in 1959, 1 in 1961, 1 in 1963-64, 2 in 1966 and 3 in 1968;

(c) 1 in 1957, 1 in 1959, 2 in 1960, 1 in 1962, 2 in 1965, 1 in 1967 and 1 in 1968.

In addition, 1 application for leave to appeal was dismissed in 1962 and 2 appeals were withdrawn, 1 in 1962 and 1 in 1967.

2. One appeal from a naval court martial allowed. Four appeals from military courts-martial allowed. Five appeals from air force courts-martial allowed.

3. In one case in 1968 the Tribunal substituted another finding and sentence in an appeal from a military court martial.

### Unemployment

(Question No. 526)

**Mr Kevin Cairns** asked the Minister for Labour and National Service, upon notice:

1. What research projects into unemployment problems in Queensland have been initiated by his Department?

2. When were these projects initiated, and what were the specific tasks of these research efforts?

3. What conclusions were drawn from these research projects?

4. What plans have been formulated for implementation of the results of these research projects?

5. What have been the results of these actions?

**Mr Bury**—The answer to the honourable member's questions is as follows:

The Department of Labour and National Service keeps under review the employment situation throughout Queensland and the other States

and carries out special investigations into particular problems as they arise. Each month the Department makes an analysis of the numbers of persons registered for employment with the Commonwealth Employment Service, the numbers receiving unemployment benefit, and the numbers of unfilled vacancies. Towards the end of each year research is undertaken to gauge in advance the likely availability of school leavers and prospects for their employment. As part of the Department's research programme studies have been made of the impact of technological change on employment in rural and other industries, of the changing requirements for skill in professional, technical and other occupations, and of various aspects of women's employment problems.

These various studies are directed primarily to enabling the Commonwealth Employment Service to carry out more effectively its responsibilities for assisting employers to obtain the workers they need and for workers to obtain employment with a minimum of delay. The results of the Department's research are made available in the various publications of the Department.

#### **Civil Aviation: International Terminals**

(Question No. 801)

**Mr Cross** asked the Minister for Civil Aviation, upon notice:

In what years was construction of the international terminals completed at airports at Sydney, Melbourne (Essendon), Brisbane, Perth and Darwin?

**Mr Swartz**—The answer to the honourable member's question is as follows:

The international terminal building at Sydney was originally constructed in 1947. Since then extensions and alterations have been made on several occasions.

The building housing international terminal facilities at Brisbane was erected as a hangar during the 1939-45 war and was converted as an international passenger terminal in 1956.

There are no separate terminal buildings for international traffic at Essendon, Perth or Darwin where the same building serves both international and domestic traffic. The Essendon terminal was erected in 1960, Perth in 1962 and the Darwin facility within portion of an aircraft hangar in 1947.

#### **Civil Aviation: Airport Terminal Buildings**

(Question No. 802)

**Mr Cross** asked the Minister for Civil Aviation, upon notice:

In what years were passenger terminals completed at airports at Adelaide, Hobart, Launceston, Townsville, Port Moresby, Lae, Coolangatta, Cairns, Mackay, Rockhampton and Mount Isa?

**Mr Swartz**—The answer to the honourable member's question is as follows:

The terminal building at Adelaide was completed in 1957 and extensions to it are now in

progress. The Hobart terminal was completed in 1958, Launceston 1966 and Townsville 1950 with extensions in 1968. An interim terminal was completed at Port Moresby in 1968, with plans for another and larger terminal to follow. The Lae terminal was built in 1950 and extended in 1964. The Coolangatta terminal was built in 1953. At Cairns the Ansett-A.N.A. terminal was first constructed in 1941 and extended in 1963, and the Trans-Australia Airlines terminal was built in 1958. At Mackay the Ansett-A.N.A. terminal was built in 1941 and the TAA in 1949 and extended in 1968. The Rockhampton terminal was built in 1961 and the Mount Isa terminal completed in 1968.

#### **Civil Aviation: Airport Terminal Buildings**

(Question No. 803)

**Mr Cross** asked the Minister for Civil Aviation, upon notice:

When will the new terminal buildings be opened for use at airports at Sydney, Melbourne (Tullamarine) and Canberra?

**Mr Swartz**—The answer to the honourable member's question is as follows:

The new terminal at Sydney is expected to be completed in mid-1970, the international section at Melbourne about the end of 1969 with the domestic section about the end of 1970, and Canberra December 1968.

#### **Postal Department**

(Question No. 846)

**Mr Minogue** asked the Postmaster-General, upon notice:

1. Has the position of Senior Technical Officer, Grade 2, Training and Materials Section, Technicians Training Division, New South Wales, been filled only on an acting basis since the position became vacant in January 1967?

2. Are suitable officers available for permanent appointment to the position?

3. Does his Department intend having the position reclassified in the near future?

4. Are officers in his Department being penalised by the continued failure to fill this key administrative position in the Technicians Training Division in New South Wales?

**Mr Hulme**—The answers to the honourable member's questions are as follows:

1. Yes.

2. Yes.

3. No.

4. Pending review by the Public Service Board of the use of Technical Officers on the work concerned, the position was not permanently filled following retirement of the former occupant. Approval has now been given for the permanent filling of the position, however, and the necessary action is proceeding forthwith.

**Port Augusta to Alice Springs Railway  
(Question No. 905)**

**Mr Whitlam** asked the Minister for Shipping and Transport, upon notice:

On what date in 1967 did the Commonwealth Railways Commissioner submit his Report on

alternative routes between Port Augusta and Alice Springs?

**Mr Sinclair**—The answer to the honourable member's question is as follows:

The Commonwealth Railways Commissioner submitted this Report to the then Minister on 26th June 1967.