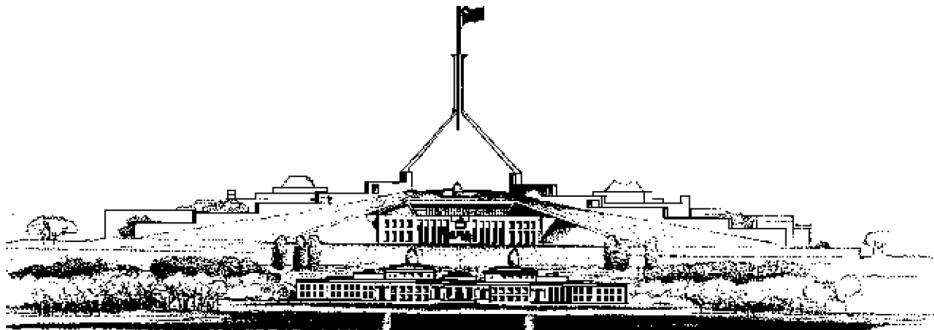




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



# Senate Official Hansard

No. 34, 1963  
Wednesday, 21 August 1963

TWENTY-FOUTH PARLIAMENT  
FIRST SESSION—FOUTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

# PARLIAMENT OF THE COMMONWEALTH.

TWENTY-FOURTH PARLIAMENT—FIRST SESSION: FOURTH PERIOD.

## GOVERNOR-GENERAL.

His Excellency the Right Honorable Viscount De L'Isle, upon whom has been conferred the decoration of the Victoria Cross, a member of Her Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, Knight of the Venerable Order of Saint John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia from 3rd August, 1961.

## SEVENTH MENZIES GOVERNMENT.

(As Reconstituted 22nd December, 1961.)

Prime Minister ..	..	..	..	The Right Honorable Sir Robert Gordon Menzies, K.T., C.H., Q.C.
Minister for Trade ..	..	..	..	The Right Honorable John McEwen.
Treasurer ..	..	..	..	The Right Honorable Harold Edward Holt.
Vice-President of the Executive Council; and Minister for National Development				Senator the Honorable Sir William Henry Spooner, K.C.M.G., M.M.
Minister for Defence ..	..	..	..	The Honorable Athol Gordon Townley.
Minister for Territories ..	..	..	..	The Honorable Paul Meernaa Caedwalla Hasluck.
Minister for Labour and National Service ..				The Honorable William McMahon.
Minister for Civil Aviation ..	..	..	..	Senator the Honorable Shane Dunne Paltridge.
Postmaster-General ..	..	..	..	The Honorable Charles William Davidson, O.B.E.
Minister for Immigration ..	..	..	..	The Honorable Alexander Russell Downer.
Minister for External Affairs; and Attorney- General				The Honorable Sir Garfield Edward John Barwick, Q.C.
Minister for Primary Industry ..	..	..	..	The Honorable Charles Frederick Adermann.

(The above Ministers constitute the Cabinet.)

Minister for the Army ..	..	..	..	The Honorable John Oscar Cramer.
Minister for Social Services ..	..	..	..	The Honorable Hugh Stevenson Robertson.
Minister for Customs and Excise ..	..	..	..	Senator the Honorable Norman Henry Denham Henty.
Minister for the Interior; Minister for Works; and Minister assisting the Attorney-General				The Honorable Gordon Freeth.
( <sup>1</sup> )Minister for the Navy; Minister in Charge Commonwealth Scientific and Industrial Research Organization; and Minister assisting the Minister for External Affairs				Senator the Honorable John Grey Gorton.
Minister for Shipping and Transport ..	..	..	..	The Honorable Hubert Ferdinand Opperman, O.B.E.
Minister for Health ..	..	..	..	Senator the Honorable Harrie Walter Wade.
Minister for Supply ..	..	..	..	The Honorable Allen Fairhall.
( <sup>2</sup> )Minister for Air; and Minister assisting the Treasurer				The Honorable Leslie Harry Ernest Bury.
Minister for Repatriation ..	..	..	..	The Honorable Reginald William Colin Swartz, M.B.E., E.D.
( <sup>3</sup> )Minister for Air ..	..	..	..	The Honorable David Eric Fairbairn, D.F.C.

(<sup>1</sup>) Appointed Minister in Charge Commonwealth Scientific and Industrial Research Organization, 16th February, 1962.    (<sup>2</sup>) Resigned, 27th July, 1962.    (<sup>3</sup>) Appointed Minister for Air, 4th August, 1962.

# THE MEMBERS OF THE SENATE.

FROM 1ST JULY, 1962.

## TWENTY-FOURTH PARLIAMENT—FIRST SESSION: FOURTH PERIOD.

*President*—Senator the Honorable Sir Alister Maxwell McMullin, K.C.M.G.

*Leader of the Government in the Senate*—Senator the Honorable Sir William Henry Spooner, K.C.M.G., M.M.

*Deputy Leader of the Government in the Senate*—Senator the Honorable Shane Dunne Paltridge.

*Chairman of Committees*—Senator Gerald Colin McKellar.

*Temporary Chairmen of Committees*—Senators Kenneth McColl Anderson, Archibald Malcolm Benn, Thomas Charles Drake-Brockman, D.F.C., Albion Hendrickson, Albert George Poke, Dorothy Margaret Tangney, Ivy Evelyn Wedgwood and Ian Alexander Christie Wood.

*Leader of the Opposition*—Senator the Honorable Nicholas Edward McKenna.

*Deputy Leader of the Opposition*—Senator the Honorable Patrick John Kennelly.

*Leader of the Australian Democratic Labour Party*—Senator George Ronald Cole.

Amour, Stanley Kerint	..	..	..	..	..	New South Wales
Anderson, Kenneth McColl†	..	..	..	..	..	New South Wales
Arnold, James Jarvist†	..	..	..	..	..	New South Wales
Aylett, William Edward†	..	..	..	..	..	Tasmania
Benn, Archibald Malcolm‡	..	..	..	..	..	Queensland
Bishop, Reginald†	..	..	..	..	..	South Australia
Branson, George Howard†	..	..	..	..	..	Western Australia
Breen, Marie Freda, O.B.E.‡	..	..	..	..	..	Victoria
Brown, Hon. Gordon†	..	..	..	..	..	Queensland
Buttfield, Nancy Eileen†	..	..	..	..	..	South Australia
Cant, Hartley Gordon James†	..	..	..	..	..	Western Australia
Cavanagh, James Luke‡	..	..	..	..	..	South Australia
Cohen, Samuel Herbert, Q.C.‡	..	..	..	..	..	Victoria
Cole, George Ronald†	..	..	..	..	..	Tasmania
Cooke, Joseph Alfred†	..	..	..	..	..	Western Australia
Cooper, Hon. Sir Walter Jackson, M.B.E.‡	..	..	..	..	..	Queensland
Cormack, Magnus Cameron†	..	..	..	..	..	Victoria
Dittmer, Felix†	..	..	..	..	..	Queensland
Drake-Brockman, Thomas Charles, D.F.C.†	..	..	..	..	..	Western Australia
Drury, Arnold Joseph†	..	..	..	..	..	South Australia
Fitzgerald, Joseph Francis‡	..	..	..	..	..	New South Wales
Gorton, Hon. John Grey†	..	..	..	..	..	Victoria
Hannaford, Douglas Clive‡	..	..	..	..	..	South Australia
Hannan, George Conrad†	..	..	..	..	..	Victoria
Hendrickson, Albion†	..	..	..	..	..	Victoria
Henty, Hon. Norman Henry Denham†	..	..	..	..	..	Tasmania
Kendall, Roy, R.D.†	..	..	..	..	..	Queensland
Kennelly, Hon. Patrick John†	..	..	..	..	..	Victoria
Laught, Keith Alexander†	..	..	..	..	..	South Australia
Lillico, Alexander Elliot Davidson†	..	..	..	..	..	Tasmania
McClelland, Douglast†	..	..	..	..	..	New South Wales
McKellar, Gerald Colint†	..	..	..	..	..	New South Wales
McKenna, Hon. Nicholas Edward†	..	..	..	..	..	Tasmania
McMullin, Hon. Sir Alister Maxwell, K.C.M.G.†	..	..	..	..	..	New South Wales
Maher, Edmund Bedet†	..	..	..	..	..	Queensland
Marriott, John Edward†	..	..	..	..	..	Tasmania
Mattner, Edward William, M.C., D.C.M., M.M.‡	..	..	..	..	..	South Australia
Murphy, Lionel Keith, Q.C.‡	..	..	..	..	..	New South Wales
Nicholls, Theophilus Martin†	..	..	..	..	..	South Australia
O'Byrne, Justin†	..	..	..	..	..	Tasmania
Ormonde, James Patrick†	..	..	..	..	..	New South Wales
Paltridge, Hon. Shane Dunnet†	..	..	..	..	..	Western Australia
Poke, Albert George†	..	..	..	..	..	Tasmania
(')Poulter, Maxwell William‡	..	..	..	..	..	Queensland
Prowse, Edgar Wylie‡	..	..	..	..	..	Western Australia
Rankin, Dame Annabelle Jane Mary, D.B.E.‡	..	..	..	..	..	Queensland
Ridley, Clement Frank†	..	..	..	..	..	South Australia
Sandford, Charles Walter†	..	..	..	..	..	Victoria
Scott, Malcolm Fox†	..	..	..	..	..	Western Australia
Sherrington, Robert Duncan†	..	..	..	..	..	Queensland

**THE MEMBERS OF THE SENATE—*continued.***

Spooner, Hon. Sir William Henry, K.C.M.G., M.M.†	..	..	New South Wales
Tangney, Dorothy Margaret‡	..	..	.. Western Australia
Toohey, James Philip†	..	..	.. South Australia
Turnbull, Reginald John David‡	..	..	.. Tasmania
Vincent, Victor Seddon‡	..	..	.. Western Australia
Wade, Hon. Harry Walter‡	..	..	.. Victoria
Wedgwood, Ivy Evelyn†	..	..	.. Victoria
(*)Whiteside, George Irvine	..	..	.. Queensland
Willessee, Donald Robert‡	..	..	.. Western Australia
Wood, Ian Alexander Christie‡	..	..	.. Queensland
Wright, Reginald Charles‡	..	..	.. Tasmania

Dates of retirement of Senators—† 30th June, 1965.      ‡ 30th June, 1968.  
 (\*) Death reported, 2nd October, 1962.      (\*) Filling casual vacancy.

# THE COMMITTEES OF THE SESSION.

## JOINT.

**AUSTRALIAN CAPITAL TERRITORY.**—Senator Vincent (Chairman), Senator Kendall (from 14th August, 1962), Senator O'Byrne, Senator Toohey, Senator Wood and Mr. Coutts, Mr. England, Mr. Fox and Mr. J. R. Fraser.

**FOREIGN AFFAIRS.**—Mr. Mackinnon (Chairman), Senator Buttfield (to 16th August, 1962), Senator Cole, Senator Sir Walter Cooper (from 16th August, 1962), Senator Hannan (from 16th August, 1962), Senator Laught (from 16th August, 1962), Senator Maher, Senator Mattner (to 16th August, 1962), Senator Scott, Senator Vincent (from 16th August, 1962) and Mr. Bury (from 16th August, 1962), Mr. Cleaver, Mr. England, Mr. Failes, Mr. Fairbairn (to 16th August, 1962), Mr. Forbes, Mr. Malcolm Fraser, Mr. Haworth, Mr. Holten, Mr. Howson, Mr. Jess, Mr. Snedden and Mr. Turner.

**HOUSE.**—Mr. Speaker (Chairman), The President, Senator Arnold, Senator Drake-Brockman, Senator Hannaford, Senator Kennelly (from 22nd August, 1962), Senator Marriott (from 9th August, 1962), Senator Sandford, Senator Tangney (to 22nd August, 1962) and Mr. Don Cameron, Mr. Failes, Mr. J. R. Fraser, Mr. Howson, Mr. Stewart and Mr. Stokes.

**LIBRARY.**—Mr. Speaker (Chairman), The President, Senator Arnold, Senator Breen (from 9th August, 1962), Senator Cant, Senator Kendall, Senator Maher (from 9th August, 1962), Senator Tangney and Mr. Bryant, Mr. Drummond, Mr. Forbes, Mr. Gray, Mr. Kearney and Mr. Wentworth.

**PARLIAMENTARY AND GOVERNMENT PUBLICATIONS.**—Mr. Erwin (Chairman), Senator Breen, Senator Marriott, Senator Murphy, Senator Toohey and Mr. L. R. Johnson, Mr. King, Mr. Stewart, Mr. Wilson.

**PARLIAMENTARY PROCEEDINGS BROADCASTING.**—The President, Senator Arnold, Senator Hannan (from 9th August, 1962), Senator Marriott (to 9th August, 1962) and Mr. Speaker, Mr. Chaney, Mr. Falkinder, Mr. Fuller, Mr. Fulton and Mr. Turnbull.

**PRINTING.**—Mr. Erwin (Chairman), Senator Breen (from 9th August, 1962), Senator Buttfield (to 9th August, 1962), Senator Cooke, Senator Sir Walter Cooper (from 9th August, 1962), Senator Marriott, Senator Ormonde, Senator Sandford, Senator Scott (to 9th August, 1962), Senator Sherrington (from 9th August, 1962), and Mr. L. R. Johnson, Mr. King, Mr. McNeill, Mr. Stewart, Mr. Uren and Mr. Wilson.

**PUBLIC ACCOUNTS.**—Mr. Davis (Chairman), Senator Benn, Senator Drake-Brockman (from 9th August, 1962), Senator McKellar (to 9th August, 1962), Senator Wedgwood and Mr. Ian Allan, Mr. Cope, Mr. Costa, Mr. Kelly, Mr. Thompson and Mr. Whittorn.

**PUBLIC WORKS.**—Mr. Dean (Chairman), Senator Anderson, Senator Dittmer (from 16th May, 1963), Senator Drake-Brockman (to 9th August, 1962), Senator Ormonde (to 16th May, 1963), Senator Prowse (from 9th August, 1962), and Mr. Brimblecombe, Mr. Buchanan, Mr. Griffiths, Mr. McIvor and Mr. O'Connor.

## SENATE.

**DISPUTED RETURNS AND QUALIFICATIONS.**—Senator Anderson (to 9th August, 1962), Senator Benn, Senator Cant, Senator Sir Walter Cooper (from 9th August, 1962), Senator Hannaford, Senator Hannan (to 9th August, 1962), Senator Kennelly, Senator Laught (from 9th August, 1962) and Senator Lillico (from 9th August, 1962).

**ENCOURAGEMENT OF AUSTRALIAN PRODUCTIONS FOR TELEVISION.**—Senator Vincent (Chairman), Senator Cant, Senator Cohen, Senator Drake-Brockman, Senator Hannan, Senator McClelland and Senator Wright.

**REGULATIONS AND ORDINANCES.**—Senator Wood (Chairman), Senator Arnold, Senator Cooke, Senator Cormack (from 15th August, 1962), Senator Laught (to 15th August, 1962), Senator McKellar (to 15th August, 1962), Senator Prowse (from 15th August, 1962), Senator Wilseee and Senator Wright.

**STANDING ORDERS.**—The President (Chairman), The Leader of the Government in the Senate, the Chairman of Committees, Senator Cooke, Senator Cormack (from 9th August, 1962), Senator Kendall, Senator Nicholls, Senator O'Byrne, Senator Vincent and Senator Wright (to 9th August, 1962).

# THE ACTS OF THE SESSION.

## (FIRST SESSION: FOURTH PERIOD.)

Air Accidents (Commonwealth Liability) Act 1963 (Act No. 74 of 1963)—

An Act to provide for the payment of Damages by the Commonwealth and Authorities of the Commonwealth in respect of the Death of, or Personal Injury to, certain persons travelling as Passengers in Aircraft.

Air Navigation (Charges) Act 1963 (Act No. 97 of 1963)—

An Act relating to Charges in respect of Commonwealth Air Navigation Facilities and Services.

Appropriation Act 1963–64 (Act No. 59 of 1963)—

An Act to authorize the issue and application, out of the Consolidated Revenue Fund, of a sum for the service of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-four, and to appropriate that sum.

Appropriation (Works and Services) Act 1963–64 (Act No. 60 of 1963)—

An Act to authorize the issue and application, out of the Consolidated Revenue Fund, of a sum for the service of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-four, for the purposes of Additions, New Works and other Services involving Capital Expenditure, and to appropriate that sum.

Blowering Water Storage Works Agreement Act 1963 (Act No. 95 of 1963)—

An Act relating to an Agreement between the Commonwealth and the State of New South Wales with respect to Water Storage Works at Blowering.

Broadcasting and Television Act 1963 (Act No. 82 of 1963)—

An Act to amend the *Broadcasting and Television Act 1942–1962* in relation to Television Translator Stations.

Canned Fruit Excise Act 1963 (Act No. 92 of 1963)—

An Act relating to Excise on Canned Fruit.

Canned Fruits Export Charges Act 1963 (Act No. 90 of 1963)—

An Act to amend the *Canned Fruits Export Charges Act 1926–1952*.

Canned Fruits Export Marketing Act 1963 (Act No. 89 of 1963)—

An Act relating to the Export of Canned Fruits, and for purposes connected therewith.

Chowilla Reservoir Agreement Act 1963 (Act No. 100 of 1963)—

An Act relating to an Agreement between the Commonwealth and the State of New South Wales with respect to the construction of a Reservoir at Chowilla.

Commonwealth Banks Act 1963 (Act No. 57 of 1963)—

An Act to increase the Capital of the Commonwealth Development Bank of Australia by the sum of Five million pounds.

Copper Bounty Act 1963 (Act No. 93 of 1963)—

An Act to amend the *Copper Bounty Act 1958–1960*.

Crimes (Aircraft) Act 1963 (Act No. 64 of 1963)—

An Act to make provision with respect to Crimes committed on board certain Aircraft, and for other purposes.

Currency Act 1963 (Act No. 67 of 1963)—

An Act relating to Currency, Coinage and Legal Tender.

Customs Act 1963 (Act No. 48 of 1963)—

An Act to amend the Law relating to the Customs.

Customs Tariff (No. 2) 1963 (Act No. 37 of 1963)—

An Act relating to Duties of Customs.

Customs Tariff (No. 3) 1963 (Act No. 42 of 1963)—

An Act relating to Duties of Customs.

Customs Tariff (Canada Preference) (No. 2) 1963 (Act No. 38 of 1963)—

An Act to amend the *Customs Tariff (Canada Preference) 1960–1962*, as amended by the *Customs Tariff (Canada Preference) 1963*.

Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1963 (Act No. 40 of 1963)—

An Act to amend the *Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1960–1962*.

Customs Tariff (New Zealand Preference) (No. 2) 1963 (Act No. 39 of 1963)—

An Act to amend the *Customs Tariff (New Zealand Preference) 1933–1962*, as amended by the *Customs Tariff (New Zealand Preference) (No. 1) 1963*.

Customs Tariff (New Zealand Preference) (No. 3) 1963 (Act No. 43 of 1963)—

An Act to amend the *Customs Tariff (New Zealand Preference) 1933–1962*, as amended by the *Customs Tariff (New Zealand Preference) (No. 1) 1963* and by the *Customs Tariff (New Zealand Preference) (No. 2) 1963*.

Customs Tariff Validation Act 1963 (Act No. 94 of 1963)—

An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.

## PARLIAMENTARY DEPARTMENTS.

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### SENATE.

*Clerk.*—R. H. C. Loof, C.B.E.

*Clerk-Assistant.*—J. R. Odgers.

*Second Clerk-Assistant.*—R. E. Bullock.

*Usher of the Black Rod.*—K. O. Bradshaw.

### HOUSE OF REPRESENTATIVES.

*Clerk.*—A. G. Turner.

*Clerk-Assistant.*—N. J. Parkes, O.B.E.

*Second Clerk-Assistant.*—J. A. Pettifer.

*Third Clerk-Assistant.*—D. M. Blake.

*Serjeant-at-Arms.*—A. R. Browning.

### PARLIAMENTARY REPORTING STAFF.

*Principal Parliamentary Reporter.*—W. E. Dale.

*Second Reporter.*—A. K. Healy.

*Third Reporter.*—W. J. Bridgman.

### LIBRARY.

*Librarian.*—H. L. White, C.B.E.

*Assistant Librarian.*—L. C. Key.

### JOINT HOUSE.

*Secretary.*—W. I. Emerton.

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- Dairy Produce Export Control Act 1963 (Act No. 79 of 1963)—  
An Act to amend the *Dairy Produce Export Control Act* 1924–1962.
- Dairy Produce Research and Sales Promotion Act 1963 (Act No. 80 of 1963)—  
An Act to amend the *Dairy Produce Research and Sales Promotion Act* 1958.
- Defence Forces Retirement Benefits Act 1963 (Act No. 103 of 1963)—  
An Act relating to Retirement Benefits for Members of the Defence Forces of the Commonwealth.
- Defence (Visiting Forces) Act 1963 (Act No. 81 of 1963)—  
An Act to make provision with respect to Naval, Military and Air Forces of other countries visiting Australia, and for other purposes.
- Disabled Persons Accommodation Act 1963 (Act No. 63 of 1963)—  
An Act to provide for Assistance by the Commonwealth towards the provision of Residential Accommodation for certain Disabled Persons.
- Estate Duty Assessment Act 1963 (Act No. 72 of 1963)—  
An Act to amend the *Estate Duty Assessment Act* 1914–1962.
- Excise Act 1963 (Act No. 49 of 1963)—  
An Act to amend the Law relating to Excise.
- Excise Tariff 1963 (Act No. 41 of 1963)—  
An Act relating to Duties of Excise.
- Excise Tariff (No. 2) 1963 (Act No. 91 of 1963)—  
An Act relating to Duties of Excise.
- Gift Duty Assessment Act 1963 (Act No. 73 of 1963)—  
An Act to amend the *Gift Duty Assessment Act* 1941–1957.
- Income Tax and Social Services Contribution Assessment Act (No. 2) 1963 (Act No. 69 of 1963)—  
An Act relating to Income Tax.
- Income Tax and Social Services Contribution Act 1963 (Act No. 70 of 1963)—  
An Act to impose upon Incomes a Tax by the name of Income Tax and Social Services Contribution.
- Income Tax (International Agreements) Act 1963 (Act No. 71 of 1963)—  
An Act to amend the *Income Tax (International Agreements) Act* 1953–1960.
- International Development Association (Additional Contribution) Act 1963 (Act No. 66 of 1963)—  
An Act to approve the payment by Australia of an Additional Contribution to the International Development Association.
- International Development Association Act 1963 (Act No. 51 of 1963)—  
An Act to repeal section seven of the *International Development Association Act* 1960.
- International Finance Corporation Act 1963 (Act No. 52 of 1963)—  
An Act to amend section six of the *International Finance Corporation Act* 1955–1961.
- International Monetary Agreements Act 1963 (Act No. 53 of 1963)—  
An Act to amend section eleven of the *International Monetary Agreements Act* 1947.
- International Organizations (Privileges and Immunities) Act 1963 (Act No. 50 of 1963)—  
An Act relating to the Privileges and Immunities of certain International Organizations and of persons connected therewith, and for other purposes.
- Loan Act 1963 (Act No. 65 of 1963)—  
An Act to Authorize the Raising and Expending of a sum for Defence Purposes.
- Loan (Housing) Act (No. 2) 1963 (Act No. 56 of 1963)—  
An Act to Authorize the Raising and Expending of a sum not exceeding Forty-nine million eight hundred and fifty thousand pounds for the purposes of Housing.
- Loan (War Service Land Settlement) Act 1963 (Act No. 55 of 1963)—  
An Act to Authorize the Raising and Expending of a sum not exceeding Four million two hundred and twenty-five thousand pounds for a Defence Purpose, namely Financial Assistance to the States of South Australia, Western Australia and Tasmania in connexion with War Service Land Settlement.
- Menindee Lakes Storage Agreement Act 1963 (Act No. 99 of 1963)—  
An Act to ratify and approve an Agreement between the Prime Minister of the Commonwealth and the Premiers of the States of New South Wales, Victoria and South Australia with respect to Waters of the Darling River stored at Menindee.
- National Health Act 1963 (Act No. 77 of 1963)—  
An Act to amend the provisions of the *National Health Act* 1953–1962 relating to the Special Accounts of Hospital Benefits Organizations.
- Norfolk Island Act 1963 (Act No. 101 of 1963)—  
An Act to amend the *Norfolk Island Act* 1957.
- Overseas Telecommunications Act 1963 (Act No. 85 of 1963)—  
An Act to amend the *Overseas Telecommunications Act* 1946–1958.

**THE ACTS OF THE SESSION—*continued.***

- Phosphate Fertilizers Bounty Act 1963 (Act No. 78 of 1963)—**  
     An Act to provide for the payment of Bounty on the Production of certain Phosphate Fertilizers.
- Raw Cotton Bounty Act 1963 (Act No. 86 of 1963)—**  
     An Act to provide for the Payment of Bounty on the Production of certain Raw Cotton sold for use in Australia and for other purposes.
- Repatriation Act 1963 (Act No. 47 of 1963)—**  
     An Act to amend the *Repatriation Act 1920–1962*—
- River Murray Waters Act 1963 (Act No. 98 of 1963)—**  
     An Act to ratify and approve an Agreement for the further variation of the Agreement entered into between the Prime Minister of the Commonwealth and the Premiers of the States of New South Wales, Victoria and South Australia, respecting the River Murray and other Waters, and for other purposes.
- Sales Tax Assessment Act (No. 5) 1963 (Act No. 45 of 1963)—**  
     An Act to amend the *Sales Tax Assessment Act (No. 5) 1930–1953*.
- Sales Tax (Exemptions and Classifications) Act 1963 (Act No. 44 of 1963)—**  
     An Act to amend the *Sales Tax (Exemptions and Classifications) Act 1935–1962*.
- Service and Execution of Process Act 1963 (Act No. 35 of 1963)—**  
     An Act to amend the *Service and Execution of Process Act 1901–1958*.
- Snowy Mountains Hydro-electric Authority Act 1963 (Act No. 96 of 1963)—**  
     An Act to extend further the Period of Office of the Commissioner constituting the Snowy Mountains Hydro-electric Authority.
- Social Services Act 1963 (Act No. 46 of 1963)—**  
     An Act to amend the *Social Services Act 1947–1962*.
- States Grants (Additional Assistance) Act (No. 2) 1963 (Act No. 36 of 1963)—**  
     An Act to provide for the payment of certain sums to the States by way of Additional Financial Assistance.
- States Grants (Special Assistance) Act 1963 (Act No. 76 of 1963)—**  
     An Act to grant Financial Assistance to the States of Western Australia and Tasmania.
- States Grants (Universities) Act (No. 2) 1963 (Act No. 75 of 1963)—**  
     An Act to amend section nine of the *States Grants (Universities) Act 1960–1962*, as amended by the *States Grants (Universities) Act 1963*.
- Stevedoring Industry Act 1963 (Act No. 58 of 1963)—**  
     An Act to suspend the making of Declarations under section fifty-two A of the *Stevedoring Industry Act 1956–1962* and to permit the payment of Attendance Money to certain Waterside Workers.
- Submarine Cables and Pipelines Protection Act 1963 (Act No. 61 of 1963)—**  
     An Act relating to the Protection of Submarine Cables and Pipelines beneath the High Seas.
- Superannuation Act 1963 (Act No. 102 of 1963)—**  
     An Act relating to Superannuation.
- Universities (Financial Assistance) Act 1963 (Act No. 68 of 1963)—**  
     An Act to make provision for the grant of Financial Assistance to the States in connexion with Universities.
- Vinyl Resin Bounty Act 1963 (Act No. 88 of 1963)—**  
     An Act to provide for the Payment of Bounty on the Production of certain Resins used or sold for use in Australia.
- Western Australia (Northern Development) Agreement Act 1963 (Act No. 87 of 1963)—**  
     An Act relating to an Agreement between the Commonwealth and the State of Western Australia in relation to the Development of the Northern part of that State.
- Wheat Export Charge Act 1963 (Act No. 84 of 1963)—**  
     An Act to impose a Charge on Wheat and Wheat Products exported from the Commonwealth.
- Wheat Industry Stabilization Act 1963 (Act No. 83 of 1963)—**  
     An Act relating to the Stabilization of the Wheat Industry.
- Wine Overseas Marketing Act 1963 (Act No. 62 of 1963)—**  
     An Act to amend the *Wine Overseas Marketing Act 1929–1961*.
- World Health Organization Act 1963 (Act No. 54 of 1963)—**  
     An Act to amend section six of the *World Health Organization Act 1947*.

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**Wednesday, 21st August, 1963.**

**The PRESIDENT (Senator the Hon. Sir Alister McMullin)** took the chair at 3 p.m., and read prayers.

### TELEVISION.

#### Petition.

**Senator BRANSON** presented a petition from 167 residents of the shire of Three Springs praying that the Government provide television services and facilities in that area.

Petition received and read.

### ABORIGINES.

**Senator BENN.**—Does the Minister representing the Minister for Territories recollect having made a statement in the Senate on 9th April last and quoting information supplied to the Minister for Territories by the Methodist Board of Missions concerning the welfare of aborigines of Gove Peninsula, Arnhem Land? Will the Minister now inform me whether further discussions have been held by the persons and parties mentioned in his statement concerning the natural rights of the aborigines at the Yirrkala mission and elsewhere?

**Senator PALTRIDGE.**—The Minister for Territories advises that continuously—both before 9th April and since—the officers of the welfare branch of the Northern Territory Administration have been in consultation with the aborigines at Yirrkala and with the representatives of the Methodist Mission at Yirrkala on all aspects of their interest in the prospective mining developments on the Gove Peninsula. The purpose of these discussions has been to explain to the people the measures that have been taken to ensure their continued access to hunting grounds and sacred sites and to ensure that they share in, and benefit from, this development. As an earnest of the more substantial benefits that are expected to accrue to them, the building of new houses at Yirrkala to cost £12,000 has been approved.

### FOOD FROM THE SEA.

**Senator Sir WALTER COOPER.**—My question to the Minister in charge of the Commonwealth Scientific and Industrial

Research Organization refers to continual references which are published regarding the necessity to explore the possibility of obtaining more food from the sea, and particularly to a statement by Mr. Martin Thornhill M.C., F.R.G.S., expressing the opinion that present world fish supplies will soon become inadequate. Mr. Thornhill stated that the present fish supply is about 20,000,000 tons per annum compared with the supply of 250,000,000 tons of wheat, the primary food grain. He stated further that, acre for acre, the oceanic food potential is probably greater than that of the land. He suggests that this potential will be realized only when the fish crop is properly cultivated by protection of fish species against their enemies and by the fertilizing of sheltered areas to produce more plankton—that great, living, drifting mass of marine plants and animals, some of them minute in size—which is the primary source of food for fish. Will the Minister indicate what research has been made, the results that have been achieved, and what steps are proposed to increase this valuable source of food supply?

**Senator GORTON.**—This question has not been asked strictly without notice. I have had an opportunity to get a reply from the Commonwealth Scientific and Industrial Research Organization. There are two kinds of plankton—plant and animal—each of which raises a different set of questions with regard to the assessment of its present quantity, its cultivation, its harvesting and its use. The plant plankton is directly analogous to grass on land. It is the first step in the chain of organic production. All other living matter in the sea derives from plant plankton. Considerable research is going on all over the world to study the rate of production of organic materials by plant plankton and to estimate the quantity of it in various bodies of water at different times. Some experiments were carried out during the war on the fertilization of a barrow loch in Scotland. Specialists were sharply divided in their opinions about the meaning of the results of that research. Few people are optimistic about the prospect of the successful use of artificial fertilizers for this purpose. Suggestions have been made that nutrient materials accumulated in mud at the bottom of the sea should be brought

to the surface by creating artificial up-welling currents by atomic energy, but this is still speculative. Plant plankton is no more usable as basic food than is grass.

As the abundance of animal plankton depends largely on the abundance of plant plankton, plans to increase animal plankton would have to be based on plans to increase plant plankton. Animal plankton can be processed for human consumption, and it is in fact one of the raw materials that are used for fish pastes and sauces in some Asian countries. However, considerable technical difficulty lies in the way of the direct harvesting of animal plankton and more realistic views expect that increased use would be made of plankton, whether cultivated or not, by management of stocks of scaled fish, crustaceans and other organisms of present economic importance.

The C.S.I.R.O. Division of Fisheries and Oceanography has always carried out some work on plant plankton. This has included taxonomic, ecological and biochemical studies. At present the work is chiefly in the field of biochemistry and is aimed at exposing the mechanism which determines the rate of plant plankton production. The division has also carried out research on animal plankton, chiefly on taxonomy and distribution, including an examination of the determinants of its abundance. The division has not undertaken research into the cultivation of plant or animal plankton in the sea as a large-scale operation, and it is not felt that a move in this direction would be justified at the present time. Present researches are, however, a contribution to the world's knowledge of plankton and therefore can be considered also as being a contribution to the solution of the more general question referred to by the honorable senator.

#### INDUSTRIAL ARBITRATION.

**Senator McCLELLAND.**—I address the following questions to the Minister representing the Minister for Labour and National Service:—Is it a fact that Sir Richard Kirby, the President of the Commonwealth Conciliation and Arbitration Commission, is at present overseas? Is the secretary of the Department of Labour and National Service also overseas? If so, is the cost of their trips being incurred by

the Commonwealth? Is it a fact that the learned president and the secretary of the department are overseas for the purpose of investigating arbitration machinery in other parts of the world, including the United States of America, with a view to making recommendations about alterations of the Australian arbitration structure? If not, what is the real reason for the overseas visits of these gentlemen?

**Senator GORTON.**—I understand that the President of the Conciliation and Arbitration Commission, Sir Richard Kirby, and the secretary of the Department of Labour and National Service, Mr. Bland, are overseas, but the particular purposes of their visit are not known to me. I suggest that the honorable senator place his question on the notice-paper. I shall then ask the Minister for Labour and National Service to furnish him with an answer.

#### SEARCH FOR OIL.

**Senator WOOD.**—I direct a question to the Minister for National Development. On Monday evening last, the Minister made a statement wherein he referred to the discovery of oil in the Amadeus Basin, in central Australia, and to work being done there by the Bureau of Mineral Resources. In view of the fact that some of the comments made in the course of the statement were very brief, can he give the Senate further details in connexion with this significant discovery? Will he state the name of the holder of the lease, if the developments have occurred in a leased area? Is the leaseholder an overseas company and are Australian companies involved in the work in that area?

**Senator Sir WILLIAM SPOONER.**—On Monday last, I made a press statement, which had been very carefully prepared, on this matter. The Bureau of Mineral Resources was carrying out a drilling programme to locate phosphate, and in one of the cores that were obtained the officers concerned found evidence of oil. The occurrence took place in an area which is under tenement to a company, but I felt that, in view of the importance of the matter, not only to that particular area but to Australia generally, I should make the information public. Briefly, there was oil-bearing sandstone in a diamond drill hole about 145 miles west-south-west of Alice

Springs. Approximately four feet of the core was saturated with oil and the remainder showed oil stains in and around fractures and small cavities.

I made it plain in the press statement that it is not to be thought that the showing represents a discovery of flow oil, or that it indicates the presence of oil in commercial quantities. Its significance lies in the fact that it establishes that oil occurs in this sedimentary basin which is at present being investigated by several oil companies. The basin covers a very large area of land. It is of great significance to find such direct evidence of oil, and I made the information available so that all those who had tenements in that part of Australia would be put on notice of the discovery. They would have knowledge of it and would be able to come to the Bureau of Mineral Resources and obtain such information and advice as they wanted. The company concerned is an overseas company. The area involved is being worked by a number of companies, by arrangement with this overseas company.

#### MAINTENANCE ORDERS.

**Senator AYLETT.**—I direct a question to the Minister representing the Attorney-General. Has a conference of State Attorneys-General been held for the purpose of bringing about the enforcement of maintenance orders made under Commonwealth uniform divorce legislation, with a view to relieving the suffering of hungry children whose deserting fathers have preferred border-hopping to paying maintenance? If such a conference has taken place, can the Minister state the results that were achieved? If no action has been taken on a Commonwealth basis, will the Federal Attorney-General give to the enforcement of maintenance orders made in favour of deserted children the same degree of consideration that he displayed in favour of city and shire councils regarding the enforcement of payment of road fines on a Commonwealth basis?

**Senator GORTON.**—There have been a number of conferences of State Attorneys-General for the purpose of enacting in each State a uniform law for the enforcement of maintenance orders. I understand that the Attorneys-General of the various States have reached a great degree of unanimity, if not complete unanimity. It may well be that

they have reached complete agreement on the question of each State bringing in a uniform law for this purpose. I am not quite clear what the honorable senator meant when he spoke of the Commonwealth enforcing its maintenance orders, because I think that the maintenance orders would be made by the various State courts. In the last sittings of the Parliament an endeavour was made to enable maintenance orders made in one State to be enforced easily in another State, but this proposal could not be brought to finality at the time. When a uniform law is brought into operation the enforcement of maintenance orders should be made much easier.

#### CIVIL AVIATION.

**Senator MARRIOTT.**—I direct a series of questions to the Minister for Civil Aviation concerning the Launceston airport. Why was the new taxiway at the Launceston airport made 50 feet wide and not 75 feet wide, which I understand is stipulated under international standards? When will the plans of the new terminal building be decided upon? Will D.C.4 aircraft be able to use the grass strip while the new strip is being strengthened? In answer to a question asked by me in May, 1962, the Minister set January, 1963, for the completion of the engineering works at the Launceston airport. What is now the expected date of completion of those works? Finally, is it known when the two major civil airlines will schedule Boeing 727 aircraft on the Melbourne-Launceston-Hobart route?

**Senator PALTRIDGE.**—Senator Marriott told me that he proposed to ask a series of questions on the Launceston airport and I took the opportunity of extracting the relevant information from the files. In reply to the first question, a taxiway link to the south end of the runway at Launceston was approved in December, 1961, well before any decisions were taken in November, 1962, to introduce jet aircraft into the domestic service and before the prospective use of Electras on the route to Launceston and Hobart. The taxiway was planned with a width of 50 feet, appropriate for the Viscounts using the aerodrome, and in such a way that it could be readily increased in width up to 75 feet at any time that might be required.

It was known that the International Civil Aviation Organization intended to reconsider its standards and recommended practices for airport design, including taxiway widths, in November, 1962, and there were some hopes that these might be reduced. There was considerable discussion on the subject at the I.C.A.O. meeting, but the final decision on the matter was that a width of 75 feet should be retained for airports such as Launceston where Electra and similar aircraft are expected to operate. The widening from 50 feet to 75 feet will be included, therefore, in the airfield development works now proposed, and will be completed in time for the Electra operations. All this is in accordance with normal good design practices, based on providing adequate and not extravagant ground facilities to meet the requirements of known and expected aircraft.

It is expected that the plans of the terminal building will be placed before the Parliamentary Standing Committee on Public Works about the middle of September this year.

Senator Marriott asked whether D.C.4 aircraft would be able to use the grass strip while the runway is being strengthened. The answer is, Yes. As to the completion of the works, in an answer to the honorable senator's previous question a date in January, 1963 was given for the completion of the southern portion of the taxiway. The actual completion date of this work was July, 1963, due to the fact that the original contractor pulled out of the job after having started it, leaving the Department of Works in the difficult position of having to call fresh tenders for its completion. It was also stated at that time that the major developmental works on the airfield would commence during the latter half of 1963. This date still stands and it is expected that the work will be commenced well before the end of this year. As to the last question relating to the scheduling of times by the airline operators, this is a matter for the airlines themselves and I have had no indication of what their plans are.

#### CUSTOMS RETURNS.

Senator O'BYRNE.—My question is addressed to the Minister for Customs and Excise. In view of the great increase in

speed and greater increase in the numbers of travellers entering Australia from overseas by modern jet airliners, will the Minister have a complete review made of the procedures being followed by the captain of each aircraft relating to customs returns to be filled in before landing? Will the Minister direct that special attention be paid to the arduous task imposed on the aircraft captain to sort out alphabetically up to and over 100 passengers' names in the ever-shortening period of time between the take-off from airports in South-East Asia or Pacific countries and the first port of call in Australia?

Senator HENTY.—A review was made recently of the forms to be completed in connexion with the landing of passengers by aircraft from overseas. I have received no complaint until now about the task undertaken by an aircraft captain of sorting out the forms. This is not entirely a customs matter; some returns relate to immigration and some to health. The three departments concerned have been acting together. I do not know who, other than the captain, could do this work. Any change of procedure could cause passengers to be delayed if the work were done at an airport. After an examination of the position it may be decided to continue the existing procedures. However, I shall have the matter examined. Recently I received from shipping companies a request that the system used by the air services be adopted for shipping purposes. The companies feel that the airways system is a vast improvement on shipping procedures. It is our present intention to try them for ships' passengers.

#### CIVIL AVIATION.

Senator HANNAFORD.—I should like to direct my question to the Minister for Civil Aviation. Is the Minister aware of the statement made by the Premier of South Australia, Sir Thomas Playford, in reply to a question in the South Australian Parliament and reported in "Hansard" dated 7th August, 1963, to the effect that the South Australian Government would be prepared to allow Trans-Australia Airlines to operate particular air routes in South Australia if the Commonwealth Government would give its permission? The Premier went on to say that the South Australian Government concurred in the proposal advanced in the same question

that T.A.A. be allowed to operate an air service to and from Kangaroo Island and other intra-state services. Would the Minister care to comment on this matter and perhaps clarify the situation?

**Senator PALTRIDGE.**—I have seen a report of the question asked by the Leader of the Opposition in the South Australian Parliament and the answer given by the Premier. Indeed, the Premier has written to me asking for my comments on his statement. I shall shortly be providing him with them. The position in South Australia is that at the instigation of the Commonwealth Government some years ago permission was granted for aircraft operated by Trans-Australia Airlines to call at Leigh Creek, as incidental to a service which was from Adelaide through the State to Queensland. If my memory is correct, I should say that in a similar way permission has been given for T.A.A. to operate through Oodnadatta on its service from Adelaide to the Northern Territory.

With regard to the general question of intra-state operations, intra-state services in South Australia are provided by an airline which has been operating in the State for many years. I think it is fair to say that, by dint of good management and efficient operation, it has been able to operate without subsidy and, at the same time, to provide services to some of the more isolated parts of the State. The question of intra-state competition has engaged the attention of the Senate on more than one occasion and the Government's policy on this matter has been made clear on a number of occasions. Senator Kennelly demurs. The inescapable, unyielding fact which the honorable senator will never accept is simply that where the traffic will not support more than one operator, subsidization is necessary. I put it to the Senate and to the Premier of South Australia that where this airline is operating without subsidy it would be completely ridiculous to introduce a competitive service and, as a result, give a bill to the Australian taxpayers who, in many instances, are not themselves air travellers.

Senator Hannaford is well aware that it is not the policy of the Commonwealth Government to keep intra-state operations as a preserve for private airlines. Trans-Australia Airlines operates a large network

throughout Queensland. Indeed, only last week the Deputy Leader of the Opposition asked a question in connexion with the newly-arranged intra-state operations of T.A.A. in Tasmania. The policy of the Government is clearly that, where efficient services are given by one airline, un-economic competition which would require subsidization by the Australian taxpayer will not be permitted. If conditions in South Australia alter to the extent that the available traffic will support two airlines, the Government will be prepared to examine the situation. This, Mr. President, will be roughly the gist of the advice that I will be giving to the Premier of South Australia on this subject.

#### UNIDENTIFIED FLYING OBJECTS.

**Senator CAVANAGH.**—Will the Minister representing the Minister for Air consider making available to interested organizations or individuals a copy of the dossier which the Minister for Air has stated that the Royal Australian Air Forces has compiled on unidentified flying objects?

**Senator WADE.**—I shall bring the request to the notice of my colleague, the Minister for Air, and leave the decision in his hands.

#### DEVELOPMENT OF TASMANIA.

**Senator LILLICO.**—Has the Minister for National Development noted the statement made by the Premier of Tasmania, Mr. Reece, to the effect that Tasmania has been ignored in the recent Budget and that it was the only State not selected for special Commonwealth aid for projects considered of national importance? Is it true that, more than a year ago, Mr. Reece presented a documented case for financial aid from this source for a wide variety of Tasmanian industries, undertakings and developmental projects, and that the proposals submitted were rejected? How many proposals of this kind were submitted by the Tasmanian Government and what were the reasons for their rejection?

**Senator Sir WILLIAM SPOONER.**—I cannot say that I have seen the recent statement by the Tasmanian Premier which Senator Lillico mentions. I do not doubt that the Premier made one; I have noticed that he has made statements of the same kind in the past.

The facts are these: The Commonwealth is helping the States in developmental programmes and the Commonwealth's assistance is assuming very large proportions. The criterion of the granting of Commonwealth assistance is that it will assist development work which will provide additional export income. It is a programme running parallel with the various concessions or arrangements which the Commonwealth has provided for secondary industry and primary industry, because the earning of additional export income is of such national importance.

Tasmania did put forward a series of proposals but they were not proposals that would significantly increase export income, so they did not qualify for assistance under the Commonwealth's policy and programme. The fault, if any, lies directly with the Tasmanian Government. If there are, in Tasmania, proposals which, with Commonwealth assistance, could yield us substantial export income—all these works that we are doing are potentially big export income earners—and if they are comparable with those which the Commonwealth has already supported, then I am sure that they will receive consideration by the Commonwealth. So far, there is nothing from Tasmania which conforms to this important Commonwealth policy.

#### EDUCATION.

**Senator CANT.**—I direct a question to the Leader of the Government in the Senate. Is it a fact that on 4th and 5th July, 1963, State Ministers for education, at a meeting in Adelaide, compiled a report setting out in more explicit form details of education inadequacies submitted to the Commonwealth Government in 1961, when the States asked for an additional £40,000,000? Has the Government yet received a copy of this report from the Premiers? If it has, does the Government contemplate any action to assist the States in the field of education?

**Senator Sir WILLIAM SPOONER.**—I have not heard of the incident to which Senator Cant refers. I do not doubt that his statement is accurate. When most State Ministers—not only Ministers for education—meet, no matter what their purpose may be, they generally complete their proceedings with a request for a substantial subvention from

the Commonwealth Government. There is no novelty in that situation. That is one of the facts of life that we have to face.

As was shown by the White Paper on National Income and Expenditure presented to the Parliament, the Commonwealth's contribution towards education is a very, very substantial one indeed. The Commonwealth is providing increasing moneys for the States and a programme for universities which, over the current triennium, involves an expenditure of £43,000,000. The programme for the new triennium will come up for consideration in the next few months. I shall not forecast what the request for that triennium may be. In addition, the Commonwealth has an expert inquiry upon tertiary education proceeding. The Commonwealth is making a very substantial and valuable contribution to the development of education throughout Australia.

#### CENSORSHIP.

**Senator LAUGHT.**—Can the Minister for Civil Aviation say whether any solution has been reached to the problem which arose last week when it became known that although the sale of a publication known as "Playboy" was prohibited by the Victorian State authorities, it was on sale at Essendon aerodrome, which is under the control of the Minister's department? Is it not a fact that licensees and bookstall proprietors at airports are obliged generally to observe the laws of the State in which such airports are situated?

**Senator PALTRIDGE.**—The terms of the leases of these concessions at airports generally provide that the concessionaires in the conduct of their business shall comply with the law of the State concerned. This, in fact, is the case in respect of the news stall at the Essendon airport. What happened on the occasion referred to by the honorable senator was that the Victorian State police took action to ban the publication on a Friday, but due to an oversight the bookstall at the airport was not so informed. I read a rather colourful account in the press to the effect that people were flocking from all parts of Melbourne to pick up copies of this publication at the airport, but on making inquiries I was interested to learn that the entire stock, totalling eight copies, had been sold during

the weekend. As soon as it was made known to the bookstall on the Monday that the publication was banned the necessary action was taken to see that stocks were not built up, and arrangements have been made with the Victorian department to ensure that if police take action to ban any publication of this sort in the future notification will be given to the Essendon news stall in the same way as it is given to other booksellers concerned.

#### RESTRICTIVE TRADE PRACTICES.

**Senator FITZGERALD.** — Can the Leader of the Government in the Senate advise me whether the statements of the Commonwealth Attorney-General, Sir Garfield Barwick, on proposed restrictive trade practices legislation has the approval of the Government? If so, when can we expect his Cabinet colleagues to come to the assistance of the Attorney-General and support his views against vicious press attacks and attacks from representatives of chambers of commerce and chambers of manufactures? Further, can the Minister advise when the restrictive trade practices legislation is likely to be introduced in the Parliament or whether the proposed legislation will be discarded in view of the opposition I have mentioned?

**Senator Sir WILLIAM SPOONER.** — I like the note of chivalry in Senator Fitzgerald's question about coming to the assistance of the Attorney-General. If there is one member of the Cabinet who does not need assistance it is that same Attorney-General. He is quite able to withstand whatever shafts fortune may shoot at him. The position with the restrictive trade practices legislation is that the Government looked at the matter and left it to the Attorney-General to produce his proposals in outline and then take such action as he thought desirable to make certain that wide publicity was given to them. It was also left to him to consider the problems and the methods of approach to those problems. That is the same procedure as the Attorney-General followed with other legislation which he successfully put through the Parliament and implemented. That is what is happening at the present time. The Attorney-General has made information available. He is listening to comments,

criticisms and approval, and when he thinks the time is proper he will bring forward his final views on the matter.

#### WESTERN AUSTRALIAN COMPREHENSIVE WATER SCHEME.

**Senator DRAKE-BROCKMAN.** — Does the Leader of the Government in the Senate recall my question to him on 16th May last about Western Australia's submissions to the Commonwealth for financial aid to extend the comprehensive water scheme in that State? Has the Minister seen a recent press statement in Western Australia that the Commonwealth will now send a team of officers to Western Australia to examine more closely the State Government's submissions? If this statement is correct will the Minister inform the Senate whether this team has in fact been sent and, if so, what progress has been made? Can the Minister say whether it is the Government's intention that these Commonwealth officers should visit the areas involved in the submission and hear evidence from farmers?

**Senator Sir WILLIAM SPOONER.** — I remember Senator Drake-Brockman raising this matter at question-time previously. At that time I told him that the Commonwealth had declined to make financial assistance available for this proposition. The Premier of Western Australia has recently re-submitted the proposal. Discussions took place with him and at present the Commonwealth is reviewing its earlier decision. It is making further investigations. These investigations are being made, of course, by professional officers with a knowledge of the matter. I do not know what will be the actual procedure. I do not know whether or not the officers will interview certain people. I should think that the right thing would be to allow the officers to make their inquiries in the way they think is best calculated to enable a further analysis of the proposal.

#### APARTHEID.

**Senator SANDFORD.** — My question is directed to the Minister representing the Minister for External Affairs. In May this year the Minister for External Affairs said that he had received a letter from the chairman of a special committee of the United

Nations seeking information on the manner in which the Australian Government proposed to apply the resolution adopted by the United Nations last November on the subject of apartheid. The Minister said that he was then considering his reply. Has a reply been sent and, if so, will the Minister make it available to honorable senators? If not, when will the reply be sent?

**Senator GORTON.**—I am not sure whether or not a reply has been sent, but I shall make inquiries to see whether a reply has been sent or, indeed, whether any reply is contemplated. The matter to which the honorable senator refers is a resolution of the United Nations General Assembly. It is a resolution that was opposed at the time by Australia and by a large number of other countries. The reasons for the opposition were given fully at the meeting of the United Nations General Assembly. There seems to be no reason why those reasons for opposing the resolution should be restated to some so-called apartheid committee. That generally is Australia's approach to this matter, but I shall see whether any particular answer has been sent.

#### OIL SEARCH.

**Senator SCOTT.**—I preface a question to the Minister for National Development by stating that in last year's Budget an allocation of £5,000,000 was made available to subsidize the oil search industry of Australia. Has a similar amount been made available in this year's Budget? As the total money provided last year was not spent will the Minister give me an assurance that if the amount allocated this year is exceeded extra money will be found to honour the Government's promise to subsidize the search for oil in Australia?

**Senator Sir WILLIAM SPOONER.**—The Budget appropriation this year for oil search subsidy is £5,000,000. That is the amount which the officers of the Department of National Development estimate to be necessary to subsidize the operations that are in contemplation. I can give no assurance that if that amount is exceeded a further appropriation will be made; that is beyond my capacity. I give the assurance that, if circumstances warrant, like Oliver Twist I will ask for more.

#### NORTHERN DEVELOPMENT AUTHORITY.

**Senator WHITESIDE.**—My question is directed to the Leader of the Government in the Senate. Did the Government reject a request from the Queensland and Western Australian governments, in 1959-60, for the establishment of a northern development authority? Have Queensland and Western Australia renewed their request, and has it been considered by the Government?

**Senator Sir WILLIAM SPOONER.**—I shall answer the second part of the question first. No request has been made to the Commonwealth Government by the governments of Queensland and Western Australia for the establishment of a northern Australia development commission. The only information I have is that which I have read in the newspapers.

I answer the first part of the question with some reservation. This matter has a long history. There have been discussions with each of the State governments separately, but I do not think there has ever been a joint request. If I am proved to be wrong in that respect, I shall be willing to correct what I have said. It is difficult to keep all the circumstances in mind.

#### PAPUA AND NEW GUINEA.

**Senator CORMACK.**—My question is addressed to the Minister for Civil Aviation in his capacity as Minister representing the Minister for Shipping and Transport, or the Minister representing the Minister for Territories. In view of the increasing value of ships and cargoes, and therefore the need for harbours to be equipped with leading lights and fairway lights that are up to the standard recognized at well administered harbours, will the Government consider replacing the leading lights in Madang Harbour in New Guinea which now consists of some 200 empty gin bottles which are wired to an old gate and hung between two palm trees? Also, will the Government consider replacing a fairway light which now consists of an empty gin bottle which has silver foil inside it and which is wired to a palm tree in order to catch the flash of the light on the coast watchers' memorial?

**Senator PALTRIDGE.**—I shall have to refer this question to both the Minister for Territories and the Minister for Shipping

and Transport. I confess that, although I was in Madang recently, I did not notice the condition of the navigation lights as described by Senator Cormack. I shall have an inquiry made and see that the honorable senator is informed as quickly as possible.

### WOOL.

**Senator COOKE.**—Has the Minister representing the Minister for Primary Industry noted a statement that was made in evidence before the Committee of Economic Inquiry by the Australian Woolgrowers and Graziers Council to the effect that high production costs and falling prices had reduced the profits of the grazing industry to a point where the growth of the industry was barely perceptible, and that as a result the industry could fall into a state of stagnation? Is he aware that it was actually stated that the grazing industry, particularly the wool section, was faced with a situation where, although it was capable of a yearly expansion of 4 per cent., profits were so low that adequate re-investment was impossible and that over the last five or six years the rate of growth had been reduced to 2 per cent.? Does not the Minister regard that as being a very serious state of affairs and one which affects the Australian economy? Is he aware that this state of affairs was pointed out to the Government twice by the Opposition—when the economics of the wool industry were being investigated and when the Australian Wool Board was established? Does the Government not think that steps should be taken urgently to correct the situation which has been shown to be developing? If the Government has taken any such steps during the past five years, what were they?

**Senator WADE.**—I have not seen the statement to which Senator Cooke has referred and therefore I am not competent to comment upon it. However, I am able to inform the honorable senator that the Government is fully alive to the problems which face the wool industry. It is aware that the industry is the greatest earner of income overseas for Australia. As recently as the occasion of the presentation of the last Budget the Government declared that it was prepared to make substantial contributions to the industry to ensure that it would

become buoyant and prosperous. I suggest that the subsidy of £3 per ton for superphosphate will give the wool industry a great shot in the arm.

The honorable senator has suggested that I might enumerate some of the contributions which the Government has made to the industry during the last five years. To do so would take many hours. I have not the necessary time just now. If Senator Cooke has a real interest in some of the forms of assistance that the Government has given to the wool industry, may I remind him of the marvellous results that have flowed from the onslaught of myxomatosis and of all the refinements in wool and woollen fabrics that have been achieved by the Commonwealth Scientific and Industrial Research Organization. The Government has made so many contributions to the industry that I could not do them justice by talking about them off the cuff.

### COAL.

**Senator ORMONDE.**—On 22nd March, the Leader of the Government in the Senate presented to the Senate a report issued by the Coal Utilization Research Advisory Council. Can he now tell us when the Government proposes to act on this report, if at all?

**Senator Sir WILLIAM SPOONER.**—Negotiations are proceeding with the various States. The Commonwealth has sent to the States a copy of the report and the outline of a proposal which it thinks might be satisfactory. The States have replied to that correspondence and officials are now discussing the matter, which is very complicated. The organization proposed could assume one of a number of forms; there could be variations of the direct recommendations. As I indicated earlier, the matter is being hammered out by officers of my department, officers of the Joint Coal Board and officers in the States that are interested.

### TRADE.

**Senator BISHOP.**—I address my question to the Minister representing the Minister for Trade. Has the Government considered recent statements which appeared in the "Overseas Trading" and which

were made by Mr. M. J. S. Knowles, the Australian trade commissioner in Djakarta, who expressed the view that Australian businessmen had lost many opportunities for Australian exports in that area? Mr. Knowles suggested that there was a need for personal contact with Indonesian buyers and also a consortium approach from Australia to the Indonesian market to correct this situation. What action, if any, is contemplated by the Government to organize or assist in marketing in Indonesia, in view of the trade commissioner's comments?

**Senator Sir WILLIAM SPOONER.**—It is very difficult to give a detailed reply to Senator Bishop. I have not seen the statement. We must start on the basis that Mr. Knowles is the trade commissioner in Djakarta and he has a responsibility to direct public attention to situations which he thinks could lead to an improvement in trade. I have no doubt that his statement was made with the approval of the department in order to give publicity to things that might be done and that the department is following up the matter.

If I were to risk my memory, I should say that comparatively recently a trade mission went to Indonesia. So many trade missions are going from Australia nowadays to prospective markets that I cannot remember them all. It would be part of departmental policy to direct attention to things that could possibly be done, supplemented by the efforts of the department, to achieve the desired results.

#### OVERSEAS INVESTMENTS IN AUSTRALIA.

**Senator CANT.**—My question is directed to the Minister representing the Minister for Primary Industry. In view of the great demands that are made on primary industry as our principal export income earner to produce enough to meet the expense of our imports and dividends paid overseas on foreign investment, I ask the Minister whether he supports the view put forward by the Deputy Prime Minister that the inflow of foreign investment should be controlled, or subscribes to the view of the Treasurer that all and any investment is welcome here on any terms.

**Senator WADE.**—I suggest, with great respect, that the honorable senator has

quoted neither correctly nor in their entirety the statements made by the Deputy Prime Minister and the Treasurer, both of whom have declared that they welcome foreign investment and appreciate its value. The Deputy Prime Minister has raised a point that has concerned him for some time. He has said that he is concerned that some types of investment take over established businesses in this country without bringing here any added know-how or skills. He argues that that is not in the best interests of Australia. He also emphasizes that that kind of investment is a small segment. As a general principle, he welcomes the inflow of capital.

#### COAL.

**Senator MURPHY.**—My question, which is addressed to the Minister for National Development, relates to the report of the Coal Utilization Research Advisory Committee which has already been mentioned by Senator Ormonde. Was that report made to the Minister on 20th March, 1962? Does the Government intend to carry out the recommendation of the committee that a national coal research council be constituted? What steps have been taken by the Government to implement the recommendation that Australian coal industry research laboratories be established?

**Senator Sir WILLIAM SPOONER.**—I do not know the date of the report. I placed the report before the Commonwealth Government, which approved it. The Government also approved of the provision of funds necessary to carry out the scheme. The report was then circulated to all State governments, with the proposals that the Commonwealth had evolved. All the State governments have had the Commonwealth proposals. Some have written back accepting them, and others have proposed variations. This is not an easy matter to deal with. The Commonwealth desires to go ahead with the proposals, and I think that most State governments also desire to do so, but it may take a little time yet to negotiate them through to finality. It is inherent in the matter that there should be national research laboratories. That is the basis and that is the objective.

## HOSPITAL AND MEDICAL BENEFIT FUNDS.

**Senator ORMONDE.**—I ask the Minister for Health: Does he favour the present advertising campaign being conducted by the Hospitals Contribution Fund of New South Wales for new members? Does the Minister not feel that a campaign of the kind which the fund is waging is highly unethical and unfair to the funds run by the friendly societies of New South Wales?

**Senator WADE.**—I suspect that there are two suggestions in the honorable senator's question, one being related to the cost of the campaign and its effect on contributors' funds, and the other to the ethical aspect to which he has referred. In answer to the first suggestion, may I say that the Commonwealth Government has no direct control over the costs of newspaper advertising by any benefit organization, nor, for that matter, has it control over any of the individual costs of administration of the organization. However, Government policy places limitations on the overall costs of administration of the funds. In this regard, the costs of the Hospitals Contribution Fund of New South Wales are, and have been in the past, below the set limits. Section 82 of the National Health Act lays down certain requirements in regard to advertising which are designed to protect the public against any form of misrepresentation. I assure the honorable senator that in this regard my department is continually examining newspaper publicity emanating from the various fund organizations to ensure that they do not offend against or breach the act.

## STANDARDIZATION OF RAIL GAUGES.

**Senator O'BYRNE.**—My question is addressed to the Minister representing the Minister for Shipping and Transport. In view of the answer given earlier to Senator Lillico's question about Tasmania being left out of the Budget, I wish to suggest a way in which I believe Tasmania could be helped. Because of the spectacular improvement in the times taken by trains to travel between Melbourne and Sydney over the newly constructed uniform gauge line and the 100 per cent. increase in freight carried on that line since the new

era, will the Government consider extending the 4 ft. 8½ in. gauge from Spencer-street station, Melbourne, to the "Princess of Tasmania" terminal, thus providing for more rapid access by rail for Tasmanian products to the markets in Adelaide, Sydney and Brisbane?

**Senator PALTRIDGE.**—One never ceases to be astonished by the nature of the requests that are made to the Commonwealth Government. The honorable senator has referred to a railway line which is a part of the Victorian railway system. It is owned by the Victorian Government and has been so owned ever since there was a railway system in Victoria. It would seem that if a request is to be made for an extension of the standardization work, such as that suggested by the honorable senator, it should come from the Victorian Government, since that government has knowledge not only of its requirements but also of the technical and operational difficulties and problems which would have to be overcome. The plain fact is that no such request has ever been made to the Commonwealth Government by the Victorian Government, and until such time as a request is received from that government no consideration will be given to the proposal.

## PUBLIC SERVICE.

(Question No. 1.)

**Senator McCLELLAND** asked the Minister representing the Minister for Labour and National Service, upon notice—

1. How many applications lodged by Public Service unions for hearing by the Public Service Arbitrator or his assistant remain unheard?
2. When was the first of such unheard applications filed?
3. What is its likely date of hearing?
4. When was the last of such applications filed?
5. What is its likely date of hearing?
6. What is the average period of delay between the filing of the application and the date of determination?
7. What is the total number of public servants covered by undetermined applications?
8. Will the Minister give consideration to appointing at an early date another assistant to the Arbitrator to expedite the clearing up of any backlog of applications?

**Senator GORTON.**—The Minister for Labour and National Service has provided the following reply to the honorable senator's questions:—

I do not think that I would be doing justice to the situation if I were simply to give a set of figures as an answer. This could give quite a misleading impression. What has to be remembered is that in respect of applications to the Arbitrator quite often negotiation and discussion takes place between the parties involved towards settlement before the applications come before the Arbitrator formally. Therefore, it is misleading to assume that when a claim is lodged with the Arbitrator it lies in his office until its turn comes to be heard. Amongst other things, much depends on the extent of objections to the claims and the procedural steps desired by the parties. Again, on many occasions determination of one claim or group of claims results in the quick settlement of related claims and when this occurs order of lodging the claims is not relevant.

Having said that, I think it will be understood that the position which might seem to be indicated by numbers of applications "outstanding" and dates of filing does not present the gloomy picture that one not versed in the procedures involved in the Arbitrator's jurisdiction might see from them.

At 8th July of this year, 71 applications lodged by the Public Service unions remained unheard. The first of these was filed on 13th November, 1961. The last of the unheard applications was filed on 21st June, 1963. Dates for hearing these two matters have not yet been fixed.

I should emphasize, however, that until the issue of the determinations affecting the salary margins of Fourth and Third Division members of the Commonwealth Service on 6th and 28th June, respectively, virtually all Commonwealth public servants could be said to have been covered by undetermined applications. Now, however, only a small proportion of public servants is affected by existing undetermined applications. Perhaps the largest single group falling within this category are the members of the Second Division of the Public Service who number approximately 390.

As I have said, mere numbers of applications current do not necessarily indicate that undue delay will be involved in dealing with them. This is particularly true when a number of applications is directed towards the same goal as was recently the case with a large number seeking increased margins.

I have given this matter very close consideration, and I see no reason for considering any special measures to cope with the Public Service Arbitrator's list.

## PRODUCTIVITY INDEX.

(Question No. 6.)

**Senator WRIGHT** (through Senator Dame Annabelle Rankin) asked the Minister representing the Prime Minister, upon notice—

1. Has the Australian Council of Trade Unions made an application to the Government to evolve

a productivity index? If so, does this imply that that body intends that the index should be used for wage adjustment?

2. Over the past ten or twelve years during which this matter has been the subject of technical consideration, has the Commonwealth Statistician prepared any studied paper on the subject? If not, will the Government arrange for him to do so?

3. In either event, can arrangements be made for such a paper to be tabled in the Senate for the Senate's information?

**Senator Sir WILLIAM SPOONER.**—The Prime Minister has supplied the following answers to the honorable senator's questions:—

1. The president of the Australian Council of Trade Unions has proposed the development of a productivity index.

2 and 3. Over many years, Commonwealth Statisticians have investigated the problems involved in compiling a productivity index, but have found no reliable means of doing this. The first problem is to find some means of measuring the quantity of national production, and then some means of measuring the quantity of labour and capital used in production would be required. There are no generally accepted methods for such measurements, and in most countries, as in Australia, official investigations are still in the experimental stages.

The following published works in this field are available:—

"Indexes of Volume and Quantum"—Sir Stanley Carver, Economic Record, October, 1954.

"The Meaning of Production Indexes"—Dr. F. B. Horner, Economic Record, March, 1961.

"Prices, Quantities and Values"—Sir Roland Wilson.

A paper read before the Economic Society of Australia and New Zealand (Victoria) 1937.

"Facts and Fancies of Productivity"—Sir Roland Wilson—published by the Economic Society of Australia and New Zealand, 1947.

A summary of an Australian submission to the Statistical Commission of the United Nations, on the methods commonly adopted to measure "changes in the physical volume of industrial output", is contained in the publication "Addendum to Indices of Industrial Production" issued by the Statistical Commission in April, 1949. (Reference E/CN.3/61/Add.1.)

On 1st July, 1963, the Commonwealth Statistician issued a new publication "Australian National Accounts", which contains estimates of gross national product expressed in constant prices, together with an explanation of these estimates. This will add to knowledge of the subject but, as pointed out in the publication, there are problems involved in the compilation and use of these estimates.

The material referred to is available in the Parliamentary Library.

## COMMONWEALTH DEVELOPMENT BANK.

(Question No. 12.)

**Senator CAVANAGH** asked the Minister representing the Treasurer, upon notice—

1. How many loans of less than £1,000 have been advanced by the Commonwealth Development Bank during the financial year, and how many over £1,000?

2. How many applications for industrial loans under £1,000 have been made over this period and how many for more than £1,000?

3. What advice and assistance have been given to small industrial undertakings during this period in accordance with section 72(b) of the Commonwealth Banks Act?

4. How many loans of less than £1,000 have been made during the last financial year, in accordance with section 73 of the act, to industrial undertakings not having the security for such loans, and how many over £1,000?

**Senator Sir WILLIAM SPOONER.**—The Treasurer has supplied the following answer to the honorable senator's questions:—

The following information has been provided by the Commonwealth Banking Corporation:—

1 and 2. The Commonwealth Development Bank's classification of loans and applications for loans is not such as to enable the bank to provide the information sought in relation to loans of £1,000 or less. Owing to the nature of the Development Bank's charter and operations, loans of £1,000 or less are infrequent and most applications to the bank are for more than £1,000. Information is available, however, in respect of net approvals of loans of less than and more than £2,000. The Development Bank has provided the following figures of net numbers of loans approved for the year ended 30th June, 1962:—

—	Rural.	Industrial.	Total.
Up to £2,000	..	620	9
Over £2,000	..	1,701	197
		2,321	206
			2,527

3. In the course of investigating proposals from applicants, the technical staff of the Development Bank gives such advice and assistance as is appropriate to the individual cases. In addition, the bank provides scholarships for management study and training and for post-apprenticeship courses in various trades. It also makes grants to bodies and organizations to assist in research and the study of problems relating to secondary industry.

4. While the Development Bank has regard to an applicant's prospects of success, as required

by the act, it nevertheless expects a borrower to provide reasonable security where he is in a position to do so. In some cases, security falls well short of the amount that would be considered adequate by normal banking standards. However, it would be virtually impossible to give, even after the most extensive research, an accurate answer to the question asked.

## MAN-MADE FIBRE PIECE GOODS.

Tariff Board Report.

**Senator HENTY** (Tasmania—Minister for Customs and Excise).—I lay on the table of the Senate a report by a special advisory authority on the following subject:—

Man-made fibre piece goods.

## NUCLEAR TESTS.

**Senator GORTON** (Victoria—Minister for the Navy).—I lay on the table of the Senate the following papers:—

Text of Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water.

Statement by the Minister for External Affairs on the ratification by the Australian Government of the Nuclear Test Ban Treaty, dated 15th August, 1963.

**Senator VINCENT** (Western Australia) [4.15].—I move—

That the papers be printed.

I ask for leave to continue my remarks at a later stage.

Leave granted; debate adjourned.

## JAPANESE TRADE AGREEMENT.

**Senator GORTON** (Victoria—Minister for the Navy).—I lay on the table the following papers:—

Agreement on commerce between Australia and Japan—

Text of Protocol amending 1957 Agreement together with Agreed Minutes and Letters, dated 5th August, 1963, exchanged between the Minister for Trade and the Japanese Minister for Foreign Affairs ad interim.

Text of Agreement incorporating amendments provisionally agreed to on 5th August, 1963.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [4.16].—I move—

That the papers be printed.

I ask for leave to make my remarks at a later stage.

Leave granted; debate adjourned.

**AUDITOR-GENERAL'S REPORT.**

**The DEPUTY PRESIDENT** (Senator McKellar).—I lay on the table the following paper:

Audit Act—Finance—Report of the Auditor-General accompanied by the Treasurer's statement of receipts and expenditure for year 1962-63.

**LEAVE OF ABSENCE.**

Motions (by Senator Sir William Spooner)—by leave—agreed to—

That leave of absence for one month be granted to Senator Wright on account of absence overseas.

That leave of absence for three months be granted to Senator Buttfield on account of absence overseas.

Motion (by Senator McKenna)—by leave—agreed to—

That leave of absence for three months be granted to Senator Tangney on account of absence overseas.

**STATES GRANTS (ADDITIONAL ASSISTANCE) BILL (No. 2) 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Paltridge) read a first time.

**Second Reading.**

**Senator PALTRIDGE** (Western Australia—Minister for Civil Aviation) [4.21].—I move—

That the bill be now read a second time.

The purpose of this bill is to authorize payment to the States in 1963-64 of an additional assistance grant amounting to £20,000,000. As with the similar grants made to the States in 1961-62 and 1962-63, it is proposed that this payment should take the form of a non-repayable interest free grant both to the financial assistance grants being made to the States under the States Grants Acts of 1959 and 1962 and the State works and housing programmes for which the Commonwealth has undertaken to arrange finance in the current financial year.

At the Premiers' Conference and the Australian Loan Council meeting held in June last, the Commonwealth announced that, in addition to supporting a borrowing programme of which £272,000,000 is for

State works and housing in 1963-64, it would make available to the States a non-repayable additional assistance grant of £20,000,000 for expenditure on employment-giving activities. In offering again a grant of this type to the States, the Commonwealth Government had in mind that it would enable the States to provide jobs in areas where employment opportunities were not as readily available as elsewhere or where more general measures to sustain and improve employment conditions might not be fully effective.

The Commonwealth made it clear that, providing the over-riding purpose of the grant was kept in mind, it would have no objection if the States passed portion of the moneys allocated through their Consolidated Revenue Funds. It was not intended that the way in which a particular State used its grant should affect, adversely or favorably, its position in other respects. The State Premiers accepted the Commonwealth's offer and agreed to consult with the Commonwealth Department of Labour and National Service as to particular directions in which this money should be expended.

The total grant of £20,000,000 is to be divided between the States in proportion to their borrowing programmes for works and housing in 1962-63. The amounts to be paid to individual States, which are shown in the schedule to the bill, are as follows:—

State	Amount		
	£	£	£
New South Wales .. .. ..	6,408,000		
Victoria .. .. ..	5,140,000		
Queensland .. .. ..	2,400,000		
South Australia .. .. ..	2,762,000		
Western Australia .. .. ..	1,882,000		
Tasmania .. .. ..	1,408,000		
	<hr/> 20,000,000		

With the expected increase in the financial assistance grants of £14,000,000 and the increase of £17,000,000 in the borrowing programme for State works and housing, the addition of £2,500,000 to this grant for 1963-64 will make available to the States in the current financial year nearly £34,000,000 more than last year from Commonwealth sources. I commend this bill to honorable senators.

Debate (on motion by Senator McKenna) adjourned.

**SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) BILL 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Paltridge) read a first time.

**Second Reading.**

**Senator PALTRIDGE** (Western Australia—Minister for Civil Aviation) [4.24].—I move—

That the bill be now read a second time.

The main purpose of this bill is to grant certain new exemptions from sales tax and to reduce the rate of tax on some other goods. In addition, there are provisions which simplify the application of certain existing exemptions by making them unconditional. Details of the goods affected are set out, for the convenience of honorable senators, in a statement which is being circulated.

The principal new exemption is that which relates to foodstuffs. As is well known, the main foodstuffs for human consumption have been exempt for many years. These exemptions are now being widened so as to cover all other foods for human consumption, apart from confectionery, beverages and cordials. Examples of the kinds of foods which now become exempt are shown in the explanatory statement. The exemptions now granted should have an appreciably beneficial effect upon the family budget.

The existing exemption of paper bags and wrapping materials of a kind used to wrap up and secure goods for marketing or delivery has been extended to include polythene film products and metallic foil. The exemption as now expressed will include aluminium foil of a kind used domestically for culinary purposes and for the wrapping of food.

An anomaly has been removed by extending the existing exemption of certain classes of containers used in the marketing of non-alcoholic beverages, so as to cover similar containers used in marketing cordials. Exemption is being granted in respect of adhesives for use in the attachment of wooden floorings in buildings. A new exemption of fork lift trucks which are

used by shipowners in loading and unloading roll-on roll-off ships will be of assistance in facilitating the handling of cargoes on the waterfront.

In accordance with the provisions of the Status of Forces Agreement between the United States Government and the Australian Government, certain exemptions are being granted in respect of goods for the use of United States personnel. Certain national safety councils and road safety councils have hitherto enjoyed exemptions of goods for their use. This exemption is being widened so as to cover other non-profit organizations established and maintained to promote safety on roads, in industry or elsewhere.

Tractors and base metal materials of a kind used in manufacture and building construction are being made exempt in all circumstances. This action will relieve vendors of such goods of the inconvenience of having to obtain certificates from purchasers in support of claims for the restricted exemptions previously available in respect of these classes of goods.

Sales tax on household goods in the form of silver-plated ware is being reduced from 12½ per cent. to 2½ per cent., so as to place these goods on the same level as other comparable household goods made of earthenware, stainless steel or chromium-plated material. Similarly, the rate of tax on floor rugs and mats made of fur skin has been reduced to 2½ per cent., so that they will have the same treatment as other domestic floor coverings. This reduction is designed to cover floor rugs and mats made from skins of kangaroos and cattle, which are thus placed in the same sales tax category as sheepskin rugs and mats.

Wireless receiving sets are taxed at the rate of 25 per cent., and this has applied in the past regardless of the type of set and the use to which it is put. There are very expensive types of wireless receiving sets which are used in the conduct of public commercial telecommunications services. It is inappropriate that equipment of this kind should be subjected to the 25 per cent. rate of tax, and the tax is being reduced to 12½ per cent. on these goods.

Certain loopholes for evasion of tax are being removed by means of minor restrictions of existing exemptions. At present, the law authorizes exemption of goods

imported from Norfolk Island. This was intended to apply to goods produced in that territory but, in its terms, the exemption actually covered goods imported into Norfolk Island and then sent to Australia. This is a weakness in the law which has recently been exploited by a company established at Norfolk Island. Using air services, the company has imported into the island goods such as cameras, transistor radios, jewellery, watches and binoculars and has sent them to customers in Australia who thus obtained them free of tax. The amendment now proposed restricts the exemption to goods which are the produce or manufacture of Norfolk Island and which are of a kind which would be exempt from sales tax if produced or manufactured in Australia. This amendment takes effect in respect of goods imported into Australia on and after 14th August, 1963.

The exemption relating to re-imported goods covered by customs tariff item 401 has also been reviewed. Exemption has been obtained under this provision in a number of cases in respect of motor vehicles of Australian manufacture which were exported to places such as Singapore, free of Australian sales tax, and were purchased there, as new vehicles, by or for Australians who were able to bring the goods back into Australia again on a tax-free basis. The exemption was never intended to apply in this manner and motor vehicles are, therefore, being specifically excluded from its scope.

Action has also been taken to revise the terms of sales tax exemption item 121 which, in its present terms, applies to cathode ray tubes covered by customs tariff item 181 (j)(1). When the exemption item was so drafted it applied only to television picture tubes which were subject to a high duty. The relevant tariff item has, however, since been widened to cover certain other cathode ray tubes which bear a low duty only. The sales tax exemption item is now being amended to ensure that it applies only to television picture tubes as intended.

The bill also includes drafting amendments designed to eliminate redundant matter and to bring references in the sales tax law up to date. As previously announced, the various amendments are effective on and from 14th August, with some few exceptions in which minor con-

cessions have been granted in anticipation of amendment of the law, and for which an earlier date of commencement is specified in the bill.

The estimated loss of revenue involved in these amendments is £12,000,000 for a full year and £9,500,000 for 1963-64. I commend the bill to honorable senators.

Debate (on motion by Senator Cant) adjourned.

#### **SALES TAX ASSESSMENT BILL (No. 5) 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Paltridge) read a first time.

#### **Second Reading.**

**Senator PALTRIDGE** (Western Australia—Minister for Civil Aviation) [4.33]. —I move—

That the bill be now read a second time.

The main purpose of this bill is to bring up to date the Sales Tax Assessment Act which provides the machinery for the collection of tax at the customs in respect of the importation of goods by users or consumers, or by merchants for sale by retail. The bill also provides for refunds of sales tax in particular circumstances.

Sales tax payable upon the importation of goods is collected by the Department of Customs and Excise and it is necessary to ensure that, in many respects, the sales tax law and procedures are kept in conformity with comparable customs duty provisions and procedures. This bill is designed to achieve such uniformity having regard to certain recent developments.

The basis upon which tax is to be paid upon goods which are subject to tax at the customs is set out in section 4 (2.) of Sales Tax Assessment Act (No. 5) 1930-1953. In relation to goods re-imported into Australia after having been sent overseas for repairs with the approval of the Minister for Customs and Excise, it is specially provided in that section that the taxable sale value of the goods upon their re-importation shall be the sum of the value for duty of the goods and the duty payable thereon.

Because of a change in customs procedure whereby goods to which the provision should apply may now be sent out of Australia for repairs without the approval of the Minister for Customs and Excise, that provision is no longer of any effect. It is proposed to amend the sales tax law so that the original intention may continue to be implemented. The proposed amendment is also intended to give effect to the original intention that the taxable sale value in these cases shall be determined by reference to the value of repairs only and not the value of the goods as a whole.

The bill also includes provisions relating to the temporary importation of goods into Australia, free of sales tax, but subject to security for such tax, under the Carnet system. The latter system has already been explained to honorable senators in connexion with a bill to amend the Customs Act so as to incorporate therein provisions, similar to those in the present bill, to give legislative authority to the Carnet system for customs purposes. The Carnet system is not new but the existing provisions of the sales tax law regarding temporary admission of goods are not adequate to cover the system as it has now developed.

As indicated earlier, the bill will also authorize refunds of tax paid at the Customs on goods which are subsequently rejected as unsatisfactory by the importer and are subsequently destroyed under Customs supervision. This follows upon a recommendation of the Customs Co-operation Council, of which Australia is a member, that all member nations should refund duties and taxes paid on such goods. It is proposed that this sales tax amendment shall be effective on and from 1st January, 1963, the date from which refunds of Customs duty paid in respect of such goods have been made under the Customs law.

Apart from the foregoing matters, the bill merely includes certain drafting amendments which are designed to eliminate obsolete provisions and to bring up to date an obsolete reference to the Minister of State for Trade and Customs.

I commend the bill to honorable senators.

Debate (on motion by Senator Cant) adjourned.

## CUSTOMS TARIFF BILL (No. 2) 1963.

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Henty) read a first time.

### Second Reading.

Senator HENTY (Tasmania—Minister for Customs and Excise) [4.35].—I move—

That the bill be now read a second time.

The bill now before honorable members proposes amendments to the Customs Tariff 1933-1963 and comprises six schedules, each schedule having a different date of commencement. In the main, the tariff changes are based on recommendations arising out of Tariff Board reports and reports by special advisory authorities. However, a number of changes of an administrative or drafting nature also occur, but these do not affect rates of duty payable.

For the benefit of honorable senators I will outline briefly the subjects dealt with in each schedule. The First Schedule imposes protective duties on electrical capacitors and additional temporary duties on phthalic esters other than cellulose acetate phthalate. On capacitors the Tariff Board has recommended protective duties somewhat higher than those ordinarily accorded, with a view to enabling the industry to improve its competitive position during the next two years when the protective needs of the industry will again be examined. The temporary duty on phthalic esters, which are used mainly in the plastic industry, is imposed on the recommendation of a special advisory authority. It will remain in force only until the Government has received and considered the report of the Tariff Board on the industry.

The Second Schedule gives effect to the Government's decision on the Tariff Board's report on peanuts, peanut oil and other edible vegetable oils. The Tariff Board recommended that assistance be given the production in Australia of peanut oil and olive oil in part by duty and in part by bounty. The peanut oil duties set out in the schedule are those recommended by the board. However in lieu of the assistance by way of bounty recommended by the board, the Government is using a by-law

arrangement by which purchasers of local peanuts are granted duty-free admission of an agreed quantity of imported peanut oil. The increased duties on olive oil will provide assistance to the local industry wholly by duty, instead of by duty and bounty, at the level recommended by the Tariff Board.

The Third Schedule proposes tariff amendments made following reports by the Tariff Board on—

Air-cooled internal combustion piston engines not exceeding 10 brake horse-power, and Paper and paperboard.

Local manufacturers of small internal combustion engines, which are used mainly in lawn-mowers, have been assisted against import competition since October, 1961, by temporary additional duties. The Tariff Board has found that local manufacturers are now geared for production of a new type of engine and that the existing normal duties will provide adequate protection for efficient producers. The temporary duties have therefore been removed.

The Tariff Board's examination of the important and complex Australian paper industry has resulted in a very comprehensive report. To summarize briefly the board's findings, the ordinary tariff protection recommended is generally at a higher level, but not as high as the combined ordinary and temporary duties in many of those cases in which temporary duties had been imposed. In other cases, however, as in the case of certain "fine" papers, the new duties are at a higher level than the combined normal and temporary duties operative prior to 19th April, 1963.

The Fourth Schedule will give effect to the Government's decision on reports by the Tariff Board on chicory and textile handkerchiefs. Higher ordinary duties are proposed for these goods. The Fifth Schedule provides for concessional entry of certain goods as approved in consequence of the signing of the Status of Forces Agreement between Australia and the United States of America.

The Sixth Schedule implements recommendations by the Tariff Board on certain measuring controlling and recording equipment and on fuel injection equipment and nozzle testing outfits. Increased duties are provided for certain measuring controlling and recording equipment for use in steam raising or furnace applications. Further

increases of duties will follow the completion of international negotiations. In its report of fuel injection equipment and nozzle testing outfits, the board concluded that assistance to the production of the goods covered by its reference was not warranted. The duties on these goods have been reduced to free under the British preferential tariff and 7½ per cent. otherwise.

Also included in the Sixth Schedule are certain amendments providing for tariff concession on calcium carbide accorded by Australia during the General Agreement on Tariffs and Trade "open season" negotiations. Other amendments complete the implementation of the Tariff Board's recent recommendations on soya bean flour which had been deferred pending international negotiations. The remaining amendments are of a drafting nature and no change of rates is involved.

I commend the bill to honorable senators.

Debate (on motion by Senator O'Byrne) adjourned.

#### **CUSTOMS TARIFF (CANADA PREFERENCE) BILL (No. 2) 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Henty) read a first time.

#### **Second Reading.**

Senator HENTY (Tasmania—Minister for Customs and Excise) [4.43].—I move—

That the bill be now read a second time.

This bill proposes a number of amendments of the Second Schedule to the Customs Tariff (Canada Preference) 1960-1963. This action is complementary to that being taken in Customs Tariff Bill (No. 2) 1963.

I commend the bill to honorable senators.

Debate (on motion by Senator O'Byrne) adjourned.

#### **CUSTOMS TARIFF (NEW ZEALAND PREFERENCE) BILL (No. 2) 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Henty) read a first time.

**Second Reading.**

**Senator HENTY** (Tasmania—Minister for Customs and Excise) [4.45].—I move—

That the bill be now read a second time.

This bill proposes a number of amendments of the Schedule to the Customs Tariff (New Zealand Preference) 1933-1963. This action is complementary to that being taken in Customs Tariff Bill (No. 2) 1963. I commend the bill to honorable senators.

Debate (on motion by Senator O'Byrne) adjourned.

**CUSTOMS TARIFF (FEDERATION OF RHODESIA AND NYASALAND PREFERENCE) BILL 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Henty) read a first time.

**Second Reading.**

**Senator HENTY** (Tasmania—Minister for Customs and Excise) [4.46].—I move—

That the bill be now read a second time.

This bill proposes a number of amendments of the schedule to the Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1960-1962. This action is complementary to that being taken in Customs Tariff Bill (No. 2) 1963. I commend the bill to honorable senators.

Debate (on motion by Senator O'Byrne) adjourned.

**EXCISE TARIFF BILL 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Henty) read a first time.

**Second Reading.**

**Senator HENTY** (Tasmania—Minister for Customs and Excise) [4.47].—I move—

That the bill be now read a second time.

This bill proposes a number of amendments of the Schedule to the Excise Tariff 1921-1962. This action is complementary to that being taken in Customs Tariff Bill (No. 2) 1963. I commend the bill to honorable senators.

Debate (on motion by Senator O'Byrne) adjourned.

**CUSTOMS TARIFF BILL (No. 3) 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Henty) read a first time.

**Second Reading.**

**Senator HENTY** (Tasmania—Minister for Customs and Excise) [4.48].—I move—

That the bill be now read a second time.

The bill now before honorable senators proposes amendments to the schedule to the Customs Tariff 1933-1963. The bill comprises four schedules with each schedule having a different date of commencement. In the main, the tariff changes are based on recommendations arising out of reports by the Tariff Board and reports by special advisory authorities. However, a number of changes of a drafting and administrative nature also occur, but these do not affect the rates of duty payable.

For the benefit of honorable senators, I will outline very briefly the subjects covered by the bill as they appear in each schedule. The First Schedule provides for tariff changes in regard to drafting machines, iron and steel chains and penicillins and streptomycin. On drafting machines increased protective duties now apply to a greater range of instruments than previously.

The new rates on iron and steel chain are somewhat lower than the combined ordinary and temporary duties formerly in operation in respect of most sizes and types. Higher duties are imposed on penicillins and streptomycin in place of the temporary quantitative restrictions which had applied pending receipt of the Tariff Board's report and consideration of its recommendations.

The proposed changes in the Second Schedule implement the Tariff Board's recommendations for increased protection on towels and towelling of types made in Australia, and on fabrics of terry, huckaback and honeycomb weaves. Other types, including tea towels and towelling, may qualify for admission at non-protective rates.

In the Third Schedule, the proposed changes are based on recommendations of the Tariff Board on screens and sieves for ore processing and similar equipment, pins, carpenters' planes, narrow woven fabrics

and processed polyamide and polyester yarns. On wedged wire screens and sieves for ore processing some reduction in the protective duties has been made. Other changes made include a reduction in the most-favoured-nation duties on certain other sieves and screens to comply with a commitment entered into during international negotiations. Pins, carpenters' woodworking planes, wholly or principally of metal and plane irons have become dutiable at higher protective rates of duty.

The Customs Tariff is being amended to make waterwaved ribbons dutiable at rates similar to those applying to ordinary ribbons. This follows the Tariff Board's finding that imports of waterwaved ribbons are competing against ordinary ribbons of Australian manufacture. Processed continuous filament nylon and terylene yarns are made subject to a temporary duty of 25 per cent. ad valorem following recommendations by a special advisory authority. The temporary duty is additional to the former rates of free British preferential tariff and 12½ per cent. most-favoured-nation.

The Fourth Schedule proposes a temporary duty, following a report by a special advisory authority, of 1s. per lb. on plastic-coated fibre-glass yarn with provision, under by-law at the existing rates of duty, for the importation of one lb. of imported yarn per every two lb. purchased from local production.

In conclusion, I invite the attention of honorable senators to the summaries of tariff alterations which have just been distributed. The changes involved will be found set out in some detail, including the previous rates, those now proposed, and the reasons for the changes. I commend the bill to honorable senators.

Debate (on motion by Senator O'Byrne) adjourned.

#### **CUSTOMS TARIFF (NEW ZEALAND PREFERENCE) BILL (No. 3) 1963.**

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Henty) read a first time.

#### **Second Reading.**

Senator HENTY (Tasmania—Minister for Customs and Excise) [4.53].—I move—

That the bill be now read a second time.

The amendment proposed by this bill provides a variation in the rate of duty on wedged wire screens and sieves being parts for screening and sieving machinery of New Zealand origin. This action is complementary to that being taken in Customs Tariff Bill (No. 3) 1963. I commend the bill to honorable senators.

Debate (on motion by Senator O'Byrne) adjourned.

#### **INTERNATIONAL ORGANIZATIONS (PRIVILEGES AND IMMUNITIES) BILL 1963 AND ASSOCIATED BILLS.**

International Organizations (Privileges and Immunities) Bill 1963.

International Development Association Bill 1963.

International Finance Corporation Bill 1963.

International Monetary Agreements Bill 1963.

World Health Organization Bill 1963.

Suspension of Standing Orders.

Motion (by Senator Gorton) by leave—agreed to—

That so much of the Standing Orders be suspended as would prevent the questions with regard to the stages for the passage through the Senate of all the following bills, namely—

International Organizations (Privileges and Immunities) Bill 1963.

International Development Association Bill 1963.

International Finance Corporation Bill 1963.

International Monetary Agreements Bill 1963.

World Health Organization Bill 1963.

being put in one motion, at each stage, and the consideration of all such bills together in committee of the whole, and as would prevent the reading of the short titles only on every order for the reading of the bills.

Bills received from the House of Representatives.

Standing Orders suspended.

Bills (on motion by Senator Gorton) read a first time.

#### **Second Readings.**

Senator GORTON (Victoria—Minister for the Navy) [4.56].—I move—

That the bills be now read a second time.

The first and principal bill, to which I shall devote most attention, reviews the law governing the granting of privileges and immunities in Australia to international organizations and to persons connected with the activities of those organizations. It also contains provisions enabling privileges and immunities to be conferred upon persons attending international conferences held here otherwise than under the auspices of an international organization.

As honorable senators will be aware, there is already on the statute-book an International Organizations (Privileges and Immunities) Act which was passed in 1948 and amended in two respects in 1960. That act has, however, proved to be unduly restrictive in its operation. For instance, it enables privileges and immunities to be conferred on an international organization only if there is a convention on the privileges and immunities of that organization to which Australia has acceded. In fact, however, there are instances where the subject of the privileges and immunities of an organization is dealt with not in an international convention which is open to accession by member States, but in some other form of instrument. Also, whilst the present act contains provisions regulating the unauthorized use of the name, seal or emblem of an international organization, such provisions apply only where the use is in connexion with the pursuit of some trade, business, calling or profession.

The bill proposes that the present act should be repealed, and that the privileges and immunities properly to be extended to international organizations in Australia should be reviewed and restated. In proposing such a review, the Government has felt that the opportunity should be taken to give the Parliament a greater degree of control over the kind of privileges and immunities which may be conferred. Under the present act, regulations may be made to give effect to any international convention on the subject to which Australia has acceded. The regulations could, provided that they give effect to such an international convention, be unlimited in their scope and subject only to the procedures for disallowance of regulations which now prevail.

The bill, on the other hand, in clause 6, when read in conjunction with the schedules, proposes that the Parliament should lay

down very clearly the upper limits, so to speak, of the privileges and immunities which might be conferred by the regulations upon international organizations and persons connected with those organizations in the capacities described. The details of the privileges and immunities to be conferred on specific organizations and specific classes of persons must, as a matter of practical convenience, be left to the regulations because of the special circumstances to be found in every organization; but if the maximum limits within which the regulations may be made are laid down by the Parliament, a substantial degree of parliamentary control over the making of regulations will have been achieved.

Another general feature of the bill is that it will, for the first time, cover the whole field of the privileges and immunities of international organizations in the one piece of legislation. At present, the subject is dealt with in a number of acts. The International Organizations (Privileges and Immunities) Act deals with the subject to some extent, but there are also general provisions on the matter in, for example, section 23 of the Income Tax and Social Services Contribution Act, and item 373 of the Customs Tariff. Further, the privileges and immunities of some international organizations are at present dealt with in specific acts quite apart from the International Organizations (Privileges and Immunities) Act. Thus the Air Navigation Act contains provisions relating to the privileges and immunities of the International Civil Aviation Organization, and the International Finance Corporation and the International Development Association Acts contain provisions relating to the privileges and immunities of the International Finance Corporation and the International Development Association respectively.

All this makes it difficult for any one to ascertain the position in relation to the privileges and immunities of any particular organization or of international organizations in general. The principal bill and the regulations made thereunder are intended to cover the whole field. The other four bills introduced together with the principal bill are consequential on that bill and provide for the omission from certain acts of provisions authorizing the conferring of privileges and immunities on certain organizations by regulation. These four bills will

not, however, be brought into force until appropriate regulations are made under the principal bill in relation to the organizations concerned. Other amending bills will follow in due course.

Honorable senators might ask why it is that international organizations and persons connected with those organizations should be accorded privileges and immunities in the territory of a member State. There are, however, compelling reasons in favour of the principle. These were set out with considerable clarity in a memorandum which the International Labour Organization prepared in 1945—I.L.O. Official Bulletin, Vol. 27, No. 2, page 199—and may be stated in three general propositions.

In the first place, it is essential that an international organization should have a status which protects it against control or interference by any government. An organization established by the nations of the world, and controlled by organs on which all member nations are represented, is entitled to expect—and its member nations are entitled to expect—that in the performance of its functions on behalf of the international community it will not be frustrated by interference on the part of any individual government. It can only be effectively protected against such possibility if it, and the persons working for it or attending its meetings, are accorded certain privileges and immunities. Secondly, certain exemptions from the fiscal laws of member States are justified on the ground that no one State should obtain financial advantages by imposing charges on assets contributed by the States which are members of an international organization.

Thirdly, it is an established rule of international law that each State in the conduct of its official business in another State is accorded certain facilities and immunities which are necessary to enable it to carry on its lawful business without hindrance. An international organization being, so to speak, a collectivity of individual States, and engaging in activities not dissimilar from those of a governmental character, if it is to achieve its purposes can quite legitimately expect to be given those privileges and immunities which in international law and practice States accord to each other.

Even without resorting to these arguments, it is not going too far to say that it

is now a recognized feature of international life that international institutions and persons engaged in the work of such institutions may expect to receive a privileged status in any State in which they are operating. The subject is dealt with in several important international conventions. The earliest—and the prototype for the others—is the Convention on the Privileges and Immunities of the United Nations which was drawn up at the first session of the United Nations General Assembly, in 1946, as one of the earliest acts of the then new organization. It was followed the next year by the adoption at the second session of the United Nations General Assembly of the Convention on the Privileges and Immunities of the Specialized Agencies. To both of these conventions Australia is a party, and there are several other international conventions dealing with the privileges and immunities of other international organizations to which the Government is contemplating becoming a party.

In all of these—and I cannot stress this too strongly—it is expressly stated that the privileges and immunities are conferred by member States not for the personal benefit of any individuals but solely in the interests of the organization, to enable it to perform its functions. They also lay upon the appropriate agencies the duty to waive their immunities in any case where a claim to immunity would impede the course of justice, and where immunity can be waived without prejudice to the interests of the organization. The philosophy behind the whole subject is thus very clearly established as one of functional necessity—the privileges and immunities are necessary if the organization is to function effectively.

The schedules to the principal bill describe the privileges and immunities which may be conferred by the regulations, as well as the classes of persons upon whom privileges and immunities may be conferred. The provisions of the schedules follow very closely those of the international conventions on the subject to which I have just referred. I invite particular attention to the fact that the jurisdictional immunities which may be conferred upon individuals are, except in the case of the executive heads of organizations, their deputies, and a few other persons holding very high rank, confined to immunities in respect of official acts. This

is very much less than full diplomatic immunity, and, as I have said earlier, is justified in order to ensure that the activities of international organizations may be carried on without interference on the part of governments. Immunity is, moreover, as I have pointed out, to be waived whenever this can appropriately be done.

The bill, in clause 9, contains provisions relating to the privileges and immunities of the judges and officials of the International Court of Justice and of persons engaged in the business of the International Court of Justice. The statute of the court, to which Australia is a party by reason of its membership in the United Nations, provides that the judges of the court when engaged on court business shall have diplomatic privileges and immunities, and that the salaries and emoluments of the judges and of the registrar of the court shall be free of all taxation. In addition, the United Nations General Assembly, on 11th December, 1946, passed a resolution—No. 90—on this subject. The clause is designed to enable effect to be given in Australia to the provisions of the statute of the court and of the resolution to which I have just referred. It will be noted that the privileges and immunities which may be conferred are confined to privileges and immunities in respect of acts and things done in the course of the person's official duty in connexion with business of the court.

It has also been considered desirable that the bill should contain provisions to restrict the unauthorized use of the names, seals and emblems of international organizations. Resolutions of the United Nations General Assembly and of the controlling bodies of other international organizations have recommended this course to member States, and the Government considers that effect should be given to these resolutions in Australia. Clause 12 of the bill deals with this subject. It would make it an offence to use for commercial purposes, without ministerial permission, the name or an abbreviation of the name, of a prescribed organization. Also the unauthorized use of the seal or emblem of an organization for any purposes would be forbidden, and ministerial approval would be required before any association might use the name, an abbreviation of the name, the seal or the

emblem of any prescribed international organization for the purposes described in sub-clause 2 of clause 12. It is, however, proposed that it should be made clear that a person using an abbreviation of the name of a prescribed organization is not to be convicted of an offence against the clause if such use occurs in circumstances where it is unlikely to imply any connexion with the organization. It is also proposed that no proceedings under the section are to be instituted except with the written consent of the Attorney-General.

I mentioned at the outset that the bill contained provisions which would enable privileges and immunities to be conferred on persons in Australia for the purpose of attending international conferences held here otherwise than under the auspices of an international organization. There have been several important conferences of this nature held in Australia, such, for example, as the Antarctic Treaty Consultative Conference in 1961 and the Anzus Council meeting in 1962, and doubtless there will be more. Clause 7 of the bill would enable diplomatic privileges and immunities to be conferred on the representatives of the governments and their staffs attending such conferences. It would also enable jurisdictional immunities to be accorded to the members of the secretariats of such conferences in respect of their official acts.

The principal bill, in short, seeks to provide a more adequate framework to enable the recognized privileges and immunities to be conferred in Australia on international organizations, on persons engaged in activities connected with such organizations and on persons participating in international conferences held here other than under the auspices of an international organization. I commend all five bills to honorable senators.

Debate (on motion by Senator Cohen) adjourned.

#### BUDGET 1963-64.

Debate resumed from 13th August (vide page 17), on motion by Senator Paltridge—

That the following papers:—

Civil Works Programme 1963-64;

Commonwealth Payments to or for the States 1963-64;

Estimates of Receipts and Summary of Estimated Expenditure for year 1963-64;

**Expenditure—**

Particulars of Proposed Expenditure for service of year 1963-64;  
 Particulars of Proposed Expenditure for Additions, New Works and other Services involving Capital Expenditure, for year 1963-64;

Government Securities on Issue as at 30th June, 1963;

Income Tax Statistics;

National Income and Expenditure 1962-63—  
be printed.

**Senator KENNELLY (Victoria) [5.11].—**

I move—

At the end of the motion add the following words:—"but while approving of such benefits as are contained in the Budget, and particularly those for primary producers and social service beneficiaries, the Senate condemns the Government for its failure to make adequate provision for defence, education, housing, health, social services and northern development. The Senate is also of opinion that the Government's failure to provide for full employment and for increases in child endowment, which has remained stationary in respect of the second and subsequent children since 1948, is wrong and unjust".

In considering the Budget, one is bound to look at the economic circumstances in which it has been presented. There can be no doubt that the economy has not yet recovered from the disastrous action of the Government in 1960, when it imposed the credit squeeze. There are definite signs that such recovery as has occurred is now petering out. What are those signs? First, to a large extent, the increase in economic activity had the purpose merely of accumulating stocks, an activity which can hardly be continued once stocks have reached a sufficiently high level. According to the White Paper on National Income and Expenditure, in 1961-62 stocks fell by £117,000,000, whereas in 1962-63 they rose by £147,000,000.

This total increase of £264,000,000 in business activity between the two years therefore was due largely to a factor which I think none of us would say could continue to operate for long. Secondly, there have been signs of a diminishing rate of growth during recent quarters. According to estimates made by the "Financial Review", the rate of growth of the gross national product between the quarter which ended in June 1963 and the quarter which ended in June 1962, was only 6 per cent. The rate of growth in previous quarters was substantially higher, as is shown by the quarterly figures on national income.

Although this figure is based upon estimates there have been undoubted indications of a slowing down in the rate of growth in recent months.

Thirdly, such expansion in the economy as has taken place has depended to a disturbing extent on a revival in the demand for motor cars. This demand was curtailed dramatically by the credit squeeze applied in November, 1960. With the revival of the demand there was a huge backlog to make up, and the demand increased at a rate which will not be continued but is quite likely to be reversed. The truth of that statement can be seen in the fact that in Victoria recently 300 men were displaced by the Ford organization.

The fourth sign can be seen in the retail trade. Any one who has been to the large cities can see that there has been marked stagnation in the retail trade. If one speaks to the average retailer in Melbourne—apart from one big store—one still hears the cry that business is not good. Businessmen are fearful of the future. This has been brought about by the reluctance of people to spend because they are concerned about the possible actions of this Government. The people recall the stop-go measures that the Government has practised over the years, and this is evident from the tremendous increase in money in the savings banks. If people were happy with the economic position and had a feeling of confidence they would have spent much more than they have in recent months and would have thereby injected a shot into the economy.

In the employment field the most this Government can claim to have done in the past twelve months is to have barely absorbed the additions to the work force. I do not believe for one moment that the Government has indeed absorbed all the additional workers, and according to the latest figures 78,000 persons are out of work. In the term used in the 1930's, they are on the dole. In addition, a great many people have not registered for employment.

One of the greatest factors preventing the boom in the economy, within reason, that we all want is the great number of married women who have gone out of industry. I am not one who wants to see married women with children of tender age working in industry if provision can be made

otherwise for the home, with the women staying at home and carrying out the normal functions of housewives. But the Government has run the economy in such a way that inflation went haywire in the middle 1950's, and if the average home required a refrigerator, a washing machine, a television set and possibly a motor car, the money was found by the wife going to work. There has been a great diminution in the number of married women working in industry and consequently the spending on hire purchase is nowhere near as high as it would have been if confidence in the economy had been restored.

This is the background to the current Budget. Speaking figuratively—I do not consider either the Treasurer (Mr. Harold Holt) or the Government to be a mountain politically—the mountain has laboured and brought forth a mouse. I invite supporters of the Government to name an Australian newspaper that has stated that this Budget is a good one for the mass of the people. The newspapers include journals which have been the greatest supporters of this Government over the years—if one ignores one organization which has been off-side with the Government for the past couple of years. According to one large newspaper organization in Victoria, the Government is always in the right, but even that organization's publications have not expressed approval of this Budget. I do not know whether this change of front has been brought about by the Government's bad propaganda. Before the Budget was published it was hinted by the press that this, that and the other would happen. The speculation was so consistent that it might well be suspected that it arose from deliberately misleading leaks. The newspapers may be annoyed that they were misled. I do not know who misled them, but even they have found this Budget hard to swallow.

Supporters of the Government will have to face the people soon at a general election, and I am interested in the Senate elections in Victoria because the Minister for the Navy (Senator Gorton) and my good friend Senator Wedgwood will be among my opponents. A third candidate from the other side will be Senator Hannan, and I can tell him now that his road will be a rocky one.

**Senator Hannaford.**—That is wishful thinking.

**Senator KENNELLY.**—No, there are ways to achieve this quite easily. In the end, justice is always done, irrespective of what one feels. I ask the Government senators whether they are happy with what is proposed in this Budget. There is no doubt that Country Party members will be clapping their hands.

The Government has taken over another part of the policy announced by the Labour Party at the last election. It was proposed, as part of Labour's policy, to pay a bounty of £3 a ton on superphosphate. The Government was well aware of that proposal, but withheld the bounty from the farmers for as long as it could. The Government has decided now to pay it to them, but only so that it can have at least some chance of holding vital seats at the next election. In addition, rural producers have now been given a depreciation allowance of 40 per cent. in the first year. That is a benefit, but is it of as much benefit to the farmer as it is to the manufacturer?

**Senator Prowse.**—Do you object to that?

**Senator KENNELLY.**—I am not objecting to it; I am merely asking a simple question because I do not know where some honorable senators opposite stand on various matters. Does Senator Prowse support his leader, the Deputy Prime Minister (Mr. McEwen), or does he support the Treasurer? I believe that Country Party senators would agree to anything so long as they were assured that their names were given second place in Senate teams of three candidates. I do not want to hurt my friend, Senator Wedgwood, but I would have no objection at all if the second position in the Victorian team were given to a Country Party candidate. At least I would then be on better ground.

**Senator Prowse.**—What place did we get in Western Australia?

**Senator KENNELLY.**—I ask you what place you can expect in Western Australia at the next election.

I now come to the Budget. If any one can call this an inspiring document, I hope he will get up later and tell us whom it inspires. It gives no worth-while lead for increased national development. It overlooks the vital field of education. It gives

minimal sales tax concessions. Its income tax concessions favour the wealthy. It gives practically no incentive to develop our empty north. In fact, the increased contribution in this Budget for the development of the empty north is £1,000,000 a year for three years to build a jetty at Broome and £430,000 to extend the wharf at Darwin. An amount of £180,000 has been made for an animal research laboratory at Alice Springs. The total provision for 1963-64 is £1,600,000. Surely that is a paltry effort when one considers that the estimate of revenue for 1963-64 is £1,837,000,000. It is true that I have not taken into account in these remarks the normal expenditure on the Northern Territory, but all the provision that has been made for the development of the empty north is the amount I have mentioned.

Apart from those persons who are to receive increased social service payments, to which I shall refer later, possibly the only group that will benefit from this Budget is the farming community. According to the financial documents circulated, there could be a deficit this year of £309,000,000. It is true that that estimate does not take into account the loan raisings, and it is true also that the method of deficit finance may give some momentum to an economy which is still sick. The economy has not recovered from the Government's economic measures of 1960. This additional expenditure could result in rising prices. Although prices went up by only 1 per cent. last year, this method of deficit finance could cause further rises unless the Government is prepared to act to prevent large monopolies from increasing prices.

Honorable senators heard to-day a reply by the Leader of the Government in the Senate (Senator Sir William Spooner) to a question about the presentation of the bill to deal with restrictive trade practices. From the way the Attorney-General (Sir Garfield Barwick) is proceeding with the preparation of that bill it appears that we will all be some years older before we see it. I do not know when, if ever, he will be able to do what I believe he is attempting to do, that is, find a solution that will not affect any of his friends. I believe that there is only one way for a responsible Minister of a responsible Government to act. He should make up his mind, submit

a bill to Parliament for discussion, and ride or fall with it. Is it to become the practice in the National Parliament that before a Minister submits a bill that could be controversial he gives it, or statements concerning it, an airing for a year, or sometimes longer? It seems that we will not see that bill until the Minister feels that the climate is suitable and that he is not standing on the toes of his supporters. I fail to see that such an attitude shows the courage or knowledge that is expected of one who holds a responsible position in this nation.

The Governor of the Reserve Bank of Australia, Dr. Coombs, directed attention some years ago to the high degree of monopolization in industry in Australia and its domination of our prices policies. I think all honorable senators, and particularly those who come from New South Wales, remember that not long ago prices for petrol purchased by local government bodies were in question. When those bodies called for tenders all oil companies tendered at the same price. The local government bodies knew that this was not normal tendering procedure and were not satisfied with the prices quoted, so they approached a new oil company. If my memory serves me correctly, the prices at which they were able to buy both super grade and standard grade petrol were even lower than the prices paid for them by the Commonwealth. Unless these large monopolies are curtailed they will always be likely to seek every opportunity to increase prices.

According to the White Paper on National Income and Expenditure, company income for 1962-63 was £771,000,000 compared with £696,000,000 in the previous financial year. I say again that, unless effective restrictive trade practice measures are passed, it is likely that companies will take advantage of deficit financing to increase their already swollen profits. As a result of the passing of the new companies legislation in Victoria, the balance-sheets of many companies have been published for the first time. The newspapers gave to the readers of their financial pages the opportunity of examining those balance-sheets. I was particularly amazed at the tremendous profits being made by the American firms

which had bought out old-established Australian firms in Victoria, particularly in the food processing industry. I wonder how long the Government proposes to permit money to come into Australia for the purpose of buying out old-established industries. Surely the Government must heed what has happened in Canada. Later, I shall cite figures to show how much foreign companies are taking out of this nation.

Let us look at some of the measures proposed by the Government. It has proposed the abolition of sales tax on food. What would this mean to the average family, assuming that the benefit is passed on to the consumer? I believe that is a pretty big assumption. This morning, coming to Canberra in the aeroplane, I read some of the letters in the "Fifty-fifty" column in the Melbourne "Sun News Pictorial". I suggest that my friend and fellow Victorian, Senator Wedgwood, should read them. She will find that a lady from Malvern, I think it was, wrote a letter to say that while the price of cakes had fallen, the cakes were being made smaller. Therefore, in that instance, the manufacturer is getting the benefit of the removal of sales tax. I commend the letter to the honorable senator. According to the Melbourne "Sun News Pictorial", the average family will save 1s. 3d. a week on groceries as a result of the removal of the sales tax on foodstuffs. I do not think any one would contend that people will get rich by making that saving.

The Government has also proposed to remove the limit of £150 on medical expenses allowable as a deduction for income tax purposes. How many people pay £150 more in medical and hospital expenses than they have refunded to them from their benefit funds? I took the trouble, only yesterday, to find out the average length of time for which patients remained in one of Melbourne's leading public hospitals. Fortunately the information was easily obtained; it was included in a yearly report. I found that the average stay was 13.12 days—less than two weeks. When one considers how much of his hospital expenses the average patient is reimbursed in the form of hospital benefits one realizes that the cost of hospitalization to him or her would be about £25. Is it any wonder that I voice the opinion of the average person

when I say that this taxation concession is purely window-dressing on the part of the Government? If it helps any one at all, it helps the privileged few. I must, at least, give the Government credit for sticking to its friends.

Under the Government's proposals, the amount which may be deducted from gross income in respect of education expenses has been raised from £100 to £150 for each child. How many ordinary people will be able to claim that allowance? How many people who send their children either to State or denominational schools in my State will benefit from that concession? It is true that it will be a great benefit to those who can afford to send their children to boarding schools. They will benefit by the full amount of the allowance. This is another method which the Government has found to help those privileged people who least need help. These concessions are weighted in favour of those who need them least.

The Budget provides for no real assistance in respect of the most critical of our problems—the balance of payments. There are two main features of this problem. We do not export enough to pay for our imports. The following table shows in millions of pounds the value of our imports and exports for the past five financial years and the consequent deficits:

—	1958-59.	1959-60.	1960-61.	1961-62.	1962-63.
Imports ..	1,169	1,345	1,508	1,293	1,514
Exports ..	977	1,117	1,135	1,291	1,300
Deficit ..	192	228	373	2	214

All that we have done in order to balance our payments is to allow unrestricted foreign investment in this country. During 1958-59 new capital inflow amounted to £199,000,000; in 1959-60 it was £236,000,000; in 1960-61, £333,000,000; in 1961-62, £91,000,000; and in 1962-63, £288,000,000.

**Senator Wedgwood.**—Would you stop that capital inflow?

**Senator KENNELLY.**—We should not allow foreign capital to be brought into Australia to be used to buy out existing industries.

Sitting suspended from 5.45 to 8 p.m.

**Senator KENNELLY.**—Prior to the suspension I had stated the deficits in our overseas trading from 1958-59 to 1962-63 inclusive, and said that we balanced our overseas trading by unrestricted foreign investment. In order to keep the divisions of my speech in proper sequence, I again cite the net capital inflow for the years 1958-59 to 1962-63 inclusive. The amounts in round figures are £199,000,000, £236,000,000, £333,000,000, £91,000,000 and £288,000,000 respectively.

The balance-of-payments problem is aggravated by the increasing dividends that we have to pay overseas on the investments to which I have referred. These figures are interesting. In 1958-59 we paid £91,000,000; in 1959-60, £99,000,000; in 1960-61, £106,000,000; in 1961-62, £118,000,000; and in 1962-63, £117,000,000. During the period when we could have done with some of that money, after the credit squeeze in late 1960, overseas investment in this country was only £91,000,000, but we paid out £118,000,000 in dividends. I hope that the Leader of the Government in the Senate will permit us at some time to have a full-dress debate on this all-important question. While we may achieve immediate benefits under this system, we are building up disasters for the future. As instances, I cite Canada and—perhaps the best recent example—Cuba. I shall not go into the question of whether the Government of Cuba is right or wrong; I am talking only of investments.

Let me deal with the increases provided by the Budget in social service benefits. I am purposely leaving the matters of defence and housing to some of my colleagues, because time will not permit one to go into all of the questions that I listed in the amendment that I proposed. It is true that in the field of social services the Government has made some concessions, however small, to a limited number of beneficiaries. Those concessions will improve the standards of those persons who are fortunate enough to get them. The increases are welcome, even though belated.

I look forward to the near future, when Labour will be able to give to those who are most in need the entitlements that have been kept away from them for many years. I should like to draw a contrast between

social service benefits under this Government and the benefits that Labour, during the election campaign of 1961, said it would provide. If there are any persons who have been treated in a most unfortunate way by this Government, they are the mothers of the nation.

If the Government believes in child endowment, the least it should do is to restore the purchasing power of the money that the mothers receive. All that the Government has done in thirteen years is to introduce a payment of 5s. for the first child. Every one knows that if child endowment payments were to be brought up to date, they would be doubled. Prices have doubled since the Government introduced the payment of 5s. for the first child. In 1961, the Labour Party told the people that if we formed a government we would increase the payment in respect of the first child from 5s. to 10s., in respect of the second child from 10s. to 17s. 6d., and in respect of the third and subsequent children from 10s. to £1. This would be to give to the mothers nothing more than that to which they are entitled on the basis of what money will buy. If the Government believes in the principle of child endowment it should bring up to date the value of the payments.

The Government does not object to the principle of funeral benefit but it has never increased the payment. To-day the benefit is still £10, as it was in 1943. We shall bring it up to date. I come now to the maternity allowance. I suppose that this does not directly affect many of us in this chamber but those of us whose children have grown to parenthood are indirectly affected. Every one knows the costs involved to-day. When Labour rules, the benefit will be increased.

Make no bones about it: The Government just scraped in by its teeth at the last election. We are prepared, as our leader said, to take it on at any time, even before the Country Party can force the Liberal Party to gerrymander the seats. Have it whatever way you want.

The maternity allowance should be increased at least to £30 for the first child, £32 for the second child, and £35 for the third child. We are spending £9,000,000 or more a year in bringing people to this

country. Surely our first thought should be for the mothers of this country who have had a very raw deal since this Government has been in office.

It is true that the Budget proposes increases in benefits payable to all widows. Those increases are lower than Labour proposed in 1961. Now let me come to the gem—the provision relating to age and invalid pensions. The Government says that the single pensioner will receive an increase of 10s. a week. What about the married pensioner? Government supporters have said that he has enough on which to subsist at present. Why make a distinction between pensioners, whether or not they are married? The Government's arguments are shot through with inconsistencies. I honestly believe that this proposal is so bad that in a very short time the Government will alter it and increase the amounts payable to all age and invalid pensioners. The Government's proposal is based on the premise that all married pensioners are better off than single pensioners. Where is the proof of that? It has not been submitted. Single pensioners are classified by the Government as those unmarried, widowed, divorced or permanently separated from their spouses. Thus, any two single pensioners who live together to share expenses will get £1 a week more than will a man and his wife. A man and his sister—both pensioners sharing a house—will receive £1 a week more than the brother of the pensioner and his wife who may live next door. Is there justice in this?

That is not all. A widowed age pensioner living as a member of the family of one of his children will be entitled to a rental allowance plus the standard pension, giving him a total pension of £6 5s., while a married pensioner cannot receive more than £5 5s. The standard pension of £5 15s. will be paid to a single pensioner even if he has property to the value of £2,000 or other income up to £3 10s. a week, yet a married pensioner with no property, or no income except his pension, will be paid £5 5s. a week. A system such as this is full of inconsistencies and must create divisions, bitterness and resentment between groups where there should be none. I can imagine a married pensioner telling his spouse that he would be better off to the tune of £1 were they legally separated.

Naturally, I am not advocating such a thing; but why should these distinctions be made? There is no real basis for them. Had the Government decided to give this increase to single pensioners who were not earning the permissible income there might have been some reason for its action. I am not advocating such a thing, but all the Government has done is to pick out the single pensioner, widow or widower, and give him or her an additional 10s. a week whereas the married pensioner gets nothing extra. You cannot tell me that that is justice. I should like an honorable senator in reply to me to put up a case for this action on the part of the Government and to give the Senate reasons why there has been such discrimination between single and married pensioners.

Let me now look at what the Budget does in the field of national health. I have spent a lot of time reading through the Budget but I find that nothing whatsoever has been done in this field. In 1961 the Labour Party did not win the election although it received the majority of votes. It was only down by one seat—

**Senator Paltridge.**—You did not get the numbers.

**Senator KENNELLY.**—We will get them next time and the Government can have the election at any time it wants. Honorable senators opposite are not half so keen to talk about an election now as they were before this Budget was brought down.

**Senator Henty.**—You are whistling in the dark.

**Senator KENNELLY.**—No, I am not. Listen brother, after the shock you got at the last election your Government rushed in and did half the things that the Labour Party had proposed. Before the election even your leader said that it was impossible for Labour to do what it was promising, but in an attempt to rehabilitate itself with the people outside no party could have been faster than yours was in putting into effect, in this place and the other House, legislation that embodied the very things that Government supporters had said a month earlier were incapable of being done.

**Senator Mattner.**—Why moan?

**Senator KENNELLY.**—I am not moaning. I reiterate what my leader has already said. If Government supporters are proud

of this Budget let them fight in the place that matters. There is silence opposite that you could cut with a knife when I issue that challenge.

I like to hear my friend the Leader of the Government's laughter. He did not laugh so much on the fatal night of the last election. All he wanted to know then was how many Com votes Killen would get to win his seat and enable the Government to say in office.

**Senator Sir William Spooner.**—You wait until the next time.

**Senator KENNELLY.**—You wait until next time. The leader of my party has said that you can have an election when you want it. Is the Liberal Party waiting until the Country Party forces it to gerrymander the electorates? Are members of the Liberal Party frightened of members of the Country Party? The Liberal Party in Victoria, where I spend a lot of time at least knows where Labour stands, but up here the Liberal Party clings to the coat tails of the Country Party. Every one knows how the Liberal Party detests the Country Party politically. Why does it remain in coalition with the Country Party? Only because it wants to remain in office.

In the few minutes at my disposal let me refer to unemployment. After all the years that the present Administration has been in office, and after all that it has told us about prosperity being just around the corner, it is trying to sidestep the latest figures which disclose that there are 78,000 unemployed without counting those not registered and without counting the women who are out of industry but who in normal times would no doubt be working. The only reason why Government supporters are chirpy is that they are the only ones who can say when the election will be held. Thank goodness that in the normal way it cannot be delayed after December next year. Of course, under the Constitution, it could be put off until March of the following year, but whenever it comes the people will clearly demonstrate that they have had this Government.

Now to the latest episode in the story. Every one was hoping that there would be some semblance of a Budget that would at least give hope for the continued growth

of Australia. We hoped, as I said earlier, that something would be done about our empty north. Is it any wonder that some of us look a bit further than the north of this country? We want to be friendly with the nations up there, but it is rather silly for this party or any party to say merely that it wants to be friendly. It is always wise to be a little bit prepared in case we do not get the friendship that we want.

I only hope that the indifference of this Government in the fields of health and social services has been noted by the people of Australia. They now have a better chance to note it than they have had in the past, because the great friends of the Government—the members of the press—are expressing a view on this year's Budget which shows what the Government has not done. I am not very much concerned about what the attitude of the press will be in Victoria before the next election, because I am as certain as night follows day that it will stand where it has always stood. It may be reckless to prophesy the outcome of elections, but I believe that the people have had enough of this Administration. If this Budget is an example of the administration of this Government during the many years it has been in office, if the Government intends, as seems to be the case, to have a pool of unemployment, and if it intends to continue to treat matters of national importance in the way in which it has treated them in the past, I can only repeat what the Leader of the Opposition (Mr. Calwell) said in another place—if the Government wants to fight it out on the hustings, the sooner it does so the better.

**Senator Sir WILLIAM SPOONER** (New South Wales—Vice-President of the Executive Council and Minister for National Development) [8.22].—Mr. President, may I start by congratulating the Deputy Leader of the Opposition (Senator Kennelly) upon the early part of his speech? That part was carefully thought out and, if I may say so, was well delivered. But he fell from grace in the second part. With a degree of exuberance and optimism that I have not previously seen, he even ventured to prophesy that the Australian Labour Party would win the next election. We can follow this fiction to a certain

point, but the possibility of the outcome he has foretold is too much for our imagination to grapple with.

Let me reply to some of the points that were made by the honorable senator; one cannot reply to them all in half an hour. Senator Kennelly repeated the theme song that in drafting this Budget and on other occasions the Government has stolen or purloined the policy of the Labour Party. I remind the Senate that the cost of Labour's promises during the 1954 election campaign would have been £372,000,000; those made during the next campaign, £187,000,000; those made during the following campaign, £165,000,000; and those made during the 1961 campaign, £418,000,000. In its unavailing efforts to gain office, the Labour Party promised the sun, the moon and the stars. Indeed, there is hardly a policy that the Government could have pursued or anything it could have done which has not been the subject of promises made by the Labour Party during an election campaign.

The people of Australia are not concerned with the Labour Party's promises; they are concerned with what Labour would do if it were elected to office. Labour's promises will not count; what will count will be the possibility of increased taxation, the imposition of a capital gains tax, the re-introduction of federal land tax, and, pursuant to a new policy which is yet to be explained to us, the putting of nationalization into a side cupboard but having it foisted on to us by stealth through the development of government enterprises. We must add to that the craziest notion of all — the establishment of a nuclear-free zone. That is a policy which nobody but members of the Labour Party understands. Every other Australian wonders just how a responsible political party could put such a policy into operation. I repeat that the people of Australia are concerned not with what the Labour Party promises but with what Labour would do if it were ever to be returned to office.

I turn now to the next point of criticism mentioned by Senator Kennelly. He referred to what the Labour Party would do in the field of social services. The contest becomes one of promises versus performance. The Labour Party promises this and that. When Labour was in office

it applied 48 per cent. of the total revenue from income tax to social services, whereas in this Budget the Menzies Government proposes to apply 70 per cent. of the receipts of income tax to various forms of social services. Would Labour, when returned to office and when confronted with the fact that this Government had been doing the job as it should be done, live up to its promises?

Senator Kennelly criticized the proposal to pay pension increases only to single pensioners. That is being done on the advice of social workers throughout Australia who say that the best way in which to improve social service benefits is to give any increase to those who are most in need. Surveys have shown that unmarried pensioners have a greater need than those who are married. There has been no increase in the cost of living, but we propose to share the prosperity of the community by making this substantial increase in social service benefits. As I said a moment ago, we are paying those increases to that section of the community which needs them most — the widows and unmarried pensioners.

Senator Kennelly painted a picture to show what the reaction will be. If I know the people of Australia, the married pensioners will be very pleased to see that those who are not as well placed as themselves receive this substantial benefit. The honorable senator said that the proposed increase was not to be well spread. The fact is that 516,000 of a total of 786,000 pensioners will receive the increase. This is one of the very many good things that the Government has done and which will remain to its credit.

The Deputy Leader of the Opposition said that no provision had been made in the Budget to develop the empty north of Australia. All I can say is that he does not seem to have read the Budget papers, which are replete with such proposals. The great programmes that are being carried out in the north of Australia can be done physically only over a period of years. Over the last five years a total of £6,500,000 has been provided for the north of Western Australia. Of that sum £5,000,000 has been applied to the Ord River scheme, £1,200,000 for the provision of beef cattle roads, and £300,000 for the Derby jetty. The Government has undertaken to provide

an additional sum of £2,250,000 over the next three years for beef cattle roads, an additional sum of £500,000 in this next year and the year after for the Derby jetty, and an additional £3,500,000 during the ensuing three years for further developmental works in the north. That is £6,250,000 for the north of Western Australia alone. The story is the same in respect of the Northern Territory. This year, £1,200,000 is being provided towards a total programme of £4,750,000, in addition to £7,400,000 for works and services in the Northern Territory. The same situation applies to Queensland. This year, £2,500,000 is being provided as a part of a total programme of £8,300,000 for the construction of beef roads in the north of Queensland and the Channel country, as well as £7,250,000 for the development of brigalow lands.

These are works which are transforming the north of Australia. They are projects which are going ahead and are a sound foundation for the development of the north of Australia. The Deputy Leader of the Opposition does not notice these things going on. He says, in effect, "There is nothing in the Budget for the empty north". I say that the provision we are making represents one of the best contributions that have been made towards the development of the north. I have not included, in the information I have given, particulars of the tremendous mineral discoveries in the north of Australia which will really provide the foundation for the development of that part of the continent. Those discoveries are the result of policies which have been pursued by this Government since it has been in office, and of the basic surveys that have been made and the information gleaned. Those who now hold licences in the areas concerned are the first to admit that the information which has been provided has been made possible because the Government has expended money in speculative fashion. The basic exploration may or may not yield results. The Government has spent its money and has provided the best foundation in the history of Australia for the development of northern Australia on a sound basis.

Senator Kennelly went to town on unemployment, as most Labour Party speakers do. That is their theme. They hope for

nothing better than for unemployment to increase so that they may be able to criticize the Government on that account. There are two sides to every picture. Mr. President, you cannot have in any country, in any set of circumstances, everybody employed. You cannot have 100 per cent. employment.

**Senator Cavanagh.**—Mr. Chifley had it.

**Senator Sir WILLIAM SPOONER.**—Even Mr. Chifley admitted that impossibility in his public pronouncements. Mr. Chifley was a man of substance, a man of capacity. He was not foolish enough to adopt the line of argument that Senator Cavanagh apparently would have us adopt.

The point is: What is the margin to be allowed to cover illness, the moving of homes and all the domestic things that happen and which result in people being disengaged or not employed from time to time? I have adopted, and have quoted in this Senate on previous occasions, the view expressed by Mr. Monk, of the Australian Council of Trade Unions, a man whom everybody respects. He said that 1.5 per cent. was about the irreducible level of people seeking employment in Australia. I ask honorable senators to apply that percentage to the present situation in Australia, with a work force of 4,400,000. If we take 1.5 per cent. of that number, we find that it is approximately 66,000, by contrast with the present number of 78,000 registrations. In other words, in a work force of 4,400,000, the number is 12,000 higher than the target set by the leading personality in the trade union movement in Australia. There is such an attempt to work up an emotional issue on this subject that I think the position of the Labour Party has become tarnished throughout the community.

If honorable senators look at the figures that have been published in the last week, they will see that in three States of the Commonwealth the A.C.T.U. target to which I have referred applies, because the figures are 1.5 per cent. in Victoria, 1.6 per cent. in Queensland, and 1.6 per cent. in South Australia. I think that the Australian nation may look back with a good deal of satisfaction on the fact that, in the last decade, when we have had a population increase from 8,800,000 to 10,800,000, or an increase of 25 per cent., and an increase

in our work force from 3,400,000 to 4,400,000, there has been a great improvement in the real value of wages and their purchasing power. In those circumstances, I think that the nation has done well in that at no stage has there been a registration for employment greater than 2.8 per cent. of the work force. We should all be able to take a lot of satisfaction from the present situation in which registrations are down to 1.8 per cent., with a confident prediction on the part of the Minister for Labour and National Service (Mr. McMahon) that next month's figures will be even better.

Senator Kennelly had something to say about the influx of capital into Australia. All parties are agreed upon the wisdom of and the need for capital inflow into Australia.

**Senator Paltridge.**—All parties except the Australian Labour Party.

**Senator Sir WILLIAM SPOONER.**—As I understand Mr. Calwell, he has said that he welcomes overseas investment when it contributes to growth and prosperity. This is one of the difficulties that we have. I understand that Senator Kennelly also said that he welcomes overseas investment in Australia, with the qualification that existing industries are not acquired. The point I make concerning all the comments by Mr. Calwell on this subject is that he never makes any attempt to define what the correct proportion should be, or the extent of the evil of which he complains. He recognizes that we need overseas capital for our growth. He recognizes that it is basic that overseas investors should know that their capital is welcome here. He recognizes all the advantages. He cites one disadvantage, which we all acknowledge to exist—that the inflow of capital may result in the loss of Australian industries. But he makes no attempt to measure the degree of that disadvantage, or to assess whether it is real or illusory and whether it is actually operating to the detriment of Australia. If it is real—

**Senator Kennelly.**—It is real.

**Senator Sir WILLIAM SPOONER.**—Then why do you not give some figures relating to it? We have had no information from the Opposition in terms of the industries that have passed into overseas control, and what that amounts to when

we compare it with the great volume of money that is coming into Australia from overseas. There has been no examination of what happens when an Australian company is bought out, or of what the shareholders do with their funds. There has been no evidence to show whether they in turn re-invest their funds in some other Australian business.

No one would say that there is no problem in this respect, but on the other hand, I think that the way in which Australia has benefited from overseas investment would cause us to think carefully before we made any radical departures from the present policy, because the present policy on overseas investment, of course, is a pretty independent one. We give no guarantee of repatriation of profits, nor do we guarantee repatriation of capital. We give no undertakings that the interests concerned may do anything other than come into Australia subject to the existing tariff law and policy. We are receiving great benefit from the capital that we are getting at the present time. We want to be careful that we do not lose that great benefit unless we are certain that its detrimental effects are of such consequence as to cause radical alteration of our present policy.

I have spoken for longer than I thought I would in reply to Senator Kennelly's comments. I should now like to come back to the Budget. With respect to Senator Kennelly, he departed in some ways from the theme of the Budget. I think that, in a great matter like the Budget, everybody has his own personal approach. Everybody tries to summarize the Budget and evaluate it in his own way. I have looked at it and given it a good deal of thought, and I say that there are four principal objectives in this Budget. Those objectives run through the Budget and make up its theme. The first one is the stimulation of the already strong rate of national growth. The purpose and aim of the Budget is to stimulate the growth that is already occurring in Australia. That purpose becomes apparent when we look at the provision for increased immigration and when we see the great increase in the amounts of money that have been made available to the States for their works and housing programmes. It becomes apparent, also, when we see the manner in which additional moneys have

been made available to the savings banks for housing, and when we see, running through the Budget, the great developmental programmes which are being financed by the Commonwealth Government.

The next great objective of the Budget is to do what is possible to ensure that this growth takes place without increased costs or a decrease in the purchasing power of wages. That is a vital objective. We have to keep our costs within reason for the sake of the export trade. Unless we keep costs and prices level the benefits of what we are doing will not be reflected in higher living standards in Australia.

The third objective is to ensure that we get not only national prosperity but also higher living standards for Australians. We have the great task of developing the country, increasing our population, adding to our export income and ensuring that Australians themselves get the benefit of our prosperity. These benefits turn largely on holding costs, and we are doing our best in that direction. We are adding to social service benefits which now take such a high proportion of the total taxes paid by the people. We are giving tax concessions in various directions.

I thought Senator Kennelly was living in the past when he said that people of moderate means would not benefit from the increased tax allowance for educational expenses and from the higher deductions for health and medical expenses. There have been tremendous advances in living standards, and a substantial proportion of people in Australia on moderate incomes have children going to high schools and universities with the aid of bursaries provided by the Commonwealth Government. These tax concessions in respect of educational expenses will be of considerable importance to those people and so also will be the budgetary provisions for expenditure on health. Standards of living in Australia have risen and in times of illness, hardship or family trouble, Australian families will be able to ensure that those who are sick will get the benefit of the best medical attention available. I shall be surprised if the opinion expressed by Senator Kennelly that these items are not of much consequence has the support of the average Australian.

We are holding costs, we have improved social service benefits and we have eliminated the sales tax on foodstuffs. Senator Kennelly worked out that this last concession would mean only so much a week to the average family, but it will mean £11,500,000 spread over the Australian community—and that reduction in living expenses is a contribution of which any government might be proud. This is a step in the right direction to hold costs and to give the Australian people the benefit of higher living standards and our economic prosperity.

The re-arrangements in housing finance proposed in the Budget will be the basis for greater human happiness for the people of Australia. Superimposed on this provision is the Government's successful policy of maintaining full employment in Australia. It has done so in practical terms. I doubt very much whether the Australian Labour Party could improve on the present level of registrations for employment if the sad day ever arrives when Labour gains office.

The fourth objective, which perhaps I should have mentioned earlier, is the maintenance of our defence arrangements and the diplomatic front. The defence vote this year will be increased by over £30,000,000. This is the forerunner of the increases which will occur in subsequent years as our commitments are crystallized and our liabilities come forward.

I do not think it would be too much to say that the four objectives I have named are grand purposes. They are aims and objectives of which every Australian can feel proud. Every Australian can look forward with a sense of confidence, because what has happened since we have been in office illustrates that there can be confidence in the future as a result of this Budget.

I shall not be able to touch on all the matters to which I wanted to refer, but I wish to elaborate on the rearrangement of the finances available for housing. We propose to alter the formula under the Banking (Savings Banks) Regulations which now permit investments by the savings banks of depositors' funds in housing loans to not more than 30 per cent. of current balances of their deposits. This proportion is to be raised to 35 per cent. Other consequential

arrangements are made which will increase the limit in some circumstances beyond 35 per cent.

Vast sums of money are involved in this proposal. The amount involved is so substantial that I do not propose to state it, because if the newspapers deigned to report me on this matter they would publish headlines across the top of their pages about the big sums of money available for housing, and that would create a wrong impression. This rearrangement does not envisage a substantial sum of money to be invested overnight. The proposal applies to deposits in the savings banks under the control of the savings banks managements. The banks have a responsibility to their depositors and the banking administrators are experienced and skilled in the use of housing moneys. They will put this money to work as and when the demand arises and in the best interests of those seeking funds for housing and of the savings bank depositors. I hope that in the allocation of these additional moneys the savings banks will apportion a greater part of their funds for the use of building societies and also more than they have provided in the past to finance the purchase of old houses.

If the savings banks provide more money for building societies we will have in Australia, as this scheme develops, an infinitely better provision for housing than they have in the United States of America under the Federal Housing Administration, because building societies throughout Australia will be able to make advances which will be guaranteed by the State governments up to 95 per cent. of the value of the security. So, building societies with savings bank money and guarantees by the State governments will have substantial funds available to lend for the purchase of houses on comparatively small deposits. If more money is put into the financing of second hand homes we will have competition with the building of new homes on most expensive home sites, and this will have a retarding influence on costs, which are of tremendous significance to young couples venturing upon the purchase of their homes.

I finish on this note: This Budget is the latest of a series of budgets introduced by this Government. As in the past, the Budget tells a story of every Australian

industry going ahead and of progress in all sections of the Australian community. It is a record of the progress of Australia concurrently with rising standards of living for the average Australian. It is a record of which any Australian can be proud. It tells of an increase of 25 per cent. in our population over the past decade. It tells of a rising immigration target involving an increase in the population by immigration at the rate of 200,000 a year. This is at a time when the work force has been increasing by about 100,000 a year. Well over 1,000,000 homes have been built in Australia during the last decade. The number of people working in Australia has increased by more than 1,000,000 in the last decade. In recent years our exports have increased by 24 per cent. and their value now exceeds £1,000,000,000 a year. We are now twelfth in size as a trading nation, and we now sell to more than 200 countries.

All those achievements represent the crystallization of the policy which we formulated and which we implemented—a policy which recognizes that our growth and development turn so largely on increasing our export trade. The achievements illustrate the success that we have had in giving effect to that policy. There has been a great increase in the number of factories and a great increase in manufacturing industry, which is as vital as increasing our export income because it is to our manufacturers that we have to look so largely to provide employment for the additional people that we are bringing into Australia.

The mining and decentralization that are going on throughout Australia provide the material for another great story. I have notes with me which I have not had time to use but which trace the story of the growth and development of water resources in Australia over recent years. This is one of the most exciting by-passes in our story of national development.

I have mentioned before that in that time of prosperity we have done the fair thing by all sections of the Australian community. We are applying to social services a greater proportion of total receipts from income tax than was ever done previously in Australia's history.

Honorable senators opposite may talk and may argue and say that this social service should get priority over that social service, but the fact is that in the aggregate the amount that we have appropriated for social services is far greater than was ever within the vision or imagination of the Labour Party when it was last in office.

This is the story that this Budget carries for another year, which is to be another year of progress and development. We have prosperity at the moment as a foundation upon which to build for the future, and when the Deputy Leader of the Opposition says, "Let us go to an election", I say, "When that day comes, we will go to it with confidence".

**Senator COLE** (Tasmania—Leader of the Australian Democratic Labour Party) [8.53].—Mr. President, the Budget that has been brought in by the Government has confounded the critics as well as the Government's own supporters. Some people thought it would be an inflationary Budget; others expected it to be a deflationary Budget; but the literary gentlemen forecast an election Budget. I wonder why they forecast that it would be an election Budget. Why did they expect that the Government would desire an election at this time? Has the Government's path been as easy in the past as it is at present? I should say that the Government has had a very easy spin over the last eighteen months. There has been no chance of any rebellion within its own ranks. When a government has a great majority it can easily strike trouble; but this Government has been a rather concerted body and, I hope, has been working for the welfare of Australia.

If one looks at the records of the Parliament over the past eighteen months one will see that the opposition to the Government in this place and in another place has been practically negligible. I wonder why. The Opposition has been in the unfortunate position during the last eighteen months of wriggling out of the very awkward predicaments into which it has been placed by its outside masters. So far as I can see, this Government will go on unperturbed and it will not matter whether there is an election next month or in eighteen months' time.

**Senator Ormonde**.—It might make a difference to you.

**Senator COLE**.—That will be decided, I hope. I am not worried greatly. You can have an election now or in eighteen months' time. The amendment that has been submitted by the Deputy Leader of the Opposition (Senator Kennelly) is such an innocuous looking thing that I am sure he is not hoping to fight an election with it. I notice that all the fight has been taken out of this amendment compared with the amendment moved in another place, so I cannot see that the Opposition in the Senate really wants a fight on this Budget. I will support this amendment and one never knows—there might be such a thing as a double dissolution. We are quite willing to have a double dissolution and go to the people.

**Senator Scott**.—I do not think you will get much support from that side.

**Senator COLE**.—No, I will not get much support from this side, and I will not get much support on the other side, either.

**Senator Aylett**.—It is your last hope.

**Senator COLE**.—I do not think Senator Aylett should refer to the last hope.

**Senator Aylett**.—Your last hope would be a double dissolution.

**Senator COLE**.—Your last hope is coming up very shortly, too. Mr. President, why is it that the Labour Party through its Opposition in this place and the other place has no chance of winning an election? The Labour Party went very close to victory last time because the public did not really understand what could happen if a Labour government occupied the treasury bench. The Labour Party will have to give away its confused and archaic policies; it will have to give away its very firm adherence to those left-wing aims. In particular, it will have to cease its placid acceptance of support from Communist collaborators. Unless the Labour Party does so the Government will continue quite unperturbed. This is not good for the Government; it needs a shake-up every now and again. But if the Labour Party continues to follow the policies that I have mentioned, I am afraid it will be in a political wilderness until somebody or some organization can lead it to a more modern political consciousness.

Except for criticism from spokesmen from certain organizations, who expected so much and got nothing, I think this Budget has been accepted by the public with resignation. I do not blame the Government for this, but I think the feeling of resignation that is sweeping over the people is rather dangerous. It is leading them to ignore the present dangerous position in which Australia is placed. The philosophy of not worrying about the future but just caring for the present is growing. It is a very dangerous philosophy for our people if it means that we, as a small nation of Europeans in a very large land, are not prepared to make sacrifices for the future of this country. I believe that there is no political party which has a chance of governing and which is game to give a more exciting lead in order to safeguard us from the dangers that we can foresee are inherent in our position in this part of the world. The existing feeling of resignation could lead to a very fatalistic approach, based on the concept of let us enjoy to-day for to-morrow we die. So my greatest criticism of the Budget is of its stodginess, its lack of immediate purpose for the development of this country and its failure to provide for the proper defence of Australia.

I know it is correct, as the Minister for National Development (Senator Sir William Spooner) told us a few moments ago, that very large sums of money are being spent on development and expansion. I know there is to be a large intake of migrants. Many more houses are to be built. But, because of our geographic position in the Asian sphere of influence, those measures are not sufficient. As we know, the deadly aim of Communist China is to encompass all of South-East Asia, including Australia. So the Government's present aim is still too limited for the circumstances in which Australia is placed to-day.

I know that the Government's measures for expansion and development could be considered as very good if we had the time in which to carry them out. But in view of our present circumstances and the necessity to safeguard our well-being, I say that the Government is adopting a too stodgy attitude. We are hedged in, to a certain extent, by money restrictions. It is said that we cannot afford various things.

I say that those things are necessary to our expansion and development. For our expansion and development all that we need is the necessary man-power and hard work. Any national credit that can be used for this great expansion work will be repaid, in a financial sense, a hundred-fold in the future. The extent to which such measures would repay Australia in ensuring our immediate and future security indeed is inestimable. However, it does not seem that either the present Government nor any other government, in the foreseeable future will take this wide view, perhaps because of political considerations or perhaps, due to the idea that we have many years in which to develop this country. I wish we had. Then I would consider that what the Government is doing at the present time is good. However, I take the view that we have to do things now, in a hurry. Although I am hopeful that the Government will do something along the lines that I have suggested, and quickly, it does not seem likely that it will do so.

Let us look at the narrower confines of this Budget. I would say that it is quite a good housekeeping budget. There is to be no excessive luxury spending. Everything provided for is good, plain, wholesome fare. As I have said, if we had an uninterrupted period in which to complete our development this Budget would enable such leisurely progress to be made, with a continuing rise in the standard of living. It will do that during the present period. But that is not what I am looking for. Although the Budget contains certain anomalies that need to be corrected I still say that, under the conditions I have mentioned, it would be a very good budget.

Let us look, first of all, at the defence proposals in the Budget. It is very good to see that the Government has discarded its old idea of providing a fixed sum of £200,000,000 for defence year after year. At last, the Government is realizing that it has to do something worth while about the defence of this country. What it proposes is only a little, but it is better to do a little than to do nothing. Let us hope that this little is not too late. Pro rata, we are still not spending on defence nearly as much as is spent by Great Britain or the United States of America. On a pro rata

population basis, Great Britain spends about twice as much as Australia does on defence. The United States of America would spend, on a pro rata basis, three times as much on defence as we spend. So, there is plenty of room for sacrifice by the people of this country in order to increase defence expenditure so that our future can be made more secure.

I would say that the first thing that we need to do, in relation to defence, is to increase the number of potential defenders of this country. Young men and women should receive basic training so that, in time of need, they can quickly be brought to a peak of efficiency for the defence of this country. The Australian Democratic Labour Party believes that a national service training scheme, more realistic than the last scheme, should be introduced without delay. Certain people said that the last national service training scheme was of no value whatsoever. If it did no more, at least it raised both the physical and social standards of our young people in those days. Let us hope that the Government will do something along those lines.

**Senator Scott.**—Would you have national service training if the defence chiefs did not want it?

**Senator COLE.**—Branches of the Returned Servicemen's League all over Australia are desirous of re-introducing national service training. The defence chiefs have not consulted me in the matter. The Army must have at least three pentropic divisions—we need those to safeguard this country—and the staff for another two pentropic divisions. Much is being done in relation to the Navy. I am very pleased that the Minister for the Navy (Senator Gorton) is doing as much as he possibly can with the money that is available to increase naval strength. One arm upon which we must depend and which must be strengthened is anti-submarine defence. I am very pleased that the Government is giving that matter consideration.

Of course, the expansion of the Royal Australian Air Force is most important. Australia is a large country and we need to be able to shift arms and munitions very rapidly from one place to another in the event of attack by conventional means. We must get out of the minds of the people

an idea that was placed in them by some very foolish people and which was accepted by the Labour Party a few months ago, that is, that Australia can exist in the future as a nuclear-free zone. If there is anything more stupid than that idea, I do not know it. I cannot understand from where such an idea could possibly come, unless it was intended to sabotage the future of this country.

A nuclear-free zone would leave us open to attack. Australia is very, very weak in its defence at present, mainly because we have not the money to provide the defence forces necessary to safeguard the country from conventional attack by a power such as those countries to the north of us, aided and abetted by Communist China. There should be nuclear zones—not nuclear-free zones—in Australia, just as there are in other countries, including England. There should be in Australia nuclear bases for the defence of this country. These would overcome our weaknesses in conventional defence, and would allow us to feel a certain amount of security.

In addition, we must strengthen our various pacts with friendly countries. The South-East Asia Treaty Organization has not very many teeth at present. It must be strengthened so that it will provide a means of defence for Australia. We must take our part in the Seato alliance and be firm in support of the Malaysian Federation. We must show that firmness, otherwise people will say: "What is the use of saving Australia? Australians are not prepared to take firm action or to spend money to safeguard their own country. They are not prepared to train their own people but rely on other countries to do their fighting for them outside their own boundaries." We know that Australians will fight within their boundaries and they have shown how they can fight without.

**Senator Hannan.**—I take it that you approve of the Anzus pact?

**Senator COLE.**—The Anzus pact is absolutely essential to the defence of this country. We must rely on the support of the United States of America. When I spoke of nuclear bases in Australia, naturally I was suggesting that America would have control of these bases on Australian soil and would use them, if necessary.

In 1961, the Australian Democratic Labour Party came out with a very firm policy in relation to what should happen in South-East Asia, in both political and economic fields. We advocated a Pacific confederation of non-Communist countries. Honorable senators will remember that at the time we were rubbished by the newspapers up hill and down dale for our support of a political and economic confederation of South-East Asian and western Pacific countries. Now we find that all shades of opinion are adopting the suggestion that we made in 1961. Some people are looking towards the formation of a trading confederation and a great number are looking towards a political confederation of non-Communist countries in South-East Asia. These ideas were expressed more strongly when we were considering the effects of the United Kingdom's possible entry to the European Common Market. We should be looking to those countries in South-East Asia for expansion of our trade, leading to a closer political association. I am very pleased to learn that Mr. Ikeda, the Prime Minister of Japan, will be coming to Australia. His visit should lead to closer ties with Japan, as well as South-East Asian countries.

National development and, especially, immigration must be integrated with our defence policy. We are a very small nation of Europeans in a very large and empty land, which must be filled. Our immigration target is being raised a little this year, but it is still too small. We are depending upon bringing people here with everything provided. There must be jobs, houses, and so on. If this had been the case in the early days, there would have been no Australia to-day. Surely to goodness there must remain some of the old pioneering spirit! If there is any place where pioneers would be welcome, it is Australia. If we do not fill this land with the people we want, within the next twenty years it will be filled with those we do not want. There are potential immigrants available whom the Government could quite easily allow to enter Australia. I refer to the people in Ceylon known as burghers. At present, as honorable senators know, a number of public servants, school teachers and others in various classes of employment in Ceylon have to give up their jobs because virtually they are being driven out

of the country. Hundreds of them, with their wives and families, have applied for entry to Australia as immigrants, but for some unknown reason they have been refused. They represent all nationalities and are intelligent people, as is indicated by the positions which they hold.

**Senator Hannan.**—Thirteen hundred of them have been admitted in the last two years.

**Senator COLE.**—I am speaking of the burghers, who are a particular type.

**Senator Hendrickson.**—Why do they want to leave their own country?

**Senator COLE.**—They have to. Ceylon has been taken over by the Ceylonese and these people, who were there during the British régime, have to give up their positions. They are permitted to stay on for a certain time, but I understand that if they stay on to the limit they lose pension benefits and things like that. If they get out now and move to another country they retain certain benefits.

**Senator Scott.**—How many of them are there?

**Senator COLE.**—I do not know the numbers. When I was travelling round the world not very long ago I found that Spain could be one of our best sources of immigrants. It is a practically untouched source of fine immigrants who could be allowed into this country. I am pleased that the Minister for Immigration has opened a most energetic centre in Madrid. I was pleased to be able to farewell a group of migrants who were coming out to Australia by aeroplane. Fine types of intelligent people in Spain are desirous of coming to Australia, and I should think that they would be the type of pioneer that we wish to get.

I believe that limited Asian migration should be permitted, though I admit that we would not be helping the overcrowded Asian countries very much. Maybe it would be said that we were lowering our standards, but I disagree. A certain stigma has attached to our immigration policy so far as Asians are concerned. The friendly people of non-Communist countries of Asia want to be our friends, but a certain amount of hatred has been engendered because of what is known as our white Australia policy. By allowing a limited number of these

people to come in we would overcome this white superiority feeling which has been built up among some of the intellectual classes in Asian countries.

We should also consider our policy of naturalization. I understand that about 50 per cent. of migrants to Australia eligible for naturalization are not being naturalized. That is bad. I should like to see these immigrants become naturalized as soon as they are eligible. The fault lies in the period we have stipulated they must wait before they are eligible for naturalization. They come out at the beginning full of enthusiasm for their new country. Let us naturalize them within one or two years while they are full of that enthusiasm. Why wait for five years? I remember when people of Polish origin came to Tasmania in the early days. Because of certain circumstances they were naturalized within one year. There have been no repercussions because of that. In order to get our immigrants naturalized we should allow them to be naturalized early. After four or five years they begin to develop the same lackadaisical traits as Australians have. They can see no reason why they should bother about being naturalized. They get no extra benefits from it. They cannot get the pension in any case until they have been here ten years. If they become naturalized the only additional benefit they receive is the right to vote for politicians. Apparently that does not appeal to them very much as there are so many of them not becoming naturalized although they are eligible to do so.

There is one other aspect of immigration about which I wish to speak. We allow some Chinese into Australia under permit. The Government knows they intend to stay, but they are not allowed to bring their wives or children to Australia until after fifteen years. Although we know they are going to stay, in a very inhuman way we force them to be separated from their wives and families for up to fifteen years. That is something which should be dealt with at once. If we are going to allow these people to stay here under permit, if they have wives or families they should be allowed to be united with them.

The three great things which concern Australia are defence, immigration and

development. I said at the beginning of my speech that, in view of Australia's immediate needs and her danger, not sufficient developmental activity is being undertaken. Perhaps the Government has not enough faith in the future of this country. Reference has been made to the establishment of a northern Australia development commission. The establishment of such an organization is necessary. The Minister for National Development (Senator Sir William Spooner) said to-day that he had not been approached conjointly by the governments of Western Australia and Queensland about such a proposal, and I believe him. The Commonwealth Government could well take the initiative in the formation of such a body. If such an organization were established, an opportunity would be presented for migrants to play a big part in the development of the north. The money that comes into this country could be used to great advantage in this area. There seems to be a lot of opposition to overseas capital coming into Australia, but I believe that our needs are so great that any money which people are willing to invest in developing this country should be welcomed.

The Commonwealth Government could undertake greater expansion. Let us consider the expanding works programme that is being undertaken in the little State of Tasmania. Over the next few years a sum of £50,000,000 will be spent on the Mersey-Forth hydro-electric scheme. When one considers that the population of Tasmania is the same as that of a couple of suburbs in Sydney or Melbourne, one can see just what expansion is being undertaken in that State.

**Senator Scott.**—Where are they getting the finance?

**Senator COLE.**—As is always the case, the finance is being provided from loan funds. I have mentioned one project. Dozens of industries have been established in Tasmania.

**Senator Hendrickson.**—Tasmania has a very progressive government.

**Senator COLE.**—I would not say it was very progressive. It is getting old and crochety; it is time there was a change. Tasmania has had firsts in most spheres. It is a very thriving State. We had a first in the zinc industry; indeed, we have the only zinc plant in Australia. We have the only aluminium plant in Australia. In addition we have the paper pulp industry, the Titan

works and so on. If that degree of expansion could take place in a State with such a small population, what degree of expansion could be achieved if this Government set to work over the whole of Australia! Migrants could pour into this country and jobs could be waiting for them. The Government is not looking to the future sufficiently.

**Senator Hendrickson.**—It is waiting for Arthur Calwell to become Prime Minister.

**Senator COLE.**—I think he would be worse. The proposed increases in social service benefits are quite pleasing, especially those that will be given to widows with children. I note that, apparently, the Government is beginning to recognize that the principle of needs, and not one of uniformity, should be applied to the granting of pensions. Perhaps the Government does not know it is doing so, but it is applying that principle in the increases that are to be granted to single pensioners. Of course, the married pensioners are to get no increase. The Government should go further and adopt the Australian Democratic Labour Party's policy for the setting up of an independent tribunal to ascertain the needs of pensioners. We have advocated such a step for the last seven years, but it has been opposed on both sides of the Senate.

I am sorry that no provision has been made in the Budget for an increase for married pensioners. This is unfair, especially when we note that, following the metal trades award, almost all wage-earners in Australia will receive a 10 per cent. increase in their margins. I know quite well that the pensioner does not receive a margin, but the Government should have given married pensioners a 10 per cent. increase to keep them in line with the wage-earners. That is another plank of the Democratic Labour Party's platform which I have been endeavouring to have adopted in the Senate over the last seven years.

**Senator Cooke.**—What does your party say about child endowment?

**Senator COLE.**—I will come to that in a moment. Time and time again the D.L.P. has been opposed on both sides of the Senate when it has moved to have cost of living adjustments applied to pensions. The Government has said that in the formulation of this Budget it has helped

the family man. I suppose it has done so in quite a few little ways, such as removing the sales tax from foodstuffs. Incidentally, in most cases the family man will not get any benefit.

**Senator Henty.**—Why not?

**Senator COLE.**—For the simple reason that the makers of cakes and pastry and such people in Hobart do not intend to take off the 12½ per cent. They have said that they were going to ask for a rise in any case, so they propose to leave the prices as they are.

**Senator Henty.**—Just wait until competition gets cracking.

**Senator COLE.**—That is the position as reported in the "Mercury". The Government has failed badly once again by doing virtually nothing for the family man. There is only one way in which the standard of living of the family man can be raised. It cannot be done by giving him higher wages, because his income would still bear the relativity to that of the single man. The only way in which it can be done is to increase child endowment, but that method has been ignored once again. I think this means of helping the family man will be adopted by the Government in the next Budget that is introduced. It would be a terrific election boost for any government to increase child endowment because that affects practically every family in the community.

**Senator Marriott.**—By how much does the honorable senator suggest child endowment should be increased?

**Senator COLE.**—I have stated my party's policy on child endowment year after year. The honorable senator might take the trouble to read what I have said in this respect. I cannot repeat the whole of that policy to-night, but I say that child endowment must at least be doubled.

Under our present system of wage fixing we cannot improve the lot of the family man by increasing his wages in comparison with those of the single man. The only way to adjust the position is to increase child endowment. I therefore ask the Government to consider this matter very seriously in the future. I am practically certain that something will be done to remedy this state of affairs during the next Budget session.

It is very pleasing to see that increased rates of pension for ex-servicemen are proposed in the Budget. Such increases are certainly warranted. As with all pension increases, however, they are insufficient. Once again, no effort has been made by the Government to abolish the means test. While I again advocate abolition of the means test, I am afraid that no government could abolish it at the present time unless it brought into being a contributory national insurance scheme. We have spoken here on this subject for many years. I am of the opinion that the Government believes in the value of such a scheme. Nevertheless, it is unwilling to introduce the necessary legislation. Until the Government is prepared to do so, I do not think it can completely abolish the means test. Therefore, I ask the Government to consider again the introduction of a contributory national insurance scheme, which would allow it to get rid of the means test.

The last matter that I wish to mention in the field of social services is that pensions should be paid to the mentally ill. This is something that has been requested many times. Yet, merely because it was decided, I think in 1908, that the mentally ill were the sole responsibility of the State governments, nothing has been done to provide pensions for them. In my view, that position should be altered. Certain financial benefits should be given to these people, and they should be treated similarly to invalid pensioners.

The Government has been very circumspect in its approach to the taxation field. I am pleased that it did not listen to the cajoling of big business and reduce taxation for the benefit of certain categories of taxpayers. As we know, it is by means of taxation that Australia is able to expand. Taxation permits development to take place and enables better living standards to be provided for the more unfortunate people in the community. There was no reason to reduce personal taxation, and I am pleased that the Government did not find a reason to do so. Sales tax remissions are to be made. As I have said, the benefit of some of those remissions will not reach the public because cake manufacturers and others do not intend to pass on the 12½ per cent. which has been remitted. It may be true that they intended, in any event, to seek

higher prices for their products, but I think they will make money from the decision of the Government to remove sales tax from foodstuffs.

As soon as the Budget was brought in I raised the question of the plight of fishermen on the Australian coast. I mentioned tuna fishing and asked the Minister for Civil Aviation (Senator Paltridge) what effect the Budget proposals would have on that industry. With commendable rapidity, the Government has already taken action in the lower House of the Parliament to improve the lot of the tuna industry. It has imposed a tariff, I think at the rate of 7d. per lb., on tuna, which will have the effect of safeguarding this very important industry. I knew, of course, that such action would be taken, because the Tariff Board had promised that if sales tax was removed from foodstuffs, something of the kind would be done. I should like to know, however, what is to happen to other aspects of the fishing industry. I refer, for instance, to barracouta and Australian salmon cutlets. Barracouta and salmon are caught in great quantities and canned in cutlet form. This section of the fishing industry will be at a great disadvantage compared with overseas exporters of fish cutlets to this country. It could be that the fish cutlets from overseas are better than Australian cutlets. If that is so, not only are they better but also they will be sold for at least 3s. a dozen tins less than the Australian cutlets.

**Senator Kendall.**—That position could be overcome by applying the Tariff Board policy.

**Senator COLE.**—As I have said, within a few hours the Tariff Board could say, "Let us provide for the tuna industry".

**Senator Henty.**—No. That was on the stocks for many months. The recommendation was to the effect that, if the sales tax was removed, the tariff should be applied. That was before the Parliament twelve months ago.

**Senator COLE.**—The same action should have been taken in respect of the other branches of the fishing industry.

**Senator Henty.**—It should have been, but it was not. This is a case of the emergency tariff operating.

**Senator COLE.**—We want an emergency tariff to be applied straight away to the barracouta and salmon canlet sections of the industry. If that is not done, quite substantial canneries may have to close. They exist solely for the purpose of processing our salmon and barracouta. I hope that the Government has advised the interests concerned to apply as quickly as they can to the Tariff Board, and that the Government will ask the board to expedite any action that can be taken. The farmers, who form a very important section of the community, will gain much from this Budget. This is as it should be, because they are really carrying Australia by their exports of wool, wheat and other products. The substantial depreciation allowance provided for will be greatly appreciated by the primary producers. It seems that the Australian Country Party at last is able to influence the Government's policy on primary producers.

We are very pleased to note that a bounty of £3 a ton is to be paid on superphosphate. This was advocated by the Democratic Labour Party almost six years ago. I notice that the Labour Party has claimed that this was its policy and that it was pinched by the Government. If that is so, we can say that the Labour Party pinched our policy and the Government pinched theirs. However, we are very pleased that this bounty is to be provided and we hope that it will be of great benefit to the farming community. I know it will be welcomed in Tasmania, where superphosphate is used extensively.

**Senator Wood.**—The bounty on superphosphate was the result of a joint party decision.

**Senator COLE.**—It is interesting to learn that this Government is still a joint party administration.

**Senator Marriott.**—We are not a one-man band.

**Senator COLE.**—You could not be, because you could not blow loudly enough. As I have said, the Budget has been quite well received by the people although there has also been much criticism. I think its fault lies in the fact that not sufficient provision is made for expansion, in the circumstances—and I stress that qualification. Australia is in a dangerous position

in South-East Asia and everything possible must be done to defend and safeguard this country.

The three main headings I have discussed—defence, immigration policy and development—are the principal items that the Government must consider if it wishes to safeguard Australia. In a limited way it has done that, but it is too limited. If conditions in the world change the Government will be proved to have done the right thing. If the warring ideologies in the world come closer together, or if the Communist ideology is destroyed, the Government will be shown to have been correct in its policies, despite their various anomalies. But if the Government has made the mistake of not realizing the dangers to Australia in the world to-day it will be proved to have done a disservice to Australia by not forcing forward our national development.

**Senator LILLICO (Tasmania) [9.55].**—In the major part of his speech Senator Cole referred to development, immigration and defence, and in that connexion I give him credit for a most constructive address born of a desire to see that Australia is developed and populated and kept safe and strong. I congratulate him on that section of his speech. But towards the close of his address he made some comments which, to say the least, are arguable. It may be that in some cases the lifting of the sales tax on food products will not lead to some benefits being passed on to the people, but I am not sure about that. I read in the Sydney "Daily Mirror" last week headlines which proclaimed that food prices would come tumbling down. The newspaper gave details of decreased prices and how the average family man would benefit.

**Senator Cole.**—I agree with you on that point.

**Senator LILLICO.**—The "Daily Mirror" contained an advertisement by a company which announced substantial reductions in the prices of a number of items of food. I hope that will be the story throughout Australia. With Senator Cole, I am pleased at the concessions that have been granted to primary producers. In the past two or three years a subsidy on superphosphate has been advocated by members of all political parties.

**Senator O'Byrne.**—Why did your party drop it in 1951?

**Senator LILLICO.**—That was before my time in this place. About twelve months ago all Tasmanian members of this Parliament formed a deputation to the Minister for Primary Industry (Mr. Adermann) requesting that this concession, which will mean so much, particularly to Australian pastoralists, should be granted. It is a source of great satisfaction to all of us that the concession has now been introduced.

Every budget has one peculiarity. The men have not yet been born who could frame a budget that did not excite howls of execration from some sections of the community, and I believe that such men will never be born. That can be said especially of those who have a political axe to grind. When a benefit which has been advocated by another political party is introduced, the responsible government, which has been blamed for not introducing the benefit earlier, is immediately accused of being a pirate who has stolen the opposition's policy. So you cannot win. Nobody can introduce a budget that is not roundly condemned by some sections of the community. So much of the criticism that has been levelled at this Budget should be taken with a grain of salt.

Senator Kennelly spoke about savings bank deposits, and I think he was critical of the fact that they had increased. In another place last night I heard the increase in savings bank deposits designated as a sign of stagnation. Senator McKenna, who has made a great study of loan raisings, has expressed regret that our loans have not been filled as he considers they should have been. In 1961, he said that he deplored the fact that the savings of the public were £60,000,000 less than they had been in the previous year. He said that that was not an optimistic outlook for the country. The honorable senator went on to deplore that State works had to be underwritten to the extent of nearly £200,000,000 over a number of years, and he had a lot more than that to say about the situation.

In 1962, Senator McKenna said that this was a Government which had inescapable expenditure, whose revenues had failed because of a slump in the past year or two because of stagnation in the economy and because, after one burst, the loan market was expected to revert to its old

form and not yield enough money. He described that situation as stagnation. When the loan was filled I was amazed to hear the honorable member for Werriwa (Mr. Whitlam) make the statement that for the first time for many years this Commonwealth Government did not have to underwrite State loans. He said that was due to stagnation. So it is stagnation if you do not fill a loan, and if you do fill the loan it is still stagnation. You cannot win.

Something has already been said, and no doubt more will be said during this debate, about social services. When you are not in government it is very easy and, indeed, it is quite popular with some people to advocate increases in social services. At times when I took notice of elections in New Zealand I was amazed that the Opposition on several occasions advocated an increase of social services at a cost of many millions of pounds, while advocating decreased taxation. We have a similar situation here. Mr. Calwell is not quite so blatant as he has been on other occasions when speaking of decreasing taxation, but he does say that pay-roll tax should be removed, and at the same time he advocates considerable increases in social services.

I agree with the principle of social services—I am not averse to them—but when one hears some of the comments that are made one could be excused for thinking that this Government has never increased social services. It seems to me to be very significant that in 1949-50 payments from the National Welfare Fund were 47.7 per cent. of the total taxation collected from individuals, whereas last year they reached more than 72 per cent. That is a pretty considerable increase and it prompts the thought: What is going to happen when we reach the limit of what can be afforded on the present graduated scale of income taxation? The stage must be reached when industry cannot finance the extraordinary amounts that will be required if social services are increased to the extent advocated by the Opposition.

The increases in social services this year will, beyond any doubt, correct some of the very serious anomalies that have existed. In spite of the criticism that was levelled against these increases by Senator Kennelly, this expenditure will amount to more than £620,000,000 this year, and the

increase will be about £50,000,000, that is, 8 per cent. Surely saturation point will be reached, and then something will have to be done about the source of these moneys. Although these drastic increases are advocated by the Labour Party, only last year the Deputy Leader of the Opposition in this place recognized that what I say is correct. Senator Kennelly said then that sooner or later the Commonwealth Government, irrespective of its political colour, would have to face the problem fairly and squarely and introduce a national insurance scheme. That statement by the Deputy Leader of the Opposition was an admission that we must reach a point beyond which we cannot go under our present system of providing for the payment of social services. I think that must be conceded by every one.

A pool of unemployed has been mentioned. Reference to it is made in this amendment, and Senator Kennelly said that nothing has been done to reduce unemployment. Opposition members also raised the matter last night in another place. If you repeat the words "100,000 unemployed" often enough, and if you broadcast and publish them often enough, eventually you may get people, or some people, to believe that it is the object of this Government to have a pool of 100,000 unemployed and that the Government does not care very much about their plight. In addition, it has been claimed by the Opposition from time to time—an Opposition which wants the figures to be as great as possible—that the method of assessing the number of unemployed is wrong and that the result it gives is a fictitious one. It has been claimed that, in fact, the numbers are very much greater than those officially indicated.

I was very interested to read the review published by the Institute of Public Affairs in which was analysed the system under which the figures are assessed, month by month, by the staff of the Department of Labour and National Service. It is stated, in the first place, that the number of married men among the 2 per cent. of unemployed is comparatively small—probably about 20,000. Juniors number 27,000. These are girls as well as boys who have recently left school and who are in the process of seeking a suitable occupation. Elderly, retired people who

wish to occupy their minds and at the same time supplement their pension number about 1,000. Almost 10,000 are married women who are desirous of adding to the family income. Of the remainder, most are seasonal workers or single men, drifting from job to job, and others who, for one reason or another, are on the borderline of being employable at all. The great bulk of the unemployed persons are unskilled and semi-skilled manual workers. Over and above all this it seems to be generally overlooked that it is virtually impossible for unemployment to be brought below 1 per cent. without the certainty of rising prices and inflation. Even during the height of the boom in Australia, in 1960, about 40,000 people were registered for work. That is the analysis of the position by the Institute of Public Affairs.

**Senator Benn.**—Would you say that that is correct?

**Senator LILLICO.**—I would say it is quite correct. I shall now quote another authority who I believe is very much nearer the mark than are Opposition senators in the estimates that they make from time to time. This gentleman has stated that the quoting and comparing of figures of the number of people registered for employment could be misleading. He has said—

Invariably, the totals included unemployed married women and also persons who had gained employment but had not yet notified the Commonwealth Employment Service.

He said that a better assessment was provided by the total of persons receiving the unemployment benefit. That is a very worthwhile statement. Do honorable senators know who made it? It was made by the Premier of Tasmania, Mr. Reece, a very good Labour man if ever there was one.

**Senator Hannaford.**—Is there such a thing as a very good Labour man?

**Senator LILLICO.**—Yes. I would describe Mr. Reece as a very good Labour man. As I have mentioned, he said that a better assessment of the extent of unemployment could be obtained from the total of persons receiving the unemployment benefit. There are about 37,000 people in this Commonwealth receiving the unemployment benefit. I concede that Mr. Reece was being attacked because the rate

of unemployment in Tasmania was the highest in the Commonwealth. I would think that he was being attacked with some justification. But does not whether the Labour Party is in office or not make a world of difference to the attitude that it adopts towards any situation? Mr. Reece, the Premier of Tasmania, is an ex-federal president of the Labour Party and a real dyed-in-the-wool Labour man. He has written down the system adopted by Mr. McMahon, saying that it is an exaggerated system and that a better assessment of the extent of unemployment could be obtained by ascertaining the number of people who are actually drawing unemployment relief. I repeat that there are 37,000 people in the Commonwealth drawing that relief. If you were unemployed—especially if you had a wife and family to keep—and were unable to get a job, surely you would be dead to the world if you did not apply for unemployment relief at the earliest possible opportunity.

I deplore the continuous misrepresentation that has taken place. Senator Sir William Spooner quoted what Mr. Monk said. I have quoted Mr. Monk in this place on more than one occasion. He has said that it was necessary to have 1.5 per cent. of the work force, which is about 60,000 people, registered as seeking employment. There is another most important fact: If you judge this Government by the development that has taken place in the fourteen years in which it has been in office and by the increase in population that has resulted from its immigration policy, it must be conceded that the Government has done a wonderful job of work. I say that, despite the fact that I agree with Senator Cole that we have not much time in which to prepare for future events. We cannot afford to wait.

It interested me, some time ago, to read that more than 600,000 people under 21 years of age had come to this country with their parents in the past twelve years. I also read that 750,000 children had been born to those immigrants after they had arrived in Australia. The immigration programme has completely altered the complexion of the Australian population. It has brought to our population a very much greater percentage of young people who are in the earning period of their lives and who must be found employment. This

makes the problem of finding sufficient employment for everybody greater in this country than it is in most other countries of the world. It has been calculated that, in 1962, 15 per cent. of the Australian labour force was aged 20 years or less, compared with 8 per cent. in the United States, 11 per cent. in Great Britain, 13 per cent. in Germany, 12 per cent. in Italy and 11 per cent. in Japan. I verily believe that that is a result of the success of the Commonwealth Government's immigration policy. Australia has a considerably higher percentage of people in the working span of their lives than would have been the case had success not attended our immigration policy. This makes it harder for Australia to sustain a reasonable degree of employment. I have not yet heard a definition of full employment, except perhaps by Mr. Monk and perhaps a few others. We can never get from the Opposition what it regards as full employment.

**Senator Marriott.**—Mr. Haylen says that it is 5 per cent. unemployment.

**Senator LILLICO.**—Mr. Haylen said 5 per cent. Mr. Monk said that 1½ per cent. unemployment, or 60,000 persons, was necessary in a primary-producing country such as Australia.

In spite of all the things that are being said about the Australian economy, I believe that we are one of the most fortunate countries in the world, judged by the yardstick of ownership of motor cars, television receivers and other such items. By comparison with other countries, we are in a wonderfully fortunate position. Last night in another place, and I think here to-day, I heard the statement that the economy was stagnant. Not long ago the Sydney "Daily Telegraph" published some figures issued by the Commonwealth Statistician, under the heading "Economy still leaps upward". We may cite other authorities. Persons with their fingers on the financial and commercial pulses of the Commonwealth make similar statements. Another heading reads "Dramatic rises in factories' output". Several items are mentioned. The statement reads—

The value of retail sales of goods in the March quarter of 1963 was estimated at £641,100,000, a rise of 3.2 per cent. on the corresponding period last year.

The number of new television viewers' licences issued in the March quarter was 74,816, compared with 65,001 in the 3-month period last year.

The statement goes on to deal with expansion. In relation to capital spending, it reads—

Private capital expenditure in industry in the first half of 1963 was estimated at £267,800,000, compared with £240,600,000 in the first half of 1962.

The newspaper went on to refer to many other indicators; I shall not read the whole of the extract.

All of this is taking place in what has been called a stagnant economy. It is said that the economy is so stagnant that people are putting their money into savings banks and Commonwealth loans; they will not spend it on anything else, as they are too frightened and have not enough confidence in the economy. Yet here are statistical figures indicating that this expansion is actually taking place at the same time as investment in savings banks and Commonwealth loans is increasing.

I am one of those who believe that this Commonwealth has nothing to fear so long as the great majority of people adopt a reasonable attitude to the many questions that confront us. We must increase our production to a reasonable degree. All may express disappointment at the increased rate of production, estimated at about 2 per cent.; it should be much greater. We must learn that the source of real wealth is production. Unless production in this young country, which is still very largely to be developed, rises at a reasonable rate, we cannot expect that prosperity to which we have become so accustomed to continue indefinitely.

I could not understand Senator Kennelly's statement that this was a rich man's budget. Beyond doubt, nearly every provision in it confers some benefit on the two-thirds of the population who are designated as the poorer section of the community. I support the Budget because I think it is a good one. It is all very well, when you are in Opposition, to make extravagant claims and say what you would do if you were in government. If you were in government, you might find your perspective altered, as did Mr. Reece, the Premier of Tasmania, in regard to employment figures and a number of other matters. In government one must

exercise some responsibility. If the Opposition became the government, its attitudes would be altered in a similar fashion.

**Senator COHEN** (Victoria) [10.28].—It is now over two hours since a member of the Opposition has had an opportunity of taking part in this debate. I say immediately that I strongly support the amendment moved by my colleague, the Deputy Leader of the Opposition, Senator Kennelly, to the motion—

That the papers be printed.

The amendment reads—

At the end of the motion add the following words:—"but while approving of such benefits as are contained in the Budget, and particularly those for primary producers and social service beneficiaries, the Senate condemns the Government for its failure to make adequate provision for defence, education, housing, health, social services and northern development. The Senate is also of opinion that the Government's failure to provide for full employment and for increases in child endowment, which has remained stationary in respect of the second and subsequent children since 1948, is wrong and unjust."

A budget generates millions of words, both written and spoken. Over the past few days I have read in the Australian press the reaction of various sections of the community to this Budget. I listened to Senator Lillico and, a little earlier, to the Leader of the Government in the Senate (Senator Sir William Spooner), and I have wondered whether they were talking about the same budget as that about which Australia is talking. Perhaps one's mind is anaesthetized by the massive injection of epithets that we read in the press. My impression—and I have no doubt it is the impression of most people who have paid attention to this matter—on reading the press is that the Budget is bitterly disappointing to the vast majority of Australians. It has been described by the "Melbourne Herald" as a hold-back budget, by the "Sydney Morning Herald" as an unadventurous Budget, by the "Australian Financial Review" as a confused document and by a journal which is not very favorable to the Labour Party—the "Bulletin"—as Mr. Holt's lost opportunity. It has been described as a most banal document, as a miscellaneous collection of bits and pieces, as a document containing little or no analysis of the economic situation, as a very tired budget, and so on. One listened to-night to the Leader of the Government in

the Senate. With all the valiant effort he made he was unable to raise that Budget out of the category described by the epithets that the press has applied to it.

**Senator Hannaford.**—You could not say that about Senator Lillico.

**Senator COHEN.**—I do say that about Senator Lillico. He contented himself for the most part with repeating what Senator Sir William Spooner said about unemployment. The facts are perfectly clear about unemployment. We have 78,000 people unemployed in Australia, which is about 2,000 less than we had about this time last year. That is the plain fact of the matter. There were 80,000 unemployed at 30th November of last year. So there is nothing in that for honorable senators opposite to crow about. All that the Government has been able to manage in nine or ten months is to reduce the number of unemployed by 2,000, and that is nothing to boast about. Quoting the Premier of Tasmania, Senator Lillico said that it is a better guide to use the unemployment benefit figures than the number of persons registered for employment.

**Senator Hannaford.**—That is what Mr. Reece said.

**Senator COHEN.**—If the honorable senator will be patient for a minute I will deal with that matter. Senator Lillico did not mention that the figure of 37,000, representing those receiving unemployment benefits, is in fact higher than the corresponding figure in May of this year, and is higher than it was in April of this year, or in October or November of last year, and very much higher than it was in 1958, 1959 and 1960. Even if you apply Mr. Reece's method I say clearly that you get a result no more helpful to the Government.

**Senator Hannaford.**—Why did you avoid August?

**Senator COHEN.**—I will answer that later. I am not going to be deflected from my speech. A quarter past eight was the last time that a member of the Labour Party had an opportunity to take part in this debate. If honorable senators opposite want to reply on something Mr. Monk said at some unspecified time—

**Senator Paltridge.**—It is not unspecified.

**Senator COHEN.**—Just a minute. What honorable senators opposite should be considering is what Mr. Monk has said about this Budget and not what he said about some other budget or some other circumstances at some time in the past. I refer to what he said as reported in yesterday's press. Do not members of the Government read the daily press? From the defence made by the leader of the Government to-night it is perfectly obvious that they do not read the daily or weekly press. Mr. Monk said, "The main problem, as far as I am concerned, is that there is a static figure of nearly 80,000 unemployed in Australia". Mr. Monk warned that unless this figure was materially reduced in the next three months it would increase to 100,000 in January with school-leavers registering for employment. He said that in Western Australia and Tasmania the figures had risen and that the Government's Budget proposals had indicated no special measures to alleviate the increase in those two States. Let us have no humbug about this. Let us look at the incontrovertible facts. I hope that we will not hear any more about what Mr. Monk said on some other occasion and that honorable senators opposite will confine themselves to what he said about this Budget. He condemns it, as do all sections of the Labour movement and as do the widest sections of the Australian community.

The Leader of the Government made a brief attempt—fighting from a defensive position—to fob off the attack launched by the Deputy Leader of the Opposition by dealing with matters other than those raised by the Deputy Leader of the Opposition. He threw up a lot of straw men in order to knock them down. He said something which must come as a great surprise to most Australian. He said that he thought married pensioners would be pleased to see others getting this increase because they would know that the Government was making the best use of its resources. He said that Senator Kennelly had not apparently read the Budget papers about the Government's plans for development. It was perfectly obvious that the leader of the Government had himself not read the daily press report about the Budget plans for development, because if he had he could not have failed to notice this heading in

the editorial of the Melbourne "Age" of 15th August—"Small Plans for a Big Problem". That is as devastating a headline on an editorial comment as one could imagine from a responsible daily newspaper. What the "Age" said in its editorial is typical of the comment of the Australian press on this problem. The editorial stated—

The need for development of Australia's northern half has increasingly caught the imagination of the nation in recent years. Intensive scientific surveys since the war have swung Australian thinking from the old misconception of a Never Never land, incapable of supporting anything but a few cattle and a handful of eccentrics, to a new realization of an area rich in possibilities of development. Enormous mineral deposits have been uncovered, ways are being found to conserve the north's limited water resources for irrigation and hydro-electric projects, and agricultural science is showing that huge new food-growing areas could be developed, all within relatively close range of expanding Asian markets.

To develop the north so that the whole area takes its place as an active partner in the Australian economy demands vision and courageous planning as well as an increased population and a great infusion of capital. So far, the tendency has been in the direction of piecemeal undertakings, although the fact has become increasingly obvious that the need is for a northern development authority, such as that proposed last month in a joint approach by the Western Australian and Queensland Governments to the Commonwealth.

And, I pause to add, Mr. Acting Deputy President, such as is proposed by the Australian Labour Party and was proposed by it during the 1961 election campaign. The editorial continues—

The meagre increase in Commonwealth spending on the north announced by the Treasurer in his Budget indicates that this piecemeal policy is likely to continue . . . the extra £5 million for northern development this year will be absorbed by projects already in being, which required increased expenditure in the normal course of events anyway. Developing Australia's north is a national challenge which will never be met by small spending on comparatively small projects.

That is the answer to the Leader of the Government, who said that the Deputy Leader of the Opposition had apparently not read what was in the Budget about development. I am not going to answer the honorable senator who is trying to interject. He can keep on shouting. I have limited time. This is what the Leader of the Opposition (Mr. Calwell) said in another place—

We will establish, in co-operation with the States of Queensland and Western Australia, a

planning authority along the lines of the Snowy Mountains Authority to tackle the problem of developing our empty north.

It is plain—and it has been said again and again in recent months—that this Government has rejected proposals for any such authority. It was only in July of this year that the Minister for Territories (Mr. Hasluck) said at a conference in Darwin that while a northern development commission may be all very well for the making of a report, it would probably be no good for the Administration to have it as a working authority and that it would require the working out of some new constitutional arrangements with Western Australia and Queensland. We say that the problem is immense, that the challenge is critical, and that nothing short of a gigantic effort by Australia will suffice. We know the relationship that exists between development and defence, between development and population and between development of the north and industry. The piecemeal approach is just not good enough in 1963. A government which turns its back or its side to the problem is not facing up to its responsibility and deserves the unqualified condemnation of the people.

**Senator Scott.**—Did you say "back" or "side"?

**Senator COHEN.**—This is a very important matter. It cannot be solved in the manner in which this Government attempts to solve it. The Leader of the Government in the Senate, who doubtless used attack as the best form of defence against the amendment, attacked the Labour Party on the basis that there was a difference between promise and performance. He said that the cost of the proposals which were advanced by Labour during the last election campaign would reach the sum of £418,000,000. I do not know where that figure came from; no doubt the Minister had been given some information on which he based it. But it was one of a dozen different sums that were suggested by Government supporters as being the cost of the Labour Party's proposals.

In its 1962 Budget, the Government adopted a great deal of the Labour Party's programme, and it has adopted a great deal more in this Budget. The Government has said that it proposes to pay a bounty of £3 per ton on superphosphate, but all it

will be doing will be to restore a bounty that was paid when Labour was in office and which was removed by this Government. That is the kind of approach that we quarrel with. We say that it is not good enough. We reply to such proposals by saying that the question is not whether Australia can afford the cost of Labour's policies but whether we can any longer afford the high cost of the Menzies Government. We ask whether the time has arrived to throw out a challenge and to say to the Government: "You are just not big enough for the job. Let us assume office and we will show you how it can be done".

A budget is an annual stocktaking. It is not merely an accounting by a board of directors to shareholders in respect of a year's operations or even a seeking of approval by directors of their plans for the coming year. A budget should be a testament of faith and a beacon light to the future. In short, a budget should speak to posterity as well as to the past and the present. What message is there in this Budget for posterity—for the children of this generation and of the generations to come? I believe that there is no message at all. Such things were just not present to the minds of the framers of the Budget. Education and health, which are of vital national importance, come under notice in the Budget only as matters for taxation deductions.

I wish to deal particularly with education, because the Government—if this amuses Senator Scott, be it so—has turned a large and unsympathetic back on the nation's education problem. We of the Labour Party say that education can be dealt with effectively only at the level of the National Parliament. What is the present state of our education services? Let us consider the estimates of university enrolments for the period from 1963 to 1974. Here we will find some remarkable figures. It was estimated that 70,000 students would be enrolled in all Australian universities in 1963. That figure was based on the lowest estimate of migrant intake. It is estimated that the number of enrolments in 1974 will be 131,000. That indicates the rapid rate at which the university population is expanding. The enrolment ratio for every 10,000

students was 407 in 1949, and 884 in 1959. In other words, it doubled in the period from 1949 to 1959.

Now let us take the problem of teacher training. In Victoria in 1952, 50.3 per cent. of secondary school teachers had degrees. In 1962 the proportion was 36.9 per cent. Whereas one out of two secondary school teachers was qualified in 1952, slightly more than one out of three had a degree in 1962. There is a staffing crisis in Victorian secondary schools. Of course, that applies to other schools and other States too. More than 50,000 pupils in Victoria are being taught by teachers who lack essential qualifications. More than 20,000 pupils are being taught mathematics and more than 15,000 pupils are being taught English by teachers who have no academic qualifications higher than those which are gained in the secondary schools. Again, in 1948, 82.1 per cent. of all secondary school teachers were permanent teachers. In 1954 the proportion was 80.8 per cent., but by 1962 it had dropped to 61.5 per cent. So within a very short period of time the position deteriorated until in 1962 only one of every two secondary school teachers was a permanent teacher.

There is a crisis in accommodation and staffing, and it is quite obvious that students cannot get into universities. The accommodation and staffing crisis is of such dimensions that in this year and in previous years quotas have had to be applied to limit the number of students who enter the universities. The problems associated with increased enrolments in schools and universities stem from many causes and are many and varied.

There is an urgent national need to plan ahead for education, and this is where I come to the central point of what I want to say about this subject. Who knows what the needs are? Who has conducted the necessary survey? Who has made the estimates? Who has done the basic research that is necessary to formulate a plan to cover five, ten, fifteen, twenty or fifty years? The simple approach—not in the sense of being foolish but in keeping with the direct and unequivocal attitude of the Labour Party—is to recognize that the time has come to acknowledge the very special role

that the Commonwealth must play in providing finance and giving guidance for the development of our education facilities. It is a national responsibility. The enunciation of a national policy is needed. At its recent Perth conference, the Australian Labour Party laid down a very comprehensive series of policy proposals to guide the party and the country as a whole in a sensible approach to this great national problem.

**Senator Hannaford.**—I thought it was so ambiguous that no one knew what it really meant.

**Senator COHEN.**—You have not read it. I am about to read parts of it. How can you know whether it is ambiguous or not if you have not read it? We say that there is need for immediate action to relieve the crisis in Australian education. We say also that it is necessary to raise public expenditure on education to a point where it no longer compares unfavorably, as at present, with the expenditure in other countries at a similar level of social development. We say that it is necessary to improve not only the quantity but also the quality of educational effort by reviewing all important aspects of the education system. We recognize that these objectives can be achieved only by vigorous action on the part of the Commonwealth, in collaboration with the States.

In the short term, this means a programme of action aimed at providing adequate standards of education within the shortest possible time. Such standards should apply to the number and qualifications of teachers, the size of classes, the standards of school buildings and facilities, and the level of financial assistance to students through bursaries and scholarships. We would, of course, extend to secondary and technical schools the present system of Commonwealth scholarships to universities. Above all, we would have a survey made, which has been consistently rejected by this Government over the past few years, to ascertain the needs in the primary, secondary and technical levels of education, so that overall planning could be done.

Labour in office would regard education as such an important matter that it would warrant the establishment of a Commonwealth department of education with

important activities in the co-ordination of existing institutions, such as the Commonwealth Office of Education, the Scholarships Board, and so on, and in undertaking the various inquiries which would provide a sound basis for concerted national education policies. I hear mutterings from honorable senators on the Government side of the chamber. Those mutterings should be forever stilled by the recollection, not of what members of the Labour Party have been saying on this subject, but of what the Prime Minister (Sir Robert Menzies) said about it in 1945, when he was Leader of the Opposition. That is a long time ago. On 26th July, 1945, the Prime Minister, who was then the Leader of the Opposition, moved as follows:

- (1) That in the opinion of this House—
  - (a) A revised and extended educational system is of prime importance in post-war reconstruction;
  - (b) In particular, attention needs to be directed to increased facilities for secondary, rural, technical and university training, special adult education, and the problem of the qualifications, status and remuneration of teachers;
  - (c) Effective reform may involve substantial Commonwealth financial aid and if this should prove necessary such aid should be granted;
  - (d) In order to provide a basis for such reform the Commonwealth should set up in co-operation with the States a qualified commission, including some expert or experts from overseas, to report upon the existing educational facilities in Australia, to make recommendations for their extension and/or amendment, and to recommend how, to what extent, on what terms, and for what purposes, Commonwealth aid should be given.

**Senator Vincent.**—Did the Government knock him back?

**Senator COHEN.**—I would not say that the Government knocked him back. It was proceeding at that time to develop the Commonwealth Office of Education. If the honorable senator knows anything of the state of Australian education at the time he will know that the Australian Universities Commission was the creation of the Curtin Government and that the Commonwealth Office of Education was established in 1945 for just the kind of purposes I have been discussing. However, it has not, in the end, developed to a stage where it can perform the kind of function about which we are speaking. What we need is an overall

ministerial responsibility in education, and we also need an overall investigation of national needs.

At page 4619 of "Hansard" of 26th July, 1945, the present Prime Minister, who was then the Leader of the Opposition, is reported to have said—

I have said that the Commonwealth must, in my opinion, give aid to the States. Ever since the passage of uniform taxation laws, the States have not been masters in their own financial house. Whatever State Ministers of Education may say about what they would like to do, there is a sharp limit to their available resources. Yet in more States than one there is a burning desire to do something about this matter.

In case honorable senators opposite should think that what we of the Labour Party are putting forward is a little impractical or idealistic, let me go on to read what the Prime Minister said on that occasion. He stated—

Unless the Commonwealth, no matter which political party is in power, can aid the States financially, only limited objectives will be sought. I have profound distrust of limited objectives on the great and vital problem which we are now considering. If adequate resources are not available to the States, they will cut their coats according to their cloth, and that should not be allowed to happen. As a nation we cannot afford to do anything less than our best in a campaign the result of which will be to determine whether, in the new world, we are to be a nation of strong, self-reliant, trained and civilized people, or whether we are to be content with second-rate standards, and more devoted to the pursuits of material advantage than to the achievement of a genuine humane community spirit.

**Senator Mattner.**—It looks as though Labour has taken his policy.

**Senator COHEN.**—You people have taken a great deal of our policy, and you do not even acknowledge it. What is the attitude of the Government on this question to-day. Does it stand for what the Prime Minister said in 1945, or does it not? There is a deafening silence.

**Senator Sir William Spooner.**—You asked us not to interject.

**Senator COHEN.**—The answer is perfectly clear. The Government has given away the ideals expressed by the Prime Minister on the occasion to which I have referred. That fact is indicated by the Prime Minister's present attitude. It is not that there is any constitutional difficulty. The Prime Minister concedes that the Commonwealth could make grants to the States under section 96 of the Constitution. Apparently, the difficulty the Government pleads is that to do so would involve the

Commonwealth in moving into uncharted seas—and who knows where it would end?

Mr. President, from the point of view of Australians, education is so vital that nothing should be allowed to stand in the way of its proper development. Education should not be regarded as just one of a number of sectional interests pressing for Treasury recognition. Education is one of the things that represent the life blood of survival in this country. Upon the proper development of the educational system will depend the future strength of Australian democracy. I ask for leave to continue my remarks at a later date.

Leave granted; debate adjourned.

#### ADJOURNMENT.

##### Armed Forces.

**The PRESIDENT (Senator the Hon. Sir Alister McMullin).**—Order! In conformity with the sessional order relating to the adjournment of the Senate, I formally put the question—

That the Senate do now adjourn.

**Senator SANDFORD (Victoria) [11.0].**—I had intended to ask a question in the Senate about the matter on which I propose to speak, but since so much detail is involved I thought it might be better to raise it during the debate on the motion for the adjournment. The matter relates to the enlistment of youths in the armed services. I refer to a young man of seventeen years of age who is very keen to join the Army. I do not know whether the treatment that he has received from the Army applies to all branches of the armed services. I shall not mention his name, for obvious reasons, but I shall make it available to the appropriate Minister, together with the details of the case, if I am requested to do so.

This young man applied to join the Army and was prepared to serve in any branch of it. He is at present undergoing a course in engineering at a technical school. He received a reply from the Department of the Army which stated—

Your application for enlistment into the Australian Regular Army has been given full consideration.

It is regretted however that as you do not reach the standards required for selection, your application cannot be accepted.

He was rather taken aback on receipt of this letter. He was not given any reasons

for his rejection other than that he did not reach the required standards. His application for enlistment in the Army was accompanied by a reference from the local Church of England minister who stated that this young man was everything that a young man should be.

Representations were made to me with a view to eliciting the reasons for the rejection of the application. I contacted the recruiting department, and the only justification offered was that some years ago the young man had been placed on probation for six months by a juvenile court. How many of us, in our younger years, did not commit a misdemeanour of some kind? Is it the policy of the Department of the Army and the other services to persecute a young fellow for some misdemeanour which was heard before a juvenile court so that he has no chance of rehabilitation? The officer to whom I spoke said the information was obtained by a provost-marshall. I understand these are the only officers given access to the juvenile court records. Even the recruiting officer is not given reasons for the refusal of the application. Apparently the provost-marshall has the authority to peruse the records of the juvenile court. He telephones the recruiting officer and states, without giving any details or reasons whatever, that a young fellow is not acceptable as a recruit for the Australian Regular Army.

If this is the position I should like the responsible Minister to take the matter up. When we are spending thousands of pounds in recruiting for the Regular Army and other armed services surely we should be prepared to allow such young men to rehabilitate themselves. What was the misdemeanour in this case which was heard before a juvenile court? Is the lad concerned to be branded for the rest of his life? Is he to be persecuted because he committed some misdemeanour and was put on six months' probation by a juvenile court, although the Church of England minister in his district gave him a very good reference when he applied for enlistment? I am prepared to give the Minister representing the Minister for the Army full particulars of the case. This lad was not convicted; he was put on six months' probation. Our efforts should be directed towards rehabilitation, but if we adopt the policy I have described we will drive young fellows

away from the straight and narrow path. I hope the responsible Minister will investigate this matter.

**Senator Sir WILLIAM SPOONER** (New South Wales—Vice-President of the Executive Council and Minister for National Development) [11.6].—I listened carefully to Senator Sandford and this is my reaction: The young man to whom he has referred applied for enlistment in the Regular Army but was rejected. No grounds were given for the rejection. Senator Sandford made some inquiries and he has given the result of them to the Senate. Senator Sandford has said, "If this was the reason for the rejection . . .". But he did not say that it was the reason.

**Senator Sandford.**—It was given to me over the telephone as the reason. The report of the provost-marshall, without giving details of the misdemeanour, simply said the lad was not acceptable.

**Senator Sir WILLIAM SPOONER.**—As I understand you, you were told the lad was not acceptable but you were not told that he was rejected for enlistment on the ground you mention. That is the problem we must face. Nobody in this chamber would have any objection to the Army stipulating the highest possible standard of recruitment. We do not know the reason why this lad was rejected. There might have been some other reason altogether than the one stated by the honorable senator. The appropriate thing to do in a case like that would be to take it up with the Minister for the Army (Mr. Cramer), give him chapter and verse and ascertain whether he will give a more complete explanation than that given to the lad himself. It sometimes happens that a Minister will pass on information which might put a different complexion on the case. I am not saying that that is the situation in this case, because I do not know, but I would hesitate to say that the grounds mentioned by Senator Sandford were those on which the lad was rejected. I can think of many other grounds which Senator Sandford and I probably would agree as being sufficient for rejection of the application. I do not think we should jump to a conclusion about the basis on which the decision was made. It would be more appropriate to put the matter personally to the Minister for the Army.

Question resolved in the affirmative.

Senate adjourned at 11.9 p.m.