



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 35, 1959
Thursday, 27 August 1959

TWENTY-THIRD PARLIAMENT
FIRST SESSION—SECOND PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

TWENTY-THIRD PARLIAMENT—FIRST SESSION: SECOND PERIOD.

GOVERNOR-GENERAL.

His Excellency Field Marshal Sir William Joseph Slim, Knight Grand Cross of the Most Honorable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Knight Grand Cross of the Royal Victorian Order, Knight Grand Cross of the Most Excellent Order of the British Empire, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, Knight of the Venerable Order of St. John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia, from 8th May, 1953.

SEVENTH MENZIES GOVERNMENT.

(ASSUMED OFFICE 10TH DECEMBER, 1958.)

Prime Minister	The Right Honorable Robert Gordon Menzies, C.H. Q.C.
Minister for Trade	The Right Honorable John McEwen.
Treasurer	The Right Honorable Harold Edward Holt.
Minister for External Affairs; and Minister in Charge Commonwealth Scientific and Industrial Research Organization	The Right Honorable Richard Gardiner Casey, C.H., D.S.O., M.C.
Vice-President of the Executive Council; and Senator the Honorable William Henry Spooner, M.M.				
Minister for National Development				
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 Shipping and Transport; and Minister for Civil Aviation				and Senator the Honorable Shane Dunne Paltridge.
Postmaster-General	The Honorable Charles William Davidson, O.B.E.
Minister for Immigration	The Honorable Alexander Russell Downer.
Attorney-General	The Honorable Sir Garfield Edward John Barwick, Q.C.

(The above Ministers constitute the Cabinet.)

Minister for Repatriation	Senator the Honorable Sir Walter Jackson Cooper, M.B.E.
Minister for Health	The Honorable Donald Alastair Cameron, O.B.E.
Minister for the Army	The Honorable John Oscar Cramer.
Minister for Air	The Honorable Frederick Meares Osborne, D.S.C.
Minister for Social Services	The Honorable Hugh Stevenson Robertson.
Minister for Customs and Excise	Senator the Honorable Norman Henry Denham Henty.
Minister for Primary Industry	The Honorable Charles Frederick Adermann.
Minister for Supply	The Honorable Alan Shallicross Hulme.
Minister for the Interior; and Minister for Works				The Honorable Gordon Freeth.
Minister for the Navy	Senator the Honorable John Grey Gorton.

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

TWENTY-THIRD PARLIAMENT—FIRST SESSION: SECOND PERIOD.

Speaker—The Honorable John McLeay, M.M.

Leader of the House—The Right Honorable Harold Edward Holt.

Chairman of Committees—George James Bowden, M.C.

Temporary Chairmen of Committees—Frederick Charles Chaney, A.F.C., Joseph James Clark, Laurence John Failes, Charles William Jackson Falkinder, D.S.O., D.F.C., Anthony Sylvester Luchetti, Philip Ernest Lucock, Hon. Norman John Oswald Makin, Edward William Peters, Thomas Frank Timson, M.B.E., and Bruce McDonald Wight.

Leader of the Opposition—The Right Honorable Herbert Vere Evatt, Q.C., LL.D., D.Litt.

Deputy Leader of the Opposition—The Honorable Arthur Augustus Calwell.

Leader of the Australian Country Party—The Right Honorable John McEwen.

Deputy Leader of the Australian Country Party—The Honorable Charles William Davidson, O.B.E.

Adermann, Hon. Charles Frederick	Fisher (Q.)
Allan, Archibald Ian	Gwydir (N.S.W.)
Anderson, Charles Groves Wright, V.C., M.C.	Hume (N.S.W.)
Anthony, John Douglas	Richmond (N.S.W.)
Aston, William John	Phillip (N.S.W.)
Bandit, Henry Norman Charles	Wide Bay (Q.)
Barnard, Lance Herbert	Bass (T.)
Barnes, Charles Edward	McPherson (Q.)
Barwick, Hon. Sir Garfield Edward John, Q.C.	Parramatta (N.S.W.)
Bate, Henry Jefferson	Macarthur (N.S.W.)
Beazley, Kim Edward	Fremantle (W.A.)
Bird, Alan Charles	Batman (V.)
Bland, Francis Armand, C.M.G.	Warringah (N.S.W.)
Bowden, George James, M.C.	Gippsland (V.)
Brimblecombe, Wilfred John	Maranoa (Q.)
Browne, Peter Grahame	Kalgoorlie (W.A.)
Bryant, Gordon Munro	Wills (V.)
Buchanan, Alexander Andrew	McMillan (V.)
Bury, Leslie Harry Ernest	Wentworth (N.S.W.)
Cairns, James Ford	Yarra (V.)
Calwell, Hon. Arthur Augustus	Melbourne (V.)
Cameron, Clyde Robert	Hindmarsh (S.A.)
Cameron, Hon. Donald Alastair, O.B.E.	Oxley (Q.)
Casey, Rt. Hon. Richard Gardiner, C.H., D.S.O., M.C.	La Trobe (V.)
Cash, Earl Douglas	Stirling (W.A.)
Chaney, Frederick Charles, A.F.C.	Perth (W.A.)
Chesby, Arthur Albert	Griffith (Q.)
Clarey, Hon. Percy James	Bendigo (V.)
Clark, Joseph James	Darling (N.S.W.)
Clay, Lionel Daniel	St. George (N.S.W.)
Cleaver, Richard	Swan (W.A.)
Cope, James Francis	Watson (N.S.W.)
Costa, Dominic Eric	Banks (N.S.W.)
Courtney, Frank	Darebin (V.)
Cramer, Hon. John Oscar	Bennelong (N.S.W.)
Crean, Frank	Melbourne Ports (V.)
Curtin, Daniel James	Kingsford-Smith (N.S.W.)
Daly, Frederick Michael	Grayndler (N.S.W.)
Davidson, Hon. Charles William, O.B.E.	Dawson (Q.)
Davies, Ronald	Braddon (T.)
Davis, Francis John	Deakin (V.)
Dean, Roger Levinge	Robertson (N.S.W.)
Downer, Hon. Alexander Russell	Angas (S.A.)
Drummond, Hon. David Henry	New England (N.S.W.)
Drury, Edward Nigel	Ryan (Q.)
Duthie, Gilbert William Arthur	Wilmot (T.)
Erwin, George Dudley	Ballaarat (V.)
Evatt, Rt. Hon. Herbert Vere, Q.C., LL.D., D.Litt.	Hunter (N.S.W.)
Failes, Laurence John	Lawson (N.S.W.)
Fairbairn, David Eric, D.F.C.	Farrer (N.S.W.)
Fairhall, Hon. Allen	Paterson (N.S.W.)
Falkinder, Charles William Jackson, D.S.O., D.F.C.	Franklin (T.)
Forbes, Alexander James, M.C.	Barker (S.A.)

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES—*continued.*

v

Fox, Edmund Maxwell Cameron	Henty (V.)
Fraser, Allan Duncan	Eden-Monaro (N.S.W.)
Fraser, James Reay	(A.C.T.)
Fraser, John Malcolm	Wannon (V.)
Freeth, Hon. Gordon	Forrest (W.A.)
Fulton, William John	Leichhardt (Q.)
Galvin, Patrick	Kingston (S.A.)
Griffiths, Charles Edward	Shortland (N.S.W.)
Halbert, Hugh Victor	Moore (W.A.)
Hamilton, Leonard William	Canning (W.A.)
Harrison, Eli James	Blaxland (N.S.W.)
Hasluck, Hon. Paul Meernaa Caedwalla	Curtin (W.A.)
Howarth, Hon. William Crawford	Isaacs (V.)
Haylen, Leslie Clement	Parkes (N.S.W.)
Holt, Rt. Hon. Harold Edward	Higgins (V.)
Holten, Rendle McNeilage	Indi (V.)
Howse, John Brooke	Calare (N.S.W.)
Howson, Peter	Fawkner (V.)
Hulme, Hon. Alan Shallcross	Petrie (Q.)
Jack, William Mathers	North Sydney (N.S.W.)
Johnson, Leslie Royston	Hughes (N.S.W.)
Jones, Charles Keith	Newcastle (N.S.W.)
Joske, Percy Ernest, Q.C.	Balaclava (V.)
Kearney, Victor Dennis	Cunningham (N.S.W.)
Kelly, Charles Robert	Wakefield (S.A.)
Kent Hughes, Hon. Sir Wilfrid Selwyn, K.B.E., M.V.O., M.C., E.D.	Chisholm (V.)
Killen, Denis James	Moreton (Q.)
King, Robert Shannon	Wimmera (V.)
Lawson, Hon. George	Brisbane (Q.)
Lindsay, Robert William Ludovic	Flinders (V.)
Luchetti, Anthony Sylvester	Macquarie (N.S.W.)
Lucock, Philip Ernest	Lyne (N.S.W.)
Mackinnon, Ewen Daniel	Corangamite (V.)
Makin, Hon. Norman John Oswald	Bonython (S.A.)
McColm, Malcolm Llewellyn	Bowman (Q.)
McEwen, Rt. Hon. John	Murray (V.)
McIvor, Hector James	Gellibrand (V.)
McLeay, Hon. John, M.M.	Boothby (S.A.)
McMahon, Hon. William	Lowe (N.S.W.)
Menzies, Rt. Hon. Robert Gordon, C.H., Q.C.	Kooyong (V.)
Minogue, Daniel	West Sydney (N.S.W.)
Murray, John, M.B.E.	Herbert (Q.)
Nelson, John Norman	(N.T.)
O'Connor, William Paul	Dalley (N.S.W.)
Opperman, Hubert Ferdinand, O.B.E.	Corio (V.)
Osborne, Hon. Frederick Mearns, D.S.C.	Evans (N.S.W.)
Page, Rt. Hon. Sir Earle Christmas Grafton, G.C.M.G., C.H.	Cowper (N.S.W.)
Pearce, Henry George	Capricornia (Q.)
Peters, Edward William	Scullin (V.)
Pollard, Hon. Reginald Thomas	Lalor (V.)
Reynolds, Leonard James	Barton (N.S.W.)
Riordan, Hon. William James Frederick	Kennedy (Q.)
Roberton, Hon. Hugh Stevenson	Riverina (N.S.W.)
Russell, Edgar Hughes Deg	Grey (S.A.)
Sexton, Joseph Clement Leonard	Adelaide (S.A.)
Snedden, Billy Mackie	Bruce (V.)
Stewart, Francis Eugene	Lang (N.S.W.)
Stokes, Philip William Clifford, E.D.	Maribyrnong (V.)
Swartz, Reginald William Colin, M.B.E., E.D.	Darling Downs (Q.)
Thompson, Albert Victor	Port Adelaide (S.A.)
Timson, Thomas Frank, M.B.E.	Higinbotham (V.)
Townley, Hon. Athol Gordon	Denison (T.)
Turnbull, Winton George	Mallee (V.)
Turner, Henry Basil	Bradfield (N.S.W.)
Uren, Thomas	Reid (N.S.W.)
Ward, Hon. Edward John	East Sydney (N.S.W.)
Wentworth, William Charles	Mackellar (N.S.W.)
Wheeler, Roy Crawford	Mitchell (N.S.W.)
Whitlam, Edward Gough	Werriwa (N.S.W.)
Wight, Bruce McDonald	Lilley (Q.)
Wilson, Keith Cameron	Sturt (S.A.)

THE COMMITTEES OF THE SESSION.

JOINT.

AUSTRALIAN CAPITAL TERRITORY.—Senator McCallum (Chairman), Senator Armstrong, Senator Tangney, Senator Vincent, Senator Wood, Mr. Anderson, Mr. Beazley, Mr. J. R. Fraser, and Mr. Howse.

CONSTITUTIONAL REVIEW.—Senator Sir Neil O'Sullivan (Chairman), the Prime Minister, the Leader of the Opposition in the House of Representatives, Senator Kennelly, Senator McKenna, Senator Wright, Mr. Calwell, Mr. Downer, Mr. Drummond, Mr. Hamilton, Mr. Joske, Mr. Pollard, Mr. Ward, and Mr. Whitlam.

FOREIGN AFFAIRS.—Sir Wilfrid Kent Hughes (Chairman), Senator Buttfield (from 27th August, 1959), Senator Cole, Senator McCallum (from 27th August, 1959), Senator Maher, Senator Mattner (from 27th August, 1959), Senator Pearson (to 27th August, 1959), Senator Robertson, Senator Scott, Senator Vincent (to 27th August, 1959), Senator Wordsworth (to 30th June, 1959), Mr. Aston, Mr. Chaney, Mr. Drummond, Mr. Failes, Mr. Forbes, Mr. Haworth, Mr. Joske, Mr. Lucock, Mr. Mackinnon, Mr. McColm, Mr. Wentworth, and Mr. Wheeler.

HOUSE.—Mr. Speaker (Chairman), The President, Senator Amour, Senator Aylett, Senator Drake-Brockman (from 18th November, 1959), Senator Marriott, Senator Sandford, Senator Wade (to 18th November, 1959), Senator Wardlaw (from 27th August, 1959), Senator Wordsworth (to 30th June, 1959), Mr. Failes, Mr. J. R. Fraser, Mr. Galvin, Mr. Opperman, Mr. Pearce, and Mr. Stewart.

LIBRARY.—The President (Chairman), Senator Arnold, Senator Kendall, Senator McCallum, Senator McManus, Senator Robertson, Senator Tangney, Mr. Speaker, Mr. Bryant, Mr. Drummond, Mr. Forbes, Mr. Kearney, Mr. O'Connor, and Mr. Wentworth.

PARLIAMENTARY PROCEEDINGS BROADCASTING.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator Marriott, Mr. Costa, Mr. Falkinder, Mr. Allan Fraser, Mr. Opperman, and Mr. Turnbull.

PRINTING.—Mr. Lucock (Chairman), Senator Benn, Senator Buttfield, Senator Cooke, Senator Hannaford, Senator Robertson, Senator Sandford, Senator Scott, Mr. Bird, Mr. Erwin, Mr. E. James Harrison, Mr. Opperman, Mr. Pearce, and Mr. Stewart.

PUBLIC ACCOUNTS.—Mr. Bland (Chairman), Senator Benn, Senator Wade, Senator Wedgwood, Mr. Ian Allan, Mr. Bury, Mr. Cairns, Mr. Cleaver, Mr. Cope, and Mr. Thompson.

PUBLIC WORKS.—Mr. Fairhall (Chairman), Senator Anderson, Senator Maher, Senator O'Byrne, Mr. Brimblecombe, Mr. Dean, Mr. Griffiths, Mr. McIvor, and Mr. O'Connor.

HOUSE OF REPRESENTATIVES.

PRIVILEGES.—Mr. Drury (Chairman), Mr. Clyde Cameron, Mr. Clark, Mr. Erwin, Mr. Allan Fraser, Mr. Galvin, Mr. Killen, Mr. Snedden, and Mr. Turnbull. (During consideration of matter referred to Committee on 18th March, Mr. Joske served in place of Mr. Killen.)

STANDING ORDERS.—Mr. Speaker, the Prime Minister, the Chairman of Committees, the Leader of the House, the Deputy Leader of the Opposition, Mr. Clark, Mr. Costa, Mr. Drury, Mr. E. James Harrison, Mr. Makin, and Sir Earle Page.

PARLIAMENTARY DEPARTMENTS.

SENATE.

Clerk.—R. H. C. Loof.

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.

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

Third Clerk-Assistant.—D. M. Blake.

Serjeant-at-Arms.—A. R. Browning.

PARLIAMENTARY REPORTING STAFF.

Principal Parliamentary Reporter.—L. D. O'Donnell.

Second Reporter.—W. E. Dale.

Third Reporter.—A. K. Healy.

LIBRARY.

Librarian.—H. L. White.

Assistant Librarian.—L. C. Key.

JOINT HOUSE.

Secretary.—W. I. Emerton.

THE ACTS OF THE SESSION.

(FIRST SESSION: SECOND PERIOD.)

AIRPORTS (BUSINESS CONCESSIONS) ACT 1959 (ACT NO. 89 OF 1959)—

An Act to provide for the Grant of Leases, Licences and Trading Rights in connexion with Commonwealth Airports.

APPROPRIATION ACT 1959-60 (ACT NO. 67 OF 1959)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and sixty, and to appropriate the Supplies granted by the Parliament for that year.

APPROPRIATION (WORKS AND SERVICES) ACT 1959-60 (ACT NO. 68 OF 1959)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and sixty, for the purposes of Additions, New Works and other Services involving Capital Expenditure and to appropriate the Supplies granted by the Parliament for that year.

AUSTRALIAN CAPITAL TERRITORY REPRESENTATION ACT (NO. 2) 1959 (ACT NO. 91 OF 1959)—

An Act to amend the Australian Capital Territory Representation Act 1948-1949, as amended by the *Australian Capital Territory Representation Act 1959*.

CANNED FRUIT (SALES PROMOTION) ACT 1959 (ACT NO. 83 OF 1959)—

An Act relating to the Promotion of the Sale of Canned Fruit.

CANNED FRUITS EXPORT CONTROL ACT 1959 (ACT NO. 84 OF 1959)—

An Act to amend the *Canned Fruits Export Control Act 1926-1956*.

CANNING-FRUIT CHARGE (ADMINISTRATION) ACT 1959 (ACT NO. 82 OF 1959)—

An Act relating to the Payment and Collection of the Charge imposed by the *Canning-fruit Charge Act 1959*.

CANNING-FRUIT CHARGE ACT 1959 (ACT NO. 81 OF 1959)—

An Act to impose a charge upon Canning Fruit.

COMMONWEALTH EMPLOYEES' COMPENSATION ACT 1959 (ACT NO. 98 OF 1959)—

An Act to amend the *Commonwealth Employees' Compensation Act 1930-1956*.

COMMONWEALTH MOTOR VEHICLES (LIABILITY) ACT 1959 (ACT NO. 94 OF 1959)—

An Act relating to the Liability of the Commonwealth and Commonwealth Authorities in respect of Death or Personal Injury caused by, or arising out of the use of, certain Motor Vehicles.

CUSTOMS TARIFF (NO. 3) 1959 (ACT NO. 62 OF 1959)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF (NO. 4) 1959 (ACT NO. 63 OF 1959)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF (NO. 5) 1959 (ACT NO. 64 OF 1959)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF VALIDATION ACT 1959 (ACT NO. 96 OF 1959)—

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

DEFENCE FORCES RETIREMENT BENEFITS ACT 1959 (ACT NO. 103 OF 1959)—

An Act relating to Retirement Benefits for Members of the Defence Forces of the Commonwealth.

EXCISE TARIFF (NO. 2) 1959 (ACT NO. 65 OF 1959)—

An Act relating to Duties of Excise.

EXCISE TARIFF (NO. 3) 1959 (ACT NO. 66 OF 1959)—

An Act relating to Duties of Excise.

EXCISE TARIFF VALIDATION ACT 1959 (ACT NO. 97 OF 1959)—

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

EXPORT PAYMENTS INSURANCE CORPORATION ACT (NO. 2) 1959 (ACT NO. 101 OF 1959)—

An Act to amend the *Export Payments Insurance Corporation Act 1956*, as amended by the *Export Payments Insurance Corporation Act 1959*.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT ACT (NO. 2) 1959 (ACT NO. 70 OF 1959)—

An Act to amend the Law relating to Income Tax.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT ACT (NO. 3) 1959 (ACT NO. 85 OF 1959)—

An Act to amend the Law relating to Income Tax.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ACT 1959 (ACT NO. 71 OF 1959)—

An Act to impose upon Incomes a Tax by the name of Income Tax and Social Services Contribution.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ACT (NO. 2) 1959 (ACT NO. 87 OF 1959)—

An Act to amend the *Income Tax and Social Services Contribution Act 1959*.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION (NON-RESIDENT DIVIDENDS) ACT 1959 (ACT NO. 86 OF 1959)—

An Act to impose Income Tax and Social Services Contribution upon certain Dividends derived by Non-residents.

THE ACTS OF THE SESSION—*continued.*

- INCOME TAX (INTERNATIONAL AGREEMENTS) ACT 1959 (ACT NO. 88 OF 1959)—**
An Act to amend the *Income Tax (International Agreements) Act 1953–1958.*
- INTERNATIONAL WHEAT AGREEMENT ACT 1959 (ACT NO. 69 OF 1959)—**
An Act to approve Acceptance by Australia of the International Wheat Agreement, 1959, and for other purposes.
- LIFE INSURANCE ACT 1959 (ACT NO. 93 OF 1959)—**
An Act to amend the *Life Insurance Act 1945–1958.*
- LOAN ACT 1959 (ACT NO. 100 OF 1959)—**
An Act to Authorize the Raising and Expenditure of a certain Sum of Money for Defence Purposes.
- LOAN (HOUSING) ACT 1959 (ACT NO. 75 OF 1959)—**
An Act to authorize the Raising and Expenditure of Moneys for the purposes of Housing.
- LOAN (SHORT-TERM BORROWINGS) ACT 1959 (ACT NO. 61 OF 1959)—**
An Act to Authorize the Borrowing of Money by the Commonwealth for Short Periods and the Expenditure of the Money so borrowed.
- LOAN (WAR SERVICE LAND SETTLEMENT) ACT 1959 (ACT NO. 74 OF 1959)—**
An Act to approve the Borrowing of Moneys for a Defence Purpose, namely Financial Assistance to the States in connexion with War Service Land Settlement, and to authorize the Expenditure of those Moneys.
- LOANS SECURITIES ACT 1959 (ACT NO. 55 OF 1959)—**
An Act to amend the *Loans Securities Act 1919–1956.*
- MATRIMONIAL CAUSES ACT 1959 (ACT NO. 104 OF 1959)—**
An Act relating to Marriage and to Divorce and Matrimonial Causes and, in relation thereto, Parental Rights and the Custody and Guardianship of Infants.
- NATIONAL HEALTH ACT 1959 (ACT NO. 72 OF 1959)—**
An Act to amend the *National Health Act 1953–1958.*
- NATIONALITY AND CITIZENSHIP ACT 1959 (ACT NO. 79 OF 1959)—**
An Act to amend the *Nationality and Citizenship Act 1948–1958.*
- PETROLEUM SEARCH SUBSIDY ACT 1959 (ACT NO. 60 OF 1959)—**
An Act to Encourage the Search for Petroleum in Australia by Subsidizing Stratigraphic Drilling and certain other Operations.
- POST AND TELEGRAPH RATES ACT 1959 (ACT NO. 56 OF 1959)—**
An Act to amend the *Post and Telegraph Rates Act 1902–1956.*
- RAYON YARN BOUNTY ACT (NO. 2) 1959 (ACT NO. 80 OF 1959)—**
An Act to amend the *Rayon Yarn Bounty Act 1954–1956*, as amended by the *Rayon Yarn Bounty Act 1959.*
- REPATRIATION ACT 1959 (ACT NO. 58 OF 1959)—**
An Act to amend the *Repatriation Act 1920–1958.*
- SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT (NO. 2) 1959 (ACT NO. 92 OF 1959)—**
An Act relating to the Classification of certain Motor Vehicles for the purposes of Sales Tax.
- SCIENCE AND INDUSTRY RESEARCH ACT 1959 (ACT NO. 78 OF 1959)—**
An Act to amend the *Science and Industry Research Act 1949.*
- SEAMEN'S COMPENSATION ACT 1959 (ACT NO. 99 OF 1959)—**
An Act to amend the *Seamen's Compensation Act 1911–1954.*
- SEAMEN'S WAR PENSIONS AND ALLOWANCES ACT 1959 (ACT NO. 59 OF 1959)—**
An Act to amend the *Seamen's War Pensions and Allowances Act 1940–1958.*
- SEAT OF GOVERNMENT (ADMINISTRATION) ACT 1959 (ACT NO. 90 OF 1959)—**
An Act to amend the *Seat of Government (Administration) Act 1910–1955.*
- SOCIAL SERVICES ACT 1959 (ACT NO. 57 OF 1959)—**
An Act to amend the *Social Services Act 1947–1958.*
- STATES GRANTS ACT 1959 (ACT NO. 76 OF 1959)—**
An Act to grant Financial Assistance to the States.
- STATES GRANTS (SPECIAL ASSISTANCE) ACT 1959 (ACT NO. 77 OF 1959)—**
An Act to grant Financial Assistance to the States of South Australia, Western Australia and Tasmania.
- SUPERANNUATION ACT 1959 (ACT NO. 102 OF 1959)—**
An Act relating to Superannuation.
- TAXATION ADMINISTRATION ACT 1959 (ACT NO. 95 OF 1959)—**
An Act to amend the *Taxation Administration Act 1953–1957.*
- THERAPEUTIC SUBSTANCES ACT 1959 (ACT NO. 73 OF 1959)—**
An Act to amend the *Therapeutic Substances Act 1953.*

BILLS OF THE SESSION.

Evidence Bill 1959. Initiated in the House of Representatives. Read a first time.

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Thursday, 27th August, 1959.

Mr. SPEAKER (Hon. John McLeay) took the chair at 10.30 a.m., and read prayers.

LAOS.

Dr. EVATT.—I wish again to ask the Minister acting for the Minister for External Affairs a question which he answered in part recently. This matter has been referred to a few times in the last four or five weeks. It concerns the situation in Laos, which seems to have worsened. The Minister for External Affairs, some little time ago, advised the House, in effect, that the best course was for Australia to do nothing. I am not suggesting armed intervention in Laos, but I do suggest that we should use the conciliation processes of the United Nations, particularly the Security Council. If the situation in Laos were to worsen it could cause a very serious disturbance in Indo-China generally and perhaps further afield. Will the Minister look at this matter again in the light of developments in the last few days? This is an important matter and Australia—indeed, any nation—has the right to bring such matters before either the Security Council or the General Assembly of the United Nations, as the honorable gentleman knows.

Sir GARFIELD BARWICK.—A few days ago, in answer to a question, I told the right honorable gentleman that, having regard to the need to respect the sovereignty and independence of Laos, it was not thought advisable at this stage for Australia to attempt, on its own initiative, to bring the matter before the United Nations. Although I did not mention his name, I inferred that Mr. Ngon Sananikone had arrived in New York and as I understood—I now know this to be so—was having discussions with Mr. Hammarskjold, the Secretary-General of the United Nations. There are a number of courses that may be taken in relation to the United Nations, and I know that they are currently being explored by the Secretary-General and Mr. Sananikone. I also know that Australia's representative in New York is keeping in close touch with the situation and, indeed,

is having conversations with Mr. Sananikone. The Government feels that this small but important nation of Laos desires to determine as far as possible its own course of action. We would like to respect that desire so long as there is no flare up of activities beyond the borders of Laos.

DEVELOPMENT OF NORTHERN AUSTRALIA.

Mr. BROWNE.—I should like to ask a question of the Minister representing the Minister for National Development. Can the Minister inform the House whether there is in existence a government blueprint for the agricultural and mineral development of the north of Australia or whether the Government envisages any desirable line of progress in this matter? If such a blueprint is in existence, or if the Government envisages any desirable line of progress, will the Minister acknowledge the due importance of the matter by making this information public?

Sir GARFIELD BARWICK.—The Commonwealth, of course, has a great interest in the development of the north of Australia, but, primarily, the responsibility for this rests on Western Australia in respect of the north of that State and on Queensland in respect of the north of Queensland. The Commonwealth has evidenced its interest in the matter by its offer of £5,000,000 to the Western Australian Government not so long ago. The development of the Northern Territory is a matter for my colleague, the Minister for Territories, and I shall refer the honorable member's question to him. I shall refer the matter generally also to the Minister for National Development, whom I represent in this House.

OVERSEAS INVESTMENTS IN AUSTRALIA.

Mr. CAIRNS.—I ask the Prime Minister a question arising from a question asked last Tuesday by the honorable member for Scullin, the essential part of which was an inquiry whether it was this Government's policy to give preference to companies with overseas shareholdings. The right honorable gentleman will know, from reference to "Hansard", that he did not deal with that aspect of the question. I now ask

him: Does the federal trade and import policy ensure preference to companies with overseas shareholdings?

Mr. MENZIES.—The answer to that question is, "No".

BROADCASTING.

Mr. HALBERT.—I wish to ask the Postmaster-General a question. Is the Minister aware that a large area in the agricultural districts of Western Australia does not get reasonable radio broadcasting services; that there are populated areas within 100 miles of Perth where it is not worth while owning a radio set; that only a small proportion of the population can receive an alternative programme from the Australian Broadcasting Commission; and that the residents of not more than 10 per cent. of my electorate can have the enjoyment of hearing the parliamentary broadcasts or good alternative musical programmes? Does the Minister consider it only reasonable that the country districts of Western Australia should have proper broadcasting services before further money is spent on television in the eastern States, particularly as broadcasting has been operating in Australia for nearly 36 years?

Mr. DAVIDSON.—I am aware that there are areas in Western Australia, including parts of the honorable member's electorate, in which broadcast reception is not good. Similar conditions prevail in other parts of Australia also. The Australian Broadcasting Commission and particularly the Australian Broadcasting Control Board have been investigating this problem for some time, and, over a considerable period, have been doing their best to ensure that broadcast reception in country areas is improved. Last year, an engineer was sent to Western Australia to make a thorough survey of broadcast reception in that State. He returned and made a comprehensive report, which is still under study by the Broadcasting Control Board for the purpose of determining what further action can be taken to improve reception in the area.

In reply to one of the points made by the honorable member, I point out that improvements are not being delayed by the expenditure of money on the extension of television services. The funds available to

the Post Office, the Broadcasting Control Board and the Australian Broadcasting Commission for the extension and improvement of radio broadcast services have not been varied as a result of the development of television.

As I have already pointed out, reception in other parts of Australia also needs attention from time to time, and we have adopted, as our main policy, one of increasing the power of stations which can provide alternative programmes in country areas. An example of what has already been done in this regard is available at Wagin in Western Australia, where the power of the station was built up about twelve months ago to 50,000 watts. Similar action has been taken at station 4QN, Townsville, and at the station at Grafton in New South Wales. These stations are serving large country areas which previously had not enjoyed very good reception. As a result of the building up of their power to 50,000 watts, they are providing a vastly improved service for those areas. This policy will be extended further in Western Australia. I repeat that the power has already been built up at Wagin, and it is intended as a part of our forthcoming programme, but at a date that I cannot specify at present, to increase the power of station 6WF to 50,000 watts.

EDUCATION.

Mr. WHITLAM.—I address a question to the Prime Minister. Last March the right honorable gentleman promised the Premiers that he would set out quite fully and categorically in a letter to each of them his reasons for refusing to set up a joint Commonwealth-State commission into primary, secondary and technical education. I believe that last month he sent letters to them. Meantime, on 21st April, the Leader of the House told the honorable member for Newcastle that he would inquire whether copies of the letters could be distributed among honorable members. I now ask the Prime Minister whether he will table the letters or otherwise make their text available, and in particular whether he will do so before the debate on the Estimates for his department.

Mr. MENZIES.—The answer to the question is: "Yes, I will".

TRADE WITH RUSSIA.

Mr. LUOCK.—Can the Minister for Trade advise the House whether, in view of the re-establishment of diplomatic missions between Australia and the Soviet Union, there is any likelihood of increased sales of Australian products to that country? Further, can the Minister comment on newspaper speculations that Russian wool-buyers will participate directly in the present series of wool auctions?

Mr. McEWEN.—I am not in a position to answer the question with any precision. Let me make it clear that in whatever discussions took place prior to the re-establishment of diplomatic missions between Australia and the Soviet Union, there was no mention, except perhaps by way of passing reference, to trade. There was certainly none of sufficient significance to bring me into the discussions. The matter of trade, therefore, was not basic to the re-establishment of diplomatic missions. However, the Russians themselves have announced that they are going to re-enter the wool auction room. We have reason to believe that they wish to procure our wool, and it might be reasonable to expect their re-entry into the auction room. I understand also that the Soviet Union will station in Canberra a commercial counsellor. If and when that occurs, I have no doubt that we shall achieve a better understanding of the desired commercial relationship between Australia and the Soviet Union. As regards Australia's attitude, we have never placed any obstruction in the way of the sale to the Soviet of our ordinary, normal export products, such as foodstuffs and wool.

COMMONWEALTH PROFESSIONAL OFFICERS.

Mr. BRYANT.—Is the Prime Minister aware that the Commissioner for the Snowy Mountains Authority stated recently that difficulty was experienced in obtaining adequate numbers of trained technical people for government projects? Is this the case with other government instrumentalities and departments, and is it due to the fact that higher salaries are paid by private concerns? Does he approve of a statement by the Minister for National Development that it is desirable that private companies should attract govern-

ment-trained personnel from the Bureau of Mineral Resources? Will the right honorable gentleman examine the matter of the salaries of the qualified professional men engaged in such work, in order to place government departments in a better competitive position?

Mr. MENZIES.—I did not hear either of the statements that have been referred to by the honorable member. I would be very pleased to find out what was said.

PHARMACEUTICAL BENEFITS.

Mr. KILLEN.—My question is addressed to the Minister for Health. Are there many drugs available only on a doctor's prescription, the dispensing of which would attract charges of less than 5s.? Will the Minister describe the position of drugs on those prescriptions in relation to the Government's current proposals?

Dr. DONALD CAMERON.—I give this as my own impression, because I cannot answer with complete precision: I should think that, of the total number of doctors' prescriptions presented by patients, only a relatively small number could be dispensed by chemists for less than 5s. That does not cover merely single drugs; it covers compounded medicines as well. The honorable gentleman also asks about the effect of the Government's proposals on prescribing. What is proposed is that the range of drugs at present regarded as pharmaceutical benefits will be greatly increased and will not, in fact, be limited to single drugs, so that a great many prescriptions for which the patient now pays will be brought within the range of pharmaceutical benefits.

NATURALIZATION.

Mr. LUCHETTI.—I ask the Minister for Territories whether he has given further consideration to granting Australian citizenship to people of European-Melanesian mixed blood in the Territory of Papua and New Guinea. If he has done so, what action does he intend to take? Will the Minister tell the House what percentage of people of Asian origin, including Chinese, have accepted the opportunity to take out Australian citizenship in the Territory?

Mr. HASLUCK.—As a result of the decision of this Government, an opportunity was given to certain persons of Asian origin who were born in the Territory or who had lived there for a long time to become Australian citizens. Although I cannot give the exact percentage, I would be correct in saying that the big majority of those eligible under the Government's decision have become or are in process of becoming naturalized Australian citizens. This has left us with the problem of a small number of Asians who were not eligible under the previous decision and a comparatively small number of persons of mixed blood who have an indefinite status. Considerable work has been done both in the Territory and in the Department of Territories in Canberra in examining the problem and in preparing proposals. I am sure that the honorable member will realize that this is a matter for decision by Cabinet, and I shall shortly make recommendations to Cabinet on the matter.

PHARMACEUTICAL BENEFITS.

Mr. BUCHANAN.—My question is directed to the Minister for Health. Will the increased range of drugs available as pharmaceutical benefits allow the prescription of cortisone for the treatment of arthritic conditions?

Dr. DONALD CAMERON.—Cortisone is, in fact, available for the treatment of arthritic conditions at present, subject to certain restrictions. That is to say, it is one of a class of what are known as second schedule or restricted drugs. Although those drugs are pharmaceutical benefits, their use as pharmaceutical benefits is restricted to a certain range of diseases. The proposals announced by the Treasurer in his Budget speech will not affect that position one way or the other. There will still be two schedules—a general schedule of drugs which may be prescribed as pharmaceutical benefits for any disease, and a restricted schedule of drugs which may be prescribed as pharmaceutical benefits only for a limited range of diseases.

POSTAL DEPARTMENT.

Mr. COSTA.—Last week I asked the Postmaster-General whether it was true that the Postal Department was placing the

collection of outstanding telephone debts in the hands of outside debt collecting agencies for a 10 per cent. payment of the amount collected. Has he yet obtained this information? If so, will he let me have it?

Mr. DAVIDSON.—I am sorry that I have not yet obtained the information for which the honorable member asked last week. I did start inquiries, and I expect to receive the information very shortly. As soon as I do I will give it to the honorable member.

COMMONWEALTH DEVELOPMENT BANK.

Mr. BRIMBLECOMBE.—I ask the Treasurer: Is the Commonwealth Development Bank now established and ready for business? If not, as there are many young men in this country who are eager to go on the land and who desire to use this bank's services, can the Minister say when this organization will be ready for widespread operation?

Mr. HAROLD HOLT.—The Commonwealth Development Bank has not yet been officially constituted for the purposes indicated by the honorable member. I think that earlier in the year I mentioned that it was probable that it would come into full operation at the beginning of the next calendar year. Arrangements have been in train for the appointment of the various elements of the Commonwealth Banking Corporation and announcements should have been made this morning—they were authorized by me—of the appointments of the general managers of the three banks making up the corporation. But until such time as the Commonwealth Development Bank functions as such, there remain, of course, the industrial finance section of the Commonwealth Bank and the mortgage bank section, either of which would be capable, perhaps, of dealing with the kind of problem which the honorable member has in mind, at least until the other bank comes into full operation.

TAXATION IN PAPUA AND NEW GUINEA.

Mr. DUTHIE.—I ask the Minister for Territories whether one reason for the bitter opposition to taxation in New Guinea,

especially from the planters, is that they regard payment of tax as a lowering of their status in the eyes of the native people who, themselves, pay tax. What level of taxation has been imposed in relation to taxation in Australia?

Mr. HASLUCK.—I would not attempt to analyse the motives of any one who may be opposing the introduction of taxation. I imagine that the motives vary from place to place. I think the honorable member is perhaps in error in saying that the planters, as a class, are against taxation. Some planters are opposing it as individuals, but we know that there are quite a number of people engaged in planting who are not opposing it and who recognize that the abolition of export duties, which were part of the whole reform carried out allied with the introduction of income tax, will be more to their advantage and a greater encouragement to development than the old system.

Regarding the level of taxation, the rate of taxation both on private individuals and on companies is approximately half the rate imposed on equivalent incomes in Australia, but in consequence of the fact that the concessional deductions in the Territory are much more liberal than on the Australian mainland and in view of the fact that some concessions are given which are not allowed in Australia at all, the actual payment of tax by a person on an income will be considerably less than half of what would be paid by an Australian on an equivalent income.

R.A.A.F. CAMP, URANQUINTY.

Mr. FAIRBAIRN.—I ask the Minister for the Interior whether the installations at the Royal Australian Air Force camp at Uranquinty have been handed over to his department for disposal. If so, can he inform the House whether the camp will be offered for sale as a whole to some organization, or whether the various installations will be sold separately for dismantling and re-erection elsewhere? Will the unused land be offered first to the relatives of those people from whom it was compulsorily resumed during the war?

Mr. FREETH.—The honorable member has taken a great interest in the Uranquinty

station ever since it became known that it was no longer required by the Royal Australian Air Force. However, the station was handed to my department for disposal only a week or ten days ago. We have received numerous inquiries from people wishing to purchase some of the land or some of the buildings on the land, and we do not expect any difficulty in disposing of the installations separately. However, I know that the honorable member is interested in maintaining, as far as possible, the value of the aerodrome as an intact unit, and the department at present is negotiating with the New South Wales Government, which is interested in acquiring approximately 400 acres of the land for its own purposes. I am unable to state the stage that has been reached in the negotiations, but I shall keep the honorable member informed of the position.

DENTAL SERVICES.

Mr. STEWART.—Yesterday, I directed a question to the Minister for Health concerning negotiations between the Australian Dental Association and the Department of Health for the establishment of a dental health scheme. If, as stated yesterday, no such negotiations are taking place, will the Minister now inform the House what action has been or is being taken to raise the standard of dental health in Australia, and to make dental treatment less costly?

Dr. DONALD CAMERON.—Standards of professional practice in Australia are not matters for determination by the Commonwealth Department of Health.

POSTAL DEPARTMENT.

Mr. SWARTZ.—Can the Postmaster-General say when it is expected that the extensive work on the Toowoomba automatic telephone exchange system will be completed? Is the system that is being installed at the main automatic exchange, and the two supplementary exchanges, of a type that incorporates new developments known as the cross-bar system? If so, will this project be used as a pilot system with a view to the provision of this kind of exchange in other centres of Australia? Has the Minister a firm estimate of the total cost of the project in Toowoomba?

Mr. DAVIDSON.—The exchange equipment that is being installed in the post office at Toowoomba is known as the cross-bar system. Although this is not a new system, it has been considerably developed in recent years. Previously, we have used what is known as the step-by-step system. We believe that the development of the cross-bar system will offer considerable opportunities to reduce the space required for installation, that it will reduce maintenance and that it will permit of more effective operation. Our engineers who have been investigating the development of this system in both France and Sweden have obtained information which has led them to believe that the advantages that I have mentioned will be obtained. We have decided, therefore, to pursue the possibility of introducing steadily this kind of equipment throughout Australia.

Already the two small installations that have been made in Melbourne have proved successful and, in the circumstances, we have decided to install the system in Toowoomba, a rural city which, as honorable members will realize, is eminently suited, by reason of its wide coverage, for this kind^{*} of installation. The results obtained in Toowoomba will be a guide to the department as to the desirability of proceeding with further installations. To install this equipment will cost in the vicinity of £383,000, and I believe that it will come into operation about the middle of next year. The department is not only pursuing the possibility of introducing this improved system, but is also investigating the possibility of the equipment being manufactured in Australia if it is successful.

POSTAL CHARGES.

Mr. WARD.—Is it a fact that the Treasurer, in endeavouring to justify the proposed increases in charges imposed by the Postmaster-General's Department, expressed the view that in assessing the financial position of the department, allowance should be made for an interest charge on invested capital? Is it a fact that capital expenditure which he stated had been provided from revenue since the termination of World War II., was met from taxation imposed on the general public? If so, does the Treasurer agree that to increase charges now to meet the payment of

interest upon invested capital is, in fact, compelling the taxpayer to pay interest to the Government upon capital which he himself has supplied to the Government free of cost?

Mr. HAROLD HOLT.—These matters can be looked at in rather different ways. It is a fact that the very substantial amounts of capital invested in the Post Office since World War II. have been obtained, not from loans, but from revenue. In that sense, the taxpayer has contributed, in the form of revenue, to works which normally a government would prefer to finance by way of loan if that were practicable. I think that all members know the reasons why it has not been practicable for us to provide loan moneys for this purpose. All the loan raisings of the Commonwealth Government, over these years, have been devoted to the needs of the State Governments. If we were not to have a component in postal charges representing some return on capital invested, then the taxpayer who has already contributed to the capital cost of the Post Office in this substantial degree, would have to contribute further amounts in the years ahead. That is obvious enough to any one who bothers to think about it.

Roughly £50,000,000 has to be found this year from the Budget for the capital needs of the Post Office. The corresponding sum in subsequent budgets is likely to grow appreciably larger in the years ahead, as Australia grows. If those who use the services of the Postal Department do not, in the aggregate, provide a commercial return to the department, quite clearly the taxpayer of the future instead of those who use the services, will have to go on providing money for the needs of the Post Office. So while, in a sense, it is true that the taxpayer has provided these capital moneys and that the increased charges will affect some taxpayers—not all of them to the same degree—in future, a more just distribution of Postal Department expenses and charges will be made, bearing on those who use the services rather than on the general body of taxpayers.

WHEAT RESEARCH.

Mr. KING.—In view of a report in Victoria that wheat research now remains

deadlocked, can the Minister for Primary Industry give consideration to a request that I made in this House for the matter to be put to the growers in the form of a ballot to try to finalize this very important issue?

Mr. ADERMANN.—I do not think that this matter requires any action on my part at the present moment. I understand that officials of the Australian Wheatgrowers' Federation are discussing the problem with the Victorian Government. I hope that they can come to some arrangement to correct this impasse.

RATES OF EXCHANGE.

Mr. CLAY.—I direct a question to the Treasurer. Has the right honorable gentleman heard of Dr. Ludwig Erhardt, financial adviser to the German Government? Has the Treasurer given any consideration to two or more different rates of exchange? A base rate such as 25s. to the £1 sterling for essential imports and another rate of, say, 35s. to the £1 sterling for luxury imports such as Swiss chocolates might be cited as an example.

Mr. HAROLD HOLT.—The question is of a rather more technical character than would permit of a ready answer without notice. I ask the honorable gentleman, therefore, to put his question on the notice-paper. But by way of general reply, I could not see such a system meeting more conveniently and effectively the import problems of this country than the arrangements already in train under the direction of my colleague, the Minister for Trade.

POSTAL RATES.

Mr. CASH.—Will the Postmaster-General, bearing in mind the law of diminishing returns, give consideration to introducing each year a special postal rate for Christmas cards? Over 120,000,000 Christmas cards are posted in Australia each Christmas conveying messages that contribute greatly to peace on earth and goodwill among all men.

Mr. DAVIDSON.—The honorable member's suggestion is very interesting. He has asked me whether I will give consideration to it. My reply is: Yes, of course. Seeing

that he has put it to me I shall certainly give it consideration, but I cannot hold out to him any great hope that I will be able to implement it.

MIXED MARRIAGES WITH ABORIGINES.

Mr. COPE.—Will the Minister for Territories inform the House of the latest development between Daly, Arthur and Gladys?

Mr. HASLUCK.—**Mr. Speaker,** in answer to a telegram that was sent to me by the suitor, Mr. Daly, I informed him that there should be no reasonable objection to his interviewing Gladys and continuing to talk with her. But I suggested that he should discuss with the Administrator of the Northern Territory an arrangement under which the question might be deferred for, say, six months so as to make sure that the woman herself was clear about her own wishes, because she had made avowals of preference for Arthur and avowals of preference for Daly. I also suggested that a period of six months would allow us time to sort out the exact significance of the tribal relationship between the woman and Arthur. Consequent on that suggestion—and, of course, six months is very much less than the seven years that Jacob was prepared to serve for Leah and another seven years for Rachel—counsel for Daly wrote to the Administrator, in terms which generally were rather demanding, and sought an immediate solution. The Administrator has again invited counsel for Daly and Daly himself to discuss with him this arrangement for what might be termed a cooling-off period.

Mr. CLYDE CAMERON.—I should like to ask the Minister for Territories a question. Is it a fact that the person who is making the inquiries into this affair between Arthur and Gladys, which was mentioned in the House last week, is a man by the name of Ward? Is it also a fact that people bearing this name are notorious for their inquisitiveness about other people's affairs?

Mr. HASLUCK.—It is true that Mr. Daly's counsel, who represented him in the court proceedings and is acting for him at present, is a Mr. Ward. Mr. Ward also

has the added function of being a member of the Legislative Council for the Northern Territory. So, in both his capacity as a local member and as counsel for one of the parties concerned, he has been very active in the matter. I have no knowledge at all of the characteristics of the Ward clan.

SMALLPOX.

Mr. CLEAVER.—Has the Minister for Health received a resolution from the annual conference of the Parents and Citizens Federation of Western Australia asking for a national immunization plan against smallpox? Does the Minister consider that, due to the shorter travelling time between Asia and Australia, there is any danger of smallpox becoming epidemic? If so, will he earnestly consider the immunization proposal to which I have referred?

Dr. DONALD CAMERON.—No, Mr. Speaker, I have not received such a request. The question of immunization against smallpox is constantly in the mind of the Department of Health. I do not think it is necessary to institute a national campaign, but I think it is a good thing that people should be aware that although we have excellent quarantine arrangements which, so far, have been highly successful in preventing smallpox from either gaining access to, or spreading in, this country, it is always a possibility that even with the best arrangements smallpox will enter the country, so I think it is probably highly desirable that people should voluntarily undergo vaccination.

POSTAL DEPARTMENT.

Mr. DRUMMOND.—I desire to ask the Postmaster-General a question without notice, which I would preface, Sir, by referring very briefly to an answer given by the Treasurer to a question concerning the Commonwealth Bank. Apparently, the Government, in its wisdom, has decided to give semi-autonomy to certain branches of the bank under a general policy, in order to enable the bank to expand more healthfully on the lines of big business wherever it develops. Having regard to those facts, I ask the Postmaster-General whether he, or the Government, has considered a similar proposal to apply to what

is now a very big enterprise which must, with the growth of our population, become much bigger—that is, the Postal Department and all its associated activities. Has consideration been given to proposals for creating semi-autonomous branches under a central general policy control?

Mr. DAVIDSON.—No, I do not know of any such proposal having been considered. Certainly it has not come before me and I have not heard that the Government has considered the proposal of the honorable member for New England that we establish, if I understand him correctly, a series of semi-autonomous branches of the Postal Department which would operate more or less autonomously, with some general direction, in country areas.

Mr. Drummond.—No, no—throughout the Commonwealth.

Mr. DAVIDSON.—Well, throughout the Commonwealth. Therefore, the reply is that no consideration has yet been given to such a proposal, but I shall be happy to make some inquiries as to its feasibility.

TRADE WITH CHINA.

Mr. JONES.—My question without notice is to the Minister for Trade. In asking it I make reference to a question that I asked the right honorable gentleman yesterday, relative to the export of wool, steel and other materials to mainland China. In reply he indicated to me that goods for export to mainland China were in three categories. The first category consisted of goods the export of which was absolutely forbidden, and that category has never been modified. The second category consisted of goods on an intermediate list. Those goods could be exported subject to the approval of the Department of External Affairs. The third category comprised foodstuffs, wool and other goods on which there has never been an export ban.

I ask the Minister whether I and other honorable members may have a copy of those lists. Further, how long has steel been considered a non-defence material? In the light of his reply to my question yesterday, does the Minister not consider the Government's declared policy of non-recognition of mainland China to be sheer humbug?

Mr. McEWEN.—Lists are not available. I think that yesterday I did say that the export of goods in one category was absolutely forbidden. I think I also added that that category had never been modified. In using those terms I was perhaps not completely correct, for which I express regret, because I think there is some scope for modification between the forbidden list and the list of goods that are available for export subject to permission from the Department of External Affairs. I think it is obvious that if the export of certain goods is to be forbidden due to strategic considerations, the current appraisal of strategic circumstances could lead to some modification in that list. In fact, my statement that certain goods may be exported subject to approval by the Department of External Affairs, indicates some fluidity of judgment from time to time in relation to that category. The conclusion to be drawn is that there is no hard and fast rule that certain goods shall be placed in a particular category.

BUDGET 1959-60.

In Committee of Supply: Consideration resumed from 26th August (vide page 612), on motion by **Mr. Harold Holt**—

That the first item in the Estimates under Division No. 101—The Senate—namely, "Salaries and allowances, £29,600", be agreed to.

Upon which **Dr. Evatt** had moved by way of amendment—

That the first item be reduced by £1.

Mr. BARNARD (Bass) [11.18].—Mr. Chairman, the Budget presented by the Treasurer (Mr. Harold Holt)—his first in that capacity—can only be described as disappointing. I believe that opinion is widely shared throughout the community. In what is normally a profoundly important financial document, the Government's complacency in the face of its failure to deal with the real problems affecting Australia can only be described as alarming. For example, the Treasurer dismissed the employment situation with a brief reference to the fact that employment rose on the one hand and unemployment fell on the other. That statement is only partially correct and will not stand up to careful analysis. The Budget completely ignores the alarming situation into which farm income has been

allowed to decline. Although farm income during 1958-59 rose to £399,000,000, which was a slight improvement on the previous year, it was substantially less than the amount of £514,000,000 earned during 1956-57. The purchasing power of farmers' incomes therefore is considerably less than it was two years ago. But still there is no indication from this Government that it intends to do anything about checking that drift except, of course, to abdicate from the field of land settlement and leave the States to their own devices in that respect. The Budget refuses anything but a mere token handout to the pensioners and it completely ignores the problems of large families, many of which are desperately in need of help and a substantial number of which are to-day expected to exist on a benefit commonly known as the dole.

The Budget ignores the opportunity that now exists to end the housing crisis and at the same time enable a large percentage of those people who are to-day without useful employment to return to work. On the contrary, the Treasurer merely made a general reference to the worth of the individual citizen and his value to the Australian community generally. He then proceeded to ignore all of the matters to which I have referred and with which the individual citizen is so vitally concerned.

That, I believe, is the general context of the Budget that was presented only a few days ago by the Treasurer. I concede that Australians generally are a very patient, industrious and co-operative race of people but it would be understandable if they were somewhat concerned at the Budget that has been presented on this occasion.

May I refer to some of the things with which the great majority of people in this country are vitally concerned? They are affected by housing, education and health facilities. Whilst it may be said that opportunities exist in this country for decent housing, that health facilities are available and that there are employment opportunities for those people in the community who are fortunately placed, it must be admitted at the same time that for the great majority of people, education and health facilities,

which are increasingly becoming the responsibility of the Commonwealth Government, are no longer available to the extent that they should be.

Let me refer again to the problem of unemployment. I remember that we commenced the year 1958 with a most significant statement from the then Minister for Labour and National Service, who is now our Treasurer. In a news release at that time issued by the Department of Labour and National Service he said that the year was a most significant one so far as employment was concerned. But what was the real position then? According to the figures that had been released by the Minister himself, the number of persons registered with the various offices of the Department of Labour and National Service throughout Australia had increased by almost 6,000 compared with the number in the previous year. The number of persons in receipt of unemployment benefits had risen by almost 1,600. Yet the responsible Minister, the Government spokesman in these matters, suggested that 1958 saw an improvement in the employment position!

Let me put the position in another way. At the end of January, 1955, the number of persons registered for employment with the various offices of the Department of Labour and National Service was 16,266. By 1956—that is, the year of the Government's little Budget, which secured from the people of this country additional revenue of £115,000,000—the number of persons registered for employment had risen to 31,000. In 1957, the figure was never less than 46,000. During 1958, the number of persons registered for work rose first to 56,000 and, at the end of the year, stood at 64,000. The latest figures given in a news release made only a few days ago by the present Minister for Labour and National Service (Mr. McMahon) indicate that the number registered now stands at 63,623. I suggest that, in the circumstances, there is no cause for complacency about unemployment on the part of this Government because, in only two years, the number of persons registered for work has risen by more than 30,000. It is remarkable that the responsible Minister should talk about

increased employment opportunities, when, on his own admitted figures, this significant increase in the number of persons seeking useful employment has occurred.

In respect of the unemployment benefit, Mr. Chairman, the same unhappy position exists. In March, 1957, 13,077 persons were receiving the unemployment benefit, which is commonly known as the dole. By March of 1958, the number had risen to 24,485. In July of this year, the number stood at 27,410. According to the Minister's recent news release, the number of persons receiving unemployment benefit from the Commonwealth had fallen by 118 since 27th June, but I believe that a careful analysis of that news release will show that the fact remains that, because there was a reduction of 1,462 in Queensland, there must have been increases in all the other States. That seems to indicate quite conclusively that the unemployment situation continues to deteriorate, in spite of what is said by Government spokesmen.

There is normally a great similarity between the news releases made by the Department of Labour and National Service every month through the Minister. Almost without exception, they refer to seasonal factors, young people leaving school and other things affecting the employment situation. But I suggest at once that the responsible Minister is bound to concede that we cannot consider the number of young people leaving school or seasonal factors as being responsible for the serious growth in unemployment in this country in recent years. The problem goes much deeper than that. I believe that the important factor is the availability of job opportunities. The figures can be substantiated by reference to the various documents made available from time to time by the department.

In February of 1958 the present Treasurer, who, as I have said, was then Minister for Labour and National Service, indicated that in that month the Cabinet would consider a plan for reducing unemployment. If in point of fact such a plan was to be put before the Cabinet, obviously the Cabinet had no intention of considering it seriously, even if the Cabinet intended to consider it at all, because the

number of persons registered for employment is certainly far higher now than it was at that stage. As the level of unemployment has risen, the present Minister for Labour and National Service has been intent, not on curbing the movement, but rather on finding a basis for a false comparison of the unemployment figures. Again, I refer to the news release made by the Department of Labour and National Service for the Minister's interpretation of what is meant by the term "Australian work force". On this point, I completely disagree with the Minister. In the news release, he stated—

The Australian work force, as defined by the Commonwealth Statistician . . . includes employers, self-employed, wage and salary earners, unemployed persons, and all helping in any industry, business, trade or service . . .

The Minister states that the work force totals 4,000,000 persons, but I suggest that this figure is completely contradicted by that supplied by the Commonwealth Statistician, and that the Minister's definition of "Australian work force" has been invented by him in comparatively recent times in order to suggest a much lower percentage of unemployment than previously existed. The latest monthly survey of employment statistics by the Bureau of Census and Statistics indicates that the total number of persons employed in industry, including members of the Defence Forces, is 2,984,700.

Mr. Crean.—That does not include rural workers, either.

Mr. BARNARD.—That figure excludes those engaged in rural production. I suggest that if the number of persons engaged in rural production is included the figure would certainly not exceed 3,000,000. Surely even the Minister and other members of the Government, who, I know, take a great deal of convincing in these matters if it does not suit their purposes to be convinced, are bound to concede that the percentage of workers unemployed, when measured against the figure of 4,000,000 for the work force—the fictitious figure supplied by the head of the Department of Labour and National Service—is very different from that obtained when it is measured against the figure of 3,000,000 supplied by the Commonwealth Statistician. If this clumsy attempt at concealing the

real percentage of unemployment were not so serious, it could almost be described as humorous.

For seventeen consecutive months, Mr. Chairman, the number of persons receiving the unemployment benefit has exceeded 24,000. Generally, it has remained close to the 30,000 mark. As I indicated a few moments ago, it now stands at 27,410. Obviously, therefore, full employment is no longer, as it should be, a fundamental aim of this Government, which completely ignores the fact that the people of Australia demand, and indeed, are entitled to expect, full employment. In my opinion, the present level of unemployment represents, from the national viewpoint, a senseless waste of productive power. From the point of view of the individual, it means a loss of self-respect and of his ability to compete on anything approaching equal terms in the economic life of this country. During the past two years, the Opposition has repeatedly directed the Government's attention to the rise in the unemployment figures and to the continuing trend towards unemployment, but the Government has refused to move in the matter. Obviously, it accepts a situation in which, on its own admitted figures, more than 60,000 persons are denied useful employment. I suggest that the Treasurer should have devoted more than the few lines that he did devote in his Budget speech to the problem of unemployment. He contented himself with a brief statement that employment had risen, on the one hand, and that unemployment had declined, on the other. I believe, Sir, that I have been able to substantiate the claim that unemployment has not declined and that, on the contrary, it has substantially increased.

Let me turn now, Mr. Chairman, to social services. I believe that, in this respect, the Budget is noteworthy more for what it does not do for the pensioners than for what it proposes to do for them. For example, it proposes an increase of 7s. 6d. a week in age, invalid and other classes of pensions. Surely that can be described, in the circumstances, only as niggardly. Child endowment, for example, remains unchanged, as it has done throughout the term of office of this Government—with the exception, of course, of the introduction, in 1950, of the endowment of

5s. a week for the first child. But what is that 5s. really worth to-day? I doubt very much whether it would be worth even half of its value in 1950. The Australian Labour Party, in its programme for the general elections in 1958, told the people that it would double child endowment for the first child.

Mr. Mackinnon.—After having said on a previous occasion that you would never pay it.

Mr. BARNARD.—Our policy for the last general elections was that the endowment for the second child would be increased from 10s. to 17s. 6d. a week and that the endowment for subsequent children would be increased to £1 a week. In view of the interjection just made by the honorable member for Corangamite, it is interesting to note, on the figures supplied by the Government in its Budget for the financial year 1958-59, that these proposals could have been financed satisfactorily. Labour's proposals were to cost no more than £58,000,000. Although the Government budgeted originally for a deficit in 1958-59, the actual deficit was not nearly so great as that budgeted for. This is a clear indication to the people, Mr. Chairman, that our proposals in respect of child endowment could have been financed, as the Government's own figures in that Budget indicated.

I want to turn now to repatriation benefits, Sir. The Government proposes to increase the pensions payable to totally and permanently incapacitated ex-servicemen by 15s. a week. In view of the situation in which these unfortunate people find themselves to-day, we must regard that increase as being completely inadequate and insignificant. There are now no more than 12,000 totally and permanently incapacitated ex-servicemen in Australia, and they certainly deserve from this Government far greater generosity than they have been accorded in this Budget. Their pension will be increased to £12 5s. a week. It may be said in favour of the Government that this is the first time in the last three years that totally and permanently incapacitated ex-servicemen will have received the benefit of the whole of the increase in their pension. When the Government, in its Budget for the finan-

cial year 1957-58, increased the rate of this pension by 25s. a week, it did not alter the ceiling limit, and this meant that the service pensions payable to totally and permanently incapacitated ex-servicemen and their wives were correspondingly reduced. In 1958-59, the Government increased the rate of this pension by 15s. a week, but, again, the ceiling limit was not altered and the benefit of the full increase was not received.

This has been the experience of those totally and permanently incapacitated ex-servicemen who are married and whose pensions are to a certain extent supplemented by service pensions. It is perfectly true that single totally and permanently incapacitated ex-servicemen benefited by the full increase in the pension rate, but the pensions of most totally and permanently incapacitated ex-servicemen are supplemented by service pensions. So, for the past two years, the most deserving members of the community have been denied the full benefit of the increased pensions granted by the Government. On this occasion, as I said a few moments ago, the Government has decided to increase the ceiling limit amount to the extent of 15s. a week, and this is the first year in the last three in which they will be able to enjoy the full benefit of the increase.

The general rate pension, commonly known as the 100 per cent. pension, has been increased by 7s. 6d. a week, and the great majority of service pensioners in this country are being paid the general rate pension. What does this increase in the general rate pension really mean? The pensioner receiving the 100 per cent. pension will get the increase of 7s. 6d. a week, but let us see what it will mean to those who do not receive the full 100 per cent. pension. The pensioners on the 80 per cent. rate will get an increase of 6s. a week. The 40 per cent. pension will be increased by 3s. a week, and the 20 per cent. pensioner will get the magnificent increase of 1s. 6d. a week. I suggest that those general rate pensioners in the categories to which I have referred—and I think they comprise the great majority of service pensioners in this country—will be extremely disappointed at the consideration they have received from a Government which made

certain promises with regard to pension increases in 1949.

While the service pension is to be increased to £4 15s. a week, the wife's allowance will remain at £3 10s. a fortnight—the magnificent sum of £1 15s. a week. I refer again to this matter because I believe that those receiving these allowances represent possibly the most deserving section of our community. A service pensioner may have a war disability which is not considered by the Repatriation Department sufficiently grave to render him completely incapacitated, but it may render him incapable of engaging in useful employment. If his wife is under 60 years of age she is expected to exist on £3 10s. a fortnight. I agree with the comments made last night by the honorable member for Port Adelaide (Mr. Thompson), who suggested to the Minister for Social Services (Mr. Robertson), who is now sitting at the table, that he might, even at this late stage, reconsider the plight in which these people to whom I have referred now find themselves.

There is one other theme that I would like to develop in the few minutes that remain to me. I refer to the question of housing. I know that the Commonwealth Government has great difficulty in some respects in legislating to deal with recessions that occur, both internally and externally, because of constitutional limitations of power. But there is one power that is certainly available to this Government. There is no restriction on its power in respect of the provision of homes for the people of this country. I remember that in 1956 the Minister for National Development (Senator Spooner) presented to the people of this country a document entitled "The Housing Situation". The Minister pointed out in that document that, as a result of the natural increase in population and the increase resulting from the immigration programme, the demand for houses would rise from 60,000 in 1961 to 86,000 in 1975. He said also that a steady rate of 77,000 homes completed each year would be needed if we were to reach the target. What has happened? In 1956, the year that the Minister made this document available and suggested that the minimum annual requirement would be 77,000

homes, only 73,000 homes were built. In the following year, only 70,000 homes were built, but it is true that in the next year, 1958, home construction exceeded the target of 77,000 by approximately 2,000. However, we are falling further behind each year in the race to provide homes.

Let me refer to the fields in which the Commonwealth Government has some responsibility for housing. I refer first to war service homes, for which the Commonwealth accepted full responsibility. The amount of money to be made available this year for the construction of war service homes is £35,000,000; it has remained at this figure since 1957-58. In 1957-58, 22,399 applications for assistance through the War Service Homes Division were submitted. At the end of that year, 19,257 outstanding applications remained. In other words, the War Service Homes Division was able to make up the leeway only to the extent of about 3,000 homes. I refer, of course, to those who want to build their homes through the War Service Homes Division.

Let me refer to the difficulties that face these people. In 1955, the maximum advance fixed by the responsible Minister was £2,750. In those days, the maximum advance exceeded the cost of the home, but to-day it is far below the average cost. In one State alone, New South Wales, the average cost of a dwelling-house and land has increased each year until it is now £3,763, requiring a deposit of £1,013. If we want to give the people the assistance to which they are entitled through the War Service Homes Division, obviously the Government must consider immediately increasing, first, the amount it makes available each year for the construction of war service homes and, secondly, the maximum advance to enable these people to purchase a home.

The CHAIRMAN (Mr. Bowden).—Order! The honorable member's time has expired.

Mr. WILSON (Sturt) [11.48].—As I propose to praise certain items in the Budget and to criticize others, I want to define my position clearly at the outset. I am, Sir, a member of the Liberal Party, the constitution of which provides that members shall be free in all things to act and vote

according to the dictates of their conscience. I would not be a member of a party that prevented me at any time from freely expressing my views. It is most regrettable that the Australian Labour Party does not similarly leave its members free. These constant expulsions from the Australian Labour Party because members conscientiously express their views are extremely bad for democracy. The ability of members freely to express their views shows a healthy party and a healthy democracy.

At the same time I am a team man. If, having freely expressed my views, I am unable to convince the majority of my party that my views are right, as a team man I normally accept the decision of the team. I am not always right and I am not always wrong. When to-day I criticize certain items in the Budget, that does not mean that I will vote against it, because I recognize that it is the combined thinking of members of the Cabinet who have the responsibility to present it. I do not believe that any member of the Cabinet agrees with every item in the Budget. It would be unreal to think that that were so. But the Budget is the combined decision of the members of the Cabinet, in whom I have confidence and for whom I have respect.

At the outset, I say that I cannot agree with the general approach of Cabinet that this is a deficit budget. On the contrary, I believe it shows that the financial position of Australia is stronger to-day than at any time in our history. The figures on pages 10 and 11 of the current report of the Auditor-General, which deals with the financial position for the year ended 30th June, 1959, show that, despite low wool prices and a year following a drought, the Commonwealth reduced its public debt by £86,000,000 and that treasury-bills increased by £36,000,000. This gives a net improvement in our balance-sheet of £50,000,000 for one year. In addition to that, we paid out of revenue for public works, for which there are corresponding assets, £132,000,000. The real position, therefore, is that the Commonwealth's assets over liabilities in one year improved by £182,000,000. I fail to understand why Treasury officials are continually altering the manner in which these figures are presented. This is apparently done in

an effort to create a situation that is suitable to themselves. I would say that the figures for the financial year ended 30th June last are probably the most satisfactory that have ever been presented, and I do not see any reason to tell the world that Australia has a deficit when last year Australia showed that it was able to reduce its liabilities or add to its assets by an amount of £182,000,000.

Although the approach has been changed and a new item added, a critical examination of the Budget for this year shows that the revenue of the Commonwealth for the year will be £1,385,000,000 and that expenditure will be a like amount. But on the expenditure side we find an item of £142,000,000 which will be spent on capital works. Once again, Australia's balance-sheet in this year is shown to improve to the extent of £142,000,000 in assets over liabilities. The loan account shows that we expect to spend on works and housing £220,000,000 and on war service land settlement £7,000,000, making a total for these two items of £227,000,000. We expect to raise from loan funds £190,000,000 and from sinking fund £46,000,000, so that the loan account also shows a surplus of £9,000,000.

Some one may then ask, "How is it that the Treasurer comes forward and says that we have a deficit of £61,000,000?" This is how he arrived at it: I pointed out that our revenue and expenditure account balances, that we have a £9,000,000 estimated surplus over the Loan Account but we expect we will have to pay off maturing securities amounting to £70,000,000. The Treasury officials say that if we deduct the £9,000,000 surplus in the Loan Account from the £70,000,000 we have to pay off our liabilities, the result is a cash deficit of £61,000,000. Of course, it is a cash deficit and it reminds me of the man who has an income of £2,000 a year and whose expenditure is £1,000 a year, in addition to which he pays off £1,500 of the mortgage on his house and then says, "I have had a terrible year; I have a cash deficit of £500". If we are going to pay off our past liabilities at the rate that we have been and are paying them off, of course we will go on having a cash deficit.

I am not questioning the decision which the Treasury has made. I realize that there

is a distinct danger of inflation and that if a considerable amount of cash is placed in the hands of the people this would create new purchasing power and, in turn, could stimulate inflation. I think the proper approach to this Budget is to regard its real objective as anti-inflationary. It is a surplus budget and not a deficient budget, but it is one by which we are paying off our past liabilities because we realize that under present conditions our main and prime objective is to keep down costs. Therefore, we must not inject more money than is necessary into the community. If that is the true approach behind the Treasury thinking, as I believe it must be, I feel that such concessions as were to be given in the Budget should have been given with that in mind, namely, the reduction of costs and the checking of inflation. Inflation is the most deadly thing in the country. It robs the worker of his wages and the thrifty of their savings. We have seen far too much inflation in the past. Under the previous Labour Government prices were going up at the rate of 10 per cent. per annum. In the early days of this Government they continued to go up at the rate of 10 per cent. per annum until finally the Government took stern action to steady costs. But we find that they are still rising at the rate of about 2½ per cent. per annum. I believe that this Budget should have been designed to reduce costs. Therefore, I would have liked to see reductions made in sales tax, because this directly affects the cost of production. I think particularly of sales tax on foodstuffs and furniture and other items which are necessary to the well-being of the community.

I now turn to the social service provisions. Every honorable member will support the 7s. 6d. a week increase in pensions because every one realizes that some increase is absolutely essential. Some people have quibbled at the amount of the increase. My main objection is that it has been unscientific. I do not think it is good enough to pick a figure out of a hat and say "We will give them 7s. 6d. more". I have said repeatedly in this chamber that the time is long overdue when there should be age security for all, provided on a contributory basis and free of the means test. I do not withdraw one word of that, and I will continue to advocate it so long as I am a member of this Parliament. The last

Labour Government was in office for eight years but it did nothing about abolishing the means test. The present Government has been in office now for nearly ten years and although it has liberalized the means test from time to time it has not yet brought in a contributory plan in accordance with its policy. If the Government intends to retain this cruel and unjust means test, I suggest that if the pension is to be based on needs the needs should be accurately measured.

Under the present legislation, a married couple receiving £7 a week in wages or superannuation and also £8 15s. a week in pension—a total income of £15 15s. a week, which is £2 odd in excess of the basic wage—is now to have that amount increased to £16 10s. a week, which is approximately £3 in excess of the basic wage. Can any honorable member say that the needs of that couple are as great as the needs of the widow in receipt of £4 7s. 6d. now to be increased to £4 15s. a week? If we are going to measure pensions according to need, let us measure needs truly and properly and scientifically, not giving some people £3 a week more than the basic wage and keeping others, such as widows, single aged and invalids, down to £4 15s. a week. In addition, we find that the thrifty, in many cases, are worse off than they were before. A widow who has saved and invested £2,300, which brings in an income of £115 a year, has to try to live on that income or eat into her capital. She receives no pension at all, but a person who has saved nothing receives £4 15s. a week. I believe that our present social service legislation imposes cruel injustices upon the thrifty. How can we expect people to save when they are penalized to such an extent by the means test?

There are two ways of removing this injustice. One is to abolish the means test altogether and have a contributory plan of age security under which every aged person, regardless of means, will receive superannuation because he or she has paid for it. Need will not be relevant. The sum received will be similar to the superannuation of the public servant or the member of Parliament. They paid for their superannuation and they receive it as of right. The other way is to liberalize the

means test so that justice is done to the thrifty as well as to the thriftless. At present, an aged person loses £1 a year of pension for every £10 of capital that he possesses in excess of £200. No person, whether aged or young, can safely invest his money at 10 per cent. interest. The aged person who has saved during his working life is worse off than the aged person who has not saved at all. If the capital means test were so liberalized as to provide for a reduction of £1 a year in pension for every £20 of capital in excess of £200—in other words, 5 per cent.—the thrifty man would be in no worse position than he who had not saved during his working life. Every one knows that 5 per cent. interest may be obtained on government loans, so people with a little capital would have no hesitation in supporting government loans in the knowledge that by doing so they would not be affecting their pension rights.

I know that it is too late now for my suggestion to be incorporated in the Budget, but I ask the Treasurer and the Government to liberalize the means test, if not to abolish it altogether, so that the thrifty will have an income at least equal to that of the spendthrifts. My suggestion also envisages the removal of the present ceiling of £2,250 worth of assets that may be owned by a person seeking a pension. If the Government saw fit to do so, it could implement these reforms at a cost of only a few millions of pounds, much less than the amount involved in its present proposals.

I congratulate the Government on its decision to make hospital benefits available to all aged and chronically ill persons whether or not they are in recognized hospitals. It is the illness that justifies the assistance, not the bed in the hospital in which the sick person lies. I appreciate the Government's action in concurring in the views that have been expressed by some of us in this Parliament who have felt so strongly about certain aged and chronically ill persons being denied hospital benefits simply because they have been in hospitals which, for purposes of the legislation, were not recognized by the Government.

The Government is to be congratulated also on its decision to allow additional re-

tention allowances to private companies without incurring penalty tax. In this country we need most of all capital—in other words, savings—and anything that can be done to encourage savings adds to employment and the development of Australia. Obviously, it is difficult to induce people to save when we penalize them by the application of the means test. We must realize that we cannot develop our country unless we have adequate capital to provide the new equipment that is necessary to maintain employment in our industries. I congratulate the Government on increasing the amount of tax deduction for superannuation and insurance payments.

I support also the proposals regarding pharmaceutical benefits under which substantially all prescriptions written by a doctor will be dispensed at a cost of 5s. each. I am sure that the community will accept that charge as a necessary check on those people who have been inclined to spend the taxpayers' money unnecessarily on drugs that were not really required to deal with the particular complaint under treatment.

My main criticism of the Budget is that it is too conservative. In a progressive country such as ours we could have taken, perhaps, a few more risks. I have such confidence in the future of Australia, with its expanding production, that I am sure that we have been somewhat over-cautious. My great disappointment is that nothing has been done to liberalize the means test so as to help the thrifty members of our community. In fact, this Budget places the thrifty at an even greater disadvantage than they were before.

Mr. DAVIES (Braddon) [12.11].—As a relative newcomer to this Parliament I should like to congratulate the honorable member for Griffith (Mr. Chresby) on the maiden speech that he delivered last week.

The Australian Labour Party is opposed to the Budget because it favours the large undertakings and gives no relief to the family man, the primary producer or industry generally. We have been told so often of the so-called prosperity of Australia, but this is a myth to the pensioners and those on fixed and low incomes. If Australia is as financially buoyant as we have been

told by the Government, why have not greater concessions been made to the little people? The honorable member for Bowman (Mr. McColm) was right in his description of the Budget as a thimble and pea Budget. Many people have looked for the pea—some real concession—but have failed to find it. The concessions that have been granted, amounting to £25,000,000 in a full year, will be offset by more than £20,000,000 representing increased charges imposed on the people. Increased telephone charges will cost the people £13,000,000 a year. That amount will increase greatly the huge profits that are being made already in the telephone section of the Postmaster-General's Department. In 1957-58, the last year for which figures are available, the telephone section showed a profit of £6,294,000 on a total revenue of £56,504,000.

The reconstituted scheme of pharmaceutical benefits, by which people will be charged 5s. for each prescription written for them by a doctor, will cost the people about £4,000,000 and will place a heavy burden on the family man who is now trying to exist on the basic wage. It is a scathing indictment of this Government that in an era of so-called prosperity the sick should be taxed to provide revenue to bolster the finances of the country.

The new postage rates are expected to yield about £5,000,000. The Prime Minister (Mr. Menzies) last week announced certain modifications to the proposals outlined by the Treasurer (Mr. Harold Holt), but the bulk postage rate will remain at double the previous rate.

In my electorate the country newspapers—I call to mind the "King Island News", the "Circular Head Chronicle", the "Tasmanian Farmer" and the leading newspaper in northern and western Tasmania, "The Advocate"—are doing an excellent job, but they will be hard hit by these impositions. The newspaper is a vital means of information and communication, not only for city dwellers but also, and more particularly, for people in country areas. All honorable members will remember the effect of the economy drive introduced by the Postmaster-General (Mr. Davidson) earlier this year, which meant that certain mail deliveries were curtailed

on public holidays. Country people suffered because they were denied their newspapers. I hope that the Government will reconsider its proposals before bringing down enacting legislation. One newspaper in my electorate pays £6,000 a year in postage, half of which amount is met by the subscribers and the other half by the newspaper itself. The increased postage will double the amount previously paid and under the policy of the newspaper, half of the additional charge of £12,000 will be met by the subscribers and the other half by the newspaper. Advertising rates must rise because, when we take into consideration the recent increase of 15s. in the basic wage, the pending margins claim and these increased postage rates, the newspaper will have no other course open to it. Of course, the average people will be the ones who suffer.

The increased postage and telephone charges are estimated to cost Tasmanians alone £1,000,000 a year. This will be hard for Tasmanian industry, because of its distance from established markets. It is not fair to the people who manufacture in Tasmania and who have to compete with those on the mainland who are not worried by high freights. The president of the Hobart Chamber of Commerce this week expressed the concern being felt by industry all over the State. He has been reported as follows:—

The sharp and unexpected rise in both the postal and telephone charges appeared to be an unaccountable action on the part of the Government that should be aware of the increasing necessity to reduce working costs. The increased charges would wipe out the benefits of reduced income tax and would increase the direct cost of all manufactured and commercial articles.

Again, the consumer will be the loser. From calculations that have been made, private telephone subscribers in towns in my electorate are expected to pay from £5 to £6 more a year for calls and about £2 more in rentals. The family man will carry a double burden—increases in his own telephone and postage rates and those passed on in the cost of the articles which he purchases. The effects will be Australia-wide. The "Mercury", which is printed in Hobart, quotes some alarming possible effects of the rises. It says—

One large mail order firm in Australia has already negotiated a contract with a Dutch printing firm to produce its catalogue to be posted to Australians from Holland.

Two large Australian retail firms are planning to have catalogues and mail order material printed in New Zealand and posted from Auckland to Australian addresses because the cost of postage would be much lower.

One world-famous monthly magazine which reprints in Australia will be involved in more than £100,000 extra a year in postage and may be obliged to make its distribution arrangements for Australians outside Australia.

The Christmas card trade will be heavily hit. It is claimed that as the average cost of a Christmas card is 4d., the postage will be higher than the cost of a card.

After analysis of this Budget, it will be seen that the concessions which have been given by the Treasurer with one hand have been taken away with the other. With regard to industry, there has been no alleviation of company, pay-roll, or sales tax, and no relief through depreciation allowances. Instead, industry is now faced with considerable increases in expenses through extra telephone and postage charges. These will inevitably be added on to the cost structure although higher costs are already gradually pricing our products out of world markets.

The pension increase of 7s. 6d. a week is considerably less than should have been awarded and is resented by all sections of the community. The most disappointing and disconcerting feature of this social services programme is the failure to increase child endowment and so extend some of the so-called "social justice" to the family unit. Allowance for the first child has not changed for nine years and, for the second and the subsequent children, it has not changed for ten years. Yet costs have risen at least 100 per cent. in the same time!

The Opposition condemns, also, the failure of the Government to grant a rise to the wives of invalid pensioners. They still receive a miserable 35s. a week for caring for the sick. I had hoped, too, that in common justice to men who are still suffering from war sacrifices involving injury or illness, they would be given a pension equal at least to the basic wage. However, we find that these totally and permanently incapacitated pensioners will receive only an extra 15s. per week, leaving them 31s. per week less than the basic wage. This is typical of the approach made by this Government to repatriation benefits and to the whole question of social service benefits as well.

Honorable members on this side of the chamber have dealt at length with the effect of the 5 per cent. reduction in income tax rates and have shown what little effect it will have on family income in a period of rising prices. I had hoped that workers' fares to and from work would be an allowable tax deduction. I listened with great interest to the very able speech by the honorable member for Parkes (Mr. Haylen) on Tuesday evening on the subject of taxation deductions. I am concerned about the workers in places such as Devonport, Ulverstone, and Wynyard who pay as much as £1 a week out of their wages in travelling expenses to and from the Associated Pulp and Paper Mills in Burnie. This is a considerable amount when we realize how other costs of living, borne by the workers in this country, have risen. At the same time, business executives run cars and charge them up to company expenses as tax deductions.

I desire merely to add, regarding taxation, that the tax structure is changing rapidly from one of direct taxation to one of indirect taxation and that the consumer—the wage-earner—is bearing too great a burden because of the imposition of sales tax on practically all items—including even school requisites—and because of excise and customs duties. These latter imposts raised £208,000,000 last year and the average payment per person was £29, or more than 11s. a week.

I turn now to the position of primary producers in this country. The Treasurer has glossed over the reduced income position of primary producers with a passing reference to increased rural production. In reviewing the progress of the economy, the Treasurer said that 1958-59 had been a notable year for rural production, and later he referred to the higher rural output and the large volume of commodities that had to be sold. The stark fact is that although Australian farmers have proved that they can produce the goods, the costs of production are pricing these goods out of world markets, with a consequent drop in income to the farmers. Actually, farm income, at £399,000,000, was the second lowest that has been recorded in the past ten years.

A study of the graph on page 6 of the paper, "National Income and Expenditure", reveals very plainly that over the

past ten years wages and salaries have shown a gradual upward trend, in keeping with company and other business income, but that farm income, apart from two seasons, has shown several depressions. The latest figures that are available from the Bureau of Agricultural Economics show that in Tasmania 20 per cent. of the primary producers earn incomes below £500 per annum and 61 per cent. earn below £1,000 per annum. For the whole of Australia, 18 per cent. of primary producers earn incomes below £500 per annum and 55 per cent. earn below £1,000 per annum.

We heard talk of expansion in the Treasurer's speech, but what encouragement is given to people to develop the food bowl of the north of Australia through increased tax concessions to people who go into those areas and develop them? What incentive is given to young people to develop farms in marginal areas? It is not uncommon in my electorate and, I believe, throughout Australia, for a young farmer on a property of 400 acres to have to meet yearly commitments of approximately £2,000, made up of capital repayments and bank interest, before making a penny for ordinary living expenses or for development. I had great hopes of the Commonwealth Bank and the Commonwealth Development Bank introducing for civilians schemes of land development similar to the war service land settlement scheme, but money is just as hard to get now. No doubt, it is still being channelled by the private trading banks into the more lucrative fields of hire purchase.

Farmers, to-day, look upon the Postmaster-General's Department as a taxing medium. They are obliged to use telephones a great deal owing to their distance from merchants and other suppliers. Now they will be forced to pay more for telephone calls and postage. The newspapers and periodicals used by these people invariably go through the post, so, by having to pay additional postage, these pioneers of the outback are to be penalized further by this Liberal-Country Party Government. Increases incurred by business houses, too, will inevitably be passed on to farmers and consumers and, to-day, this is a serious matter. A great proportion of farmers, as I have shown, are not making

the basic wage although their wives and children may assist them with production. Yet we find no relief for them in this Budget!

The Minister for Primary Industry (Mr. Adermann) in his speech on the Budget said—

Our undisputed objective is to raise Australia's economy to the level of the economy of a great nation. The policies enunciated in the Budget are aimed at the achievement of this objective . . . The important factors necessary to the attainment of our objective are, first, vitality and, secondly, a generally sound structure of rural industries.

Neither of these objectives receives any support or stimulus in this Budget. Nothing is done to give relief, halt rising costs, or prevent this creeping inflation. Serious concern is felt for the Tasmanian apple industry in this regard. I feel that it will do no harm to acquaint honorable members with a few facts showing how rising costs in recent years are pricing us out of overseas markets. It costs 8s. 6d. to pack a case of apples. This covers the case, straw boards, wrapping paper, grading and nailing. Freight on a case of apples from the packing shed to England is 15s. 10d. and an average of 5s. commission for sales in that country is charged. The costs on a case of apples, therefore, total £1 9s. 4d. before the grower gets a penny for his fruit or any return toward the cost of manures, sprays and general cultivation. These costs have been averaged out by a group of orchardists in the Huon Valley. I know of some growers who are receiving 12s. in the shed. If we subtract the 8s. 6d. costs for presentation of a case of apples, the grower is left with 3s. 6d. a case for his fruit and to cover production costs. The importance of this industry to our overseas balance of trade is seen from the fact that the 1958 crop was worth £7,164,000 and that 4,388,000 cases were exported overseas of a total crop of 6,641,000 cases.

Recently, an honorable senator who supports the Government, when speaking in another place, stated that the price received for Australian apples in England and Europe had collapsed at the end of last season. He said that many of the recognized buyers had stated that they were not anxious to buy Australian apples in the future and were recommending Australian growers to send their fruit on consignment. I only hope that this will never mean a

return to pre-war conditions when growers often received a debit return instead of a credit for their exports. I know one classic case of a grower who consigned 200 cases and received a bill for 2s. 6d. In the interests of this industry, the Government should do everything possible to reduce costs. The Department of Trade should investigate overseas freight rates with a view to their reduction, and should explore every possible avenue for new markets.

It is very pleasing to note that, at the opening wool sales on Monday, prices were from 12½ per cent. to 15 per cent. up on last season's closing levels. It is to be hoped that the market will remain buoyant. The opening prices were higher than those expected but are still below those that were obtained in 1957. According to information published in "Wool Facts", a publication compiled by the Australian Wool-growers' Council, the value of wool exported in the twelve months ended 30th June, 1959, was £302,000,000 compared with £373,000,000 for 1957-58, a drop of 19 per cent. The value of wool exports, as a proportion of our total export income, fell from 46 per cent. in 1957-58 to 37 per cent. in 1958-59.

Beef exports to the United Kingdom and to the United States of America have reached an all time record, but experts are now warning exporters that they should regard the American market with caution. Prices American buyers are prepared to pay are now falling, and sales are becoming more difficult to effect. One research committee in the United States of America recently predicted that if the herd increase continued at the present rate, prices for meat could fall by 50 per cent. This Government must do all in its power to bring stability to our rural industries because we must export to live and these rural exports form the bulk of our overseas balance of payments. The fat lamb industry is faced this season with depressed prices. Lambs, at an average of £2 each, are a losing proposition. Many other crops such as pineapples, potatoes, and bananas are in the same category and yet this Budget which is said to be "directed to the twin purposes of expansion and stability", allows for no concession for primary producers. Potatoes were once the staple crop of the northwest coast of Tasmania, but the area

planted with potatoes in that district in 1958-59 was down to 16,186 acres. This is a decrease of 5,510 acres on the figure for 1957-58 and is the smallest area sown since 1888.

In connexion with the concept of expansion, I am sorry that the Government does not encourage people, by tax remissions and other concessions, to go into isolated areas of this great country and by clearing the land and cultivation bring additional land into production. I refer now particularly to King Island. This island, roughly 40 miles long and 20 miles wide, is situated mid-way between Tasmania and Victoria. Residents there have tried repeatedly to obtain a zonal income tax concession, and as early as November, 1951, the former Treasurer pointed out that concessions under section 79A of the act were introduced as a form of practical recognition of the disabilities to which residents of the areas concerned are subject because of uncongenial climatic conditions, isolation and the high cost of living in comparison with other parts of Australia. These requirements are all to be found on King Island, yet the Treasurer has again turned down the request.

The Department of Primary Industry which administers the war service land settlement scheme, recognizes the difficulties of more than 160 Second World War soldier settlers on King Island from the viewpoint of their isolation from markets, high freight costs, the high cost of living and the need for re-development of most properties. It has set up a committee of inquiry to investigate the financial position of each settler on the island. I regret that the Minister for Primary Industry (Mr. Adermann) would not agree to the request from the islanders to set up a joint parliamentary committee to inquire into all aspects of war service land settlement, but I commend him for setting up this committee of inquiry. I assure him of the full support of the settlers in any attempt to bring stability to the various settlements not only on King Island but also at Mawbanna, Montagu and Preolenna.

It is to be hoped that one day, some federal Treasurer will recognize the claims of the King Islanders for a zonal tax concession. These people are battling against high costs brought about by their isolation

and the great depreciation of plant and machinery that occurs there. One has only to see the effect of the salt air on motor cars, tractors and other farm machinery to appreciate the difficulties of their position, the fairness of their claims for zonal tax concessions and for further depreciation allowances on farm machinery. However we expand the economy of this country—and we must expand to hold it—it is vitally important that our natural resources and assets are used to the fullest extent. Full use must be made of the funds and resources of the Commonwealth Bank.

Here, I wish to make a plea for the timber industry not only in Tasmania but also in Australia as a whole. Importations of cheap Malayan timber have risen by 25,000,000 super. feet in recent years. The production of Tasmanian timber has dropped from 151,000,000 super. feet to 141,000,000 super. feet in four years. This is mainly due to lack of 1½-in. and 2-in. hardwood. In a fiercely competitive trade, millers find they have not the financial resources to cut these lines of timber because it takes approximately eighteen months for 1½-in. timber and two years for 2-in. timber to air-dry before being kiln-dried. Approximately 4,000,000 super. feet is available now, but Tasmania could build this total to 10,000,000 super. feet a year and compete successfully with Malayan imports if some financial backing were given. Millers simply cannot afford to wait while these stocks are drying before making sales.

The Commonwealth should investigate the possibility of making an advance to millers of, for example, 80s. for 100 green super. feet. An amount of £400,000 to cover 10,000,000 super. feet could easily come from the Commonwealth Bank and be repaid by the millers when they had disposed of their stocks of the finished product. I make this plea because the timber industry is of great importance to Tasmania. This Government has refused to restrict the rapidly increasing imports from Malaya and has over-ridden the recommendation of the Tariff Board for a freight subsidy for the Tasmanian product. Perhaps the Government will give some consideration to providing financial assistance to millers in their attempt to build

up stocks of 1½ and 2 inch timber which could successfully compete with imported timber in the joinery trade. I have stated before in this chamber that any assistance to the timber trade would be a good national investment. A cycle of employment is created starting with the loggers and the millers in the bush. The mills go into increased production and that provides employment for bricklayers, tilers, plumbers, electricians and home furnishers. That cycle influences and affects whole sections of the community, and any move to create employment in this country should be considered carefully by the Government. Unemployment figures have risen from a minima of 31,000 in 1956, 46,000 in 1957, and 56,000 in 1958, to a minimum of 63,000 in any month of this year. The unfortunate unemployed and their dependants are the people for whom the Budget should have provided a greater measure of social justice. But they are simply referred to by the Government as a percentage of the work force, and the Budget contains no mention of any attempt to solve this problem of growing unemployment. This Government has succeeded in its objective of creating a pool of unemployment and, by denying those out of work any increase in the unemployment benefit, shows itself to be quite indifferent to this great social problem.

In conclusion, I wish to support the claims made by my colleague, the honorable member for Wilmot (Mr. Duthie), for the provision of television services to the north-west coast of Tasmania as soon as practicable. In this area we are averaging 40 per cent. reception from Melbourne television stations and, since television is here to stay, people there are keen to avail themselves of this medium of entertainment. The Government should investigate the possibility of relaying programmes to the coast, from Melbourne, by means of a booster station on King Island, or from Hobart by a booster station on Mount Roland, and should make television reception available to the isolated mining communities on the west coast by a booster station on Mount Sedgewick or some other suitable west coast peak.

Retailers are reaping a harvest by selling television receivers which will be out of date by the time television comes to the

north-west coast in its right and proper fashion. If a station can be set up for £300,000 to £400,000, as mentioned in the recent debate on the extension of television to country areas, I hope it will not be long before the Postmaster-General approves of the extension of television to the areas I have mentioned.

Mr. ASTON (Phillip) [12.37].—I have listened with interest to the first speech by the honorable member for Braddon (Mr. Davies) on a budget, and I must confess that I was rather disappointed, because he followed the humdrum line that we have had from the Labour Opposition right throughout this debate. We have heard honorable members opposite trying to whip into life the old, dead story of unemployment. Surely, Mr. Temporary Chairman, any political party with any political nous knows that unemployment in this country is a dead issue—knows that, far from rising, unemployment has fallen. Indeed, I have very high hopes that it will continue to fall.

The honorable member for Braddon talked about this Government having succeeded in creating a pool of unemployment. To rebut that statement I simply refer the honorable gentleman to the Government's history over the ten years in which it has been in office, when, at many times, we have had full employment in Australia.

Like many other members of the Labour Party, the honorable gentleman looks on Budget-time as a time for gathering round the Christmas tree, with handouts for everybody, irrespective of where the finance is to come from. We never hear from the Opposition at Budget-time any constructive suggestion for improving the economy or increasing our expansion and productivity. All we have from it this time is criticism about the level of social service benefits, tax rates and postal charges. At the same time, honorable members opposite talk about the "colossal profits" made by large manufacturers and retailers. Surely a little simple arithmetic would tell any one that the creation of a condition of full employment relies on the expansion of the activities of our manufacturers, so that the working people of this country, whom the Opposition claims to represent here, can have the high

standards of living that Australians consider necessary. I believe that before the public will ever return the Labour Party to the treasury bench, that party will have to develop a more national outlook—losing its sectional outlook and abandoning its attempt to whip up ill-feeling in the community about class distinctions. The days when that kind of thing meant anything have gone. The people are sick of it. They have had good government over the last ten years, and I suggest to honorable gentlemen opposite that at least they should develop a more national outlook for the benefit of this country.

With those few remarks, Mr. Temporary Chairman, I turn now to matters which I believe are important in relation to the Budget. During the Budget speech the Treasurer (Mr. Harold Holt) quite properly referred in commendatory terms to the expansion and increased productivity that had taken place in Australia over the last ten years. He rightly took pride in the record of the Government which, as a result of its sound, progressive policy, has maintained the Australian economy in a most sound and extremely stable position.

I was particularly pleased to learn that the Budget provides for increases of age and invalid pensions and repatriation benefits. I point out, however, that these increases, at this particular time, are no more than could reasonably be given by the Government. Particularly do I say so because I feel that there are real prospects of further increases in the prices of consumer goods in the ensuing year.

Whilst the proposed increases of pensions and repatriation benefits are acceptable, I should prefer to see them coupled with a relaxation of the means test. I share the views of the honorable member for Sturt (Mr. Wilson) on this matter. The means test does not encourage thrift. In fact, it penalizes those who have taken pains in their early life to save up for their old age. With the proposed increases in the rates of pensions people on superannuation, or who come within the ambit of the means test, will be further penalized. Many of them have put their savings into bonds and superannuation schemes, and have made a contribution to the comforts that they will enjoy—or hope

to enjoy—in the later stages of their lives. Under the Budget proposals a married couple will be able to receive an income of £16 10s. a week, made up of their pensions and any outside income they may gain, without affecting their pensions. That is more than £3 above the basic wage. There are many people who, because of their thrift, are not receiving this amount into their homes to-day. The return from their investments and the superannuation benefits for which they have contributed, together do not give them such an income. Consequently, those people are becoming the new poor of Australia. I urgently suggest to the Government that it give consideration to a further alleviation of the means test so as to embrace these people, who at present are being penalized because of their past thrift.

Thrift, of course, should be encouraged, not discouraged. As a result of the continued application of the means test people who might otherwise save to support, or help to support, themselves in their old age, will squander their savings so that they will be eligible to receive pensions. Most honorable members have experiences of people telling them of their financial position and wanting to know how far they must bring their assets down in order to receive a pension without being affected by the means test. I believe, Sir, that this position should be avoided. I realize that wherever we draw the line in relation to the means test there will always be somebody above it and somebody else below it. At the same time, however, when we consider that a pensioner couple may have an income of £16 10s. a week, without their pensions being affected, and without their having had to save a penny towards it, we can see that people who did save for the future are being penalized.

Another matter touching social services to which I wish to refer is the funeral benefit. I believe that the funeral benefit has not been increased since 1943. It still stands at the princely sum of £10. Everybody knows of the increases in costs that have occurred since 1943, particularly funeral costs, which seem to have risen to an exorbitant degree. In most cases it is the relatives of a deceased age pensioner who have either to pay for the

funeral in full or contribute to its cost, although many aged pensioners do manage to scrape from their pensions a few shillings each week, which are put aside to help them to keep their pride by knowing that they will have a decent burial. I submit that £10 as a funeral benefit is grossly inadequate at this time, and the Government should look at this with a view to increasing it to an amount more in keeping with actual funeral costs to-day.

Sitting suspended from 12.45 to 2.35 p.m.

Mr. ASTON.—Prior to the suspension of the sitting I made a plea to the Government to make some modification in the means test and also to increase funeral benefits. The cost to the community of social services must inevitably increase, but at the same time I believe that the majority of Australians will accept that cost if it means that the aged and the sick in the community will enjoy a better standard of living, provided, of course, that social services are based on needs.

I was extremely disappointed that the Budget, except for a liberalization of the retention allowance for private companies, did not give any incentives for the expansion of the private sector of the economy. It may be argued that public works in themselves add to the expansion and are an encouragement to the private sector, but I believe that the private sector of the economy deserves some other incentives. The Treasurer in his Budget speech repeatedly acknowledged the part played by industry and on several other occasions he has emphasized the role of industry in the past ten years. He posed the question: Can this development be equalled or surpassed in the next decade? I believe that the answer is "Yes"; but I also believe that encouragement for industry to achieve still higher production and efficiency and to reduce costs of production must be given, and not given too late.

In recent years our work force has increased considerably. In the last four years it has increased by approximately 60,000 persons a year and now numbers approximately 4,000,000 people. By 1970 it is anticipated that the work force will total 5,300,000 people, or an increase of 1,300,000 people in ten years. This is a

rate of 2.6 per cent. per annum compared with 1.6 per cent. in recent years. It is estimated that in 1960 104,000 additional workers will be available for employment. Opportunities for employment must be available immediately if we are to maintain or improve our low unemployment percentage and our standard of living, and to increase our productivity level. The manufacturing industries will be called upon to absorb approximately 40,000 of the additional work force. It is well to note that the yearly absorption rate over the last two years has been approximately 16,000 people. It is obvious therefore that employment will have to be found for approximately two and one half times the number now absorbed yearly.

Those figures show quite starkly the magnitude of the problem ahead and represent a challenge that must be faced by industry. One cannot fail to conclude that unless these additional persons are readily absorbed into employment, our internal economy may require some unpleasant adjustments.

In addition to these responsibilities, industry and commerce must play a leading role in fulfilling our much needed export requirements. The Export Development Council has reached the conclusion that if we are to avoid continual balance of payments problems we must extend our income from trading overseas by £250,000,000 within the next five years, or at the rate of £50,000,000 a year. The report of the Export Development Council states—

Prospects in traditional markets, particularly for agricultural foodstuffs, were not encouraging although exports of basic raw materials would improve if economic growth was maintained abroad. . . .

To earn the export income needed to support economic development, ever increasing attention must be devoted to manufactured and semi-manufactured products.

The council points out that although prospects for wool exports are somewhat encouraging—this has proved to be correct—there is less optimism for wheat exports in the next five years.

The council believes that the chief possibilities for growth in overseas sales lie in iron and steel products, motor vehicles, agricultural machinery and parts, engineering products, tools, hardware and similar

products. Those articles at present are supplied and manufactured by secondary industries. It can be seen clearly then that industry is urgently in need of encouragement if it is to gear itself to the task ahead. The building of great factories, the carrying out of more scientific experiments, and the improving of efficiency depend very greatly on the ability of industry to meet the challenge of absorption, productivity and increased sales abroad, all of which are vital to our economy.

A great deal has been done to advertise Australian goods in overseas markets. But much more must be done in this field to secure the necessary expansion and provide the incentive to sell or market overseas. Our commercial undertakings and manufacturing industries must become conscious of the advantages of trading with Asian and other countries. Australia is a young, progressive and expanding country. We enjoy the confidence of the free world. We should not be afraid of incipient inflation, however much we may dislike the idea of inflation, because a young country expanding as rapidly as Australia has been expanding in the past can hardly avoid some measure of inflation if it is to go forward. A too cautious attitude could have severe limiting effects on the rate of our expansion and development. If we are to avoid being priced out of overseas markets and if we are to reduce the cost of living on the consumer market in Australia, costs of manufacture must be kept to a minimum.

It may be pointed out that undoubtedly the proposed increase in telephone and postal charges will be borne in the main by industry. Those increases, together with the recent basic wage increase, must have a substantial and unavoidable effect on costs in Australia. Industry generally will not be content to bear those costs and, as a consequence, will pass them on to the consumer. I suggest to the Government that it may see fit to examine the range of taxes that add to inflation—taxes which, when trade and industry are playing and will continue to play an increasing part in our overall economy, inflate the prices at which we are required to sell overseas or on the consumer market. Such taxes are retarding taxes and should be either progressively reduced or abolished altogether.

This brings me to the point that the Government should have considered some measure of relief in pay-roll tax, either in the form of reduction in the rate of the tax, an increase in the deductible allowance, or, less probable, its total abolition. To my mind that would have had the effect of reminding industry that the Government had not entirely forgotten it and was concerned with the magnitude of the task that lies ahead. I do not want it to be thought that I believe that industry is not doing well at present. In fact, industry and commerce have improved their positions in recent years and have made good profits and achieved good trading results. I think any fair-minded person will agree that had it not been for the fact that industry and commerce have been able to progress and make profits, our economy would not be in its present healthy state.

Relief from the pay-roll tax would stimulate the development, expansion and progress of industry, and it would encourage the inflow of capital investment which is imperative if we are to get the new buildings and capital equipment which are so necessary for the expansion of our economy. If the Government had taken any of the courses that I have suggested, it would have added to the capacity to reduce the prime cost of goods to the manufacturer and to reduce the sale price to the distributor or retailer, whose profits would be struck at the lower cost level. This, in turn, would result in the capacity to sell our commodities to the community at generally lower prices and, at the same time, would strengthen our trade with other countries by making our prices more competitive in the world's markets.

The pay-roll tax, Sir, was introduced in 1941, and it is estimated that, in the current financial year, it will return some £53,000,000 to revenue. As I shall show, the burden of this tax is placed mainly on industry and the manufacturer. The pay-roll tax has quite frequently been related to the financing of child endowment. It has been said that child endowment is part of the wage structure and, therefore, a logical addition to the costs of the employer. The basic wage, however, is now fixed on the basis of the capacity of industry to pay and on the needs of the family wage-earner.

and therefore the employer virtually contributes twice, owing to the increased wages resulting from the method of fixing the basic wage, and owing to the imposition of this iniquitous tax. As the basic wage takes into consideration the needs of the family man, child endowment becomes a straight-out social service obligation. I do not support the contention that any particular section of the community should be called upon to finance any particular part of social service benefits. Social services should be the responsibility of the whole community, and child endowment should not be regarded differently from any other social service benefit such as age pensions or medical benefits.

All State governments and local authorities pay this tax, which, in turn, increases the costs of State railways and public transport, with consequent increases in fares and freight rates. This further adds to the costs of industry and consumers. It is interesting to analyse the break-up of the sources of pay-roll tax. State government instrumentalities and State government departments and local government authorities contribute between them £15,000,000 a year. Manufacturing, building and construction industries contribute £25,000,000. Distributing wholesalers and retailers contribute £4,000,000 each. Primary production, including mining, contributes £3,000,000, and all others not shown in the preceding categories contribute £2,000,000. This gives a total pay-roll tax yield of £53,000,000. It can readily be seen that the manufacturing, building and construction employers pay almost one-half of the tax, and that commerce, in the form of wholesalers and retailers, pays £8,000,000, whereas primary industry, including mining, contributes only £3,000,000. The burdensome tax has an undoubtedly inflationary effect, and its sectional application can readily be seen by reference to the figures which I have just given.

If the pay-roll tax were to be abolished, the net loss to revenue would not necessarily total £53,000,000, for the loss could be offset in a number of ways. Grants to the States could be reduced by the amount of pay-roll tax that the State governments are now called upon to pay—£15,000,000 a

year. The yield of company tax and tax on income derived from companies would be increased. As pay-roll tax payments are deductible from gross figures before the profit or loss is struck, it is estimated that the abolition of the tax would result in additional revenue of £13,000,000 from this source. It can be seen that these two factors alone would increase the Government's revenue by £28,000,000. If we add to this the savings that the Government would make in lower costs for goods and services, together with the saving of expenditure resulting from the necessary readjustment of the staff policing the tax, we could conservatively take the total gain to £30,000,000. This would leave a loss to revenue of only £23,000,000 from the total abolition of the pay-roll tax.

As it is estimated that the returns from income tax will be reduced by more than £22,000,000 as a result of the tax concessions in this Budget, the pay-roll tax could well have been abolished and the benefit spread over the whole community. This would have made a real contribution towards stability by removing an inflationary medium from our economic structure. The abolition of this tax would have made the prices of our exports more highly competitive with those of overseas products, and home-consumption prices would have been reduced. The private investment of capital would have been given a fillip which industry will most certainly need if it is to undertake the task of expansion ahead. Therefore, I ask the Government to consider the abolition, or, alternatively, the reduction, of this iniquitous tax. It is discriminatory and sectional, and it is imposed only on the employer of labour. It does not apply to other kinds of business people whose businesses may be equally as profitable, or even more profitable—for example, farmers and graziers, who qualify for exemption.

This tax penalizes the employer for efficiency and for increasing his staff. The more workers he employs, the more tax he is called upon to pay. In fact, he is penalized for increasing the work force—the very thing for which incentive should be given. Pay-roll tax must be paid by the employer regardless of whether his operations show a profit or a loss. In this respect, to my mind, this tax disregards a

basic principle of taxation—that a tax must be based on the amount of income earned and the ability to pay. As I have shown, this tax is inflationary. It is a cumulative tax, and the greater the number of processes in the manufacture of an article, the greater is the proportion of cost added by the pay-roll tax. The result, Sir, is that, ultimately, the additional cost to the consumer is more than the revenue derived by the Government. Industry needs incentive to expand, and I have endeavoured to show that unless it is encouraged and assisted to absorb the increasing work force we shall be in for some unpleasant adjustments in our economy.

The pay-roll tax is not the only tax to which I think the Government should turn its attention. The sales tax, also, should be given close attention by the Government. The family man with the larger family is the one who is called upon to pay most, and the larger the family, the more he pays, particularly in sales tax on food-stuffs and necessities such as pepper, essences, soap and soap powders and other essential requirements such as toothpaste, boot polish and, of course, household furniture, which is so necessary to newly married couples. These are things to which the Government should look if it is so much concerned about keeping down the cost of living. It should reduce directly the costs of those who use these things most and who are now called upon to pay most in sales tax—a tax which further adds to consumer costs.

There are many anomalies in the sales tax legislation, and I should like to direct the Government's attention to one or two which I think should be rectified. We find, for instance, that biscuits for human consumption are taxed at the rate of 12½ per cent. Yet dog biscuits are entirely exempt. We find also that meat pies are exempt, although fish or fruit pies attract a rate of 12½ per cent. The Government should give consideration to the numerous anomalies that exist. I have mentioned those few only, because my time is limited.

I now wish to turn to a discussion of the Postmaster-General's Department. Although the charges that it is proposed to increase have not been increased since 1951, it is agreed on all sides that wages

and other costs have increased enormously. The question that is exercising my mind is this: If these costs have been increasing since 1951, why were the increases in charges delayed for so long? If they had been made earlier, or if the charges had been increased progressively, they would not then have made such an impact upon the community or have been so unpopular. The process of increasing these charges should have been a more gradual one. I do suggest, however, that no Government worth its salt would hesitate to introduce unpopular measures such as this one if it were found necessary to do so in order to put this great organization on a business-like footing, as I believe it should be.

A committee has been set up to inquire into the capital employed in the Postmaster-General's Department. This is a formidable task, and I believe the committee's terms of reference should be widened, and that a full and searching inquiry should be made into the methods and the efficiency of the department, and into any wastage that occurs. We have magnificent organizations such as Qantas Empire Airways Limited, Trans-Australia Airlines, and the national shipping line, which operate at a profit, are efficient and compete with private interests on a competitive basis. We know that the Post Office is on a different footing from those organizations, but I think the committee I have mentioned should inquire into the question whether all or part of the Post Office organization should be placed under the control of a commission. We know that in time of war, and also, of course, in peace-time, lines of communication have to be kept open. We know that capital equipment is essential and that probably the running of the Postmaster-General's Department is beyond the scope of private interests. But as matters stand to-day, we find that the general taxpayer is contributing towards the maintenance of the postal services through general revenue.

The CHAIRMAN.—Order! The honorable gentleman's time has expired.

Mr. MINOGUE (West Sydney) [2.57].—We are discussing to-day a budget providing for revenue and expenditure of more than £1,600,000,000. Although we have listened to many members of the Liberal

and Country Parties telling us of the good things the Budget contains, the amendment of the Leader of the Opposition (Dr. Evatt) will be put to the vote to-night before half of the 123 members of this House have bothered to speak in the debate. The reason why they have not spoken is simply that they are ashamed of the things that the Budget contains. There is no other reason.

The previous speaker, the honorable member for Phillip (Mr. Aston), opened his speech by saying that there are not many unemployed in this country. He said there are only a few thousand of them and that, after all, the proportion is less than in any other country. The first part of my speech to-day will be devoted to the unemployment problem. The Minister for Labour and National Service (Mr. McMahon) has told us that there are up to 70,000 people out of work. I venture to suggest that the incidence of unemployment is greater in my electorate in Sydney than anywhere else in Australia. Yet we find that a member of this Parliament whose electorate is only a few miles from mine and includes within its boundaries not one factory or industry, a member who won his seat from a Labour man by taking advantage of the publicity associated with the Petrov case, gets up in this committee and tells us that it does not matter very much about these people who are out of work.

I challenge that honorable member, and I challenge the Minister for Labour and National Service, to find jobs for the hundreds of people who are out of work in my electorate. Every day they come to me and I send them to the Commonwealth Employment Service in the Grace Building, and they are all told the same thing. In fact it seems to be a crime for a man or woman to be over 50 years of age, because they then have no earthly chance of getting jobs. Yet we hear the Minister for Social Services (Mr. Robertson) telling us in this Parliament that besides the £4 7s. 6d. age pension, a person is also allowed to earn £3 10s. a week. Let me tell the Minister that 86 per cent. of pensioners in the Commonwealth do not earn anything at all. Nevertheless, he continues to tell the people that a pensioner's income can be as high as £8 5s. a week.

Everything that this Government gives to pensioners has a string tied to it. In 1955 it gave them a small increase, and what did we find? We found that a pensioner who earned more than £2 a week was deprived of the benefits of the pensioner medical service. Is that not a trick? Of course it is a trick to say to these people, " You may earn a couple of pounds a week, but you will then lose your entitlement to the pensioner medical service, your right to concession travel in trains, and various other concessions ". This Government always makes sure that it can pull a string and take back some of the increase that it gives.

In Sydney, there are men and women trudging the streets looking for jobs. When they register for employment they are asked how old they are, and if a male applicant is more than 65 and a woman more than 60, they are told that the best thing they can do is to collect the pension. But the pension is not so easily collected. When a person makes application for the pension he is very lucky if he starts to receive it within eight or nine weeks.

Is it not degrading for a man who has been used to work, who has regularly earned his £15 or £20 a week, to be reduced to an income of £3 or £3 5s. a week, with no hope of anything better during the last ten or fifteen years of his life? Yet we hear this Government boasting of the national income at the present time and what it is going to be in the future. It does nothing whatever for the people who pioneered this country. Instead of financing the Snowy Mountains scheme from revenue, the Government should do what would be done by a Labour government, pay for it out of loan moneys. It would then have enough money to find work for these old people and to find homes for the people of our community.

Being a rational sort of a bloke, I had hopes that something good would come out of the Budget. About this time of the year every one in the Commonwealth is looking to the Budget. The taxpayer is looking for reduced taxation rates. The pensioner is looking for a rise in pensions. Every one has his eye on the Budget. But, after reading the Budget papers and hear-

ing the speeches made by honorable members opposite, I cannot be convinced that there is anything good in this Budget for anybody.

Let me turn now to the subject of immigration. In 1949, when this Government came to office, there was an immigration programme in operation. The Prime Minister (Mr. Menzies) promised at that time that immigrants coming to Australia would be provided with homes, but his promise turned out to be nothing but hypocrisy and sham. He brought out a few hundred homes from Denmark or some other country and scattered them around Queensland and other places. Then it became the responsibility of the States to find homes for these people who were dumped here, 120,000 of them each year. These immigrants arrive in Australia, are placed in hostels and have a terrible time of it when they first come to the country. What is the use of bringing them here if there are no homes for them and no work? They eat their heads off in hostels and nobody is happy about it. They have to leave their families in the hostels until they are able to find some work. This Government has done nothing to house those immigrants or to house our native Australians.

No one looking for a home in this country can expect any help from this Government. Look at the raw deal it is giving the returned servicemen. These men come to me at my office in Sydney seeking details of the £2,750 that they are entitled to get from the War Service Homes Division. They want to know how long it will be before they will get a loan, but all I can say is that it will be eighteen months or two years. Young men and women who are eager to get married and settle down find that it is very easy for them to get the money from some other sources while they are waiting on a war service homes loan. The Commonwealth guarantees that the advance will eventually be made, so the money lender, solicitor, or whoever lends the money, knows that he has only to wait for eighteen months or two years for repayment. But what does the ex-serviceman pay for this temporary financial accommodation? He must pay nearly 20 per cent. on the £2,750 for eighteen months or two years; there is no other

way out. It would be far better for the Government to stop accepting applications until those who have been promised an advance receive it. These young people then would not be tied to a money lender for the mortgage that they need to buy a house. They pay as much in eighteen months or two years to the money lender as they would pay to the Government if they had the advance for the term of their natural life. It is not right that men who have served their country so well should be treated in this way by the Government.

But another matter that is even worse than this is the availability of hospital treatment for ex-servicemen. In New South Wales, this is handled in a most disgraceful way. One case I had was that of a blind man. Although he was 99 per cent. blind, he had to wait until he was completely blind before he was given a pension. During the war, a mortar bomb exploded near him and immediately deprived him of the sight of his right eye. But he had to get three or four men who were near him at the time to prove his case when he asked for a pension. Then the sight of his other eye started to go and he could not work. His wife did the best she could to look after him. All these details can be checked; I have brought this matter before honorable members on other occasions. Four Macquarie-street specialists said that the loss of sight in the second eye could be caused by the explosion of the mortar bomb; yet the medical referee ruled him out and would not give him a pension.

Mr. Anderson.—I do not believe it!

Mr. MINOGUE.—You would not believe it. But you will come to believe it one day.

Mr. Anderson.—What about the country—

Mr. MINOGUE.—I will deal with you later.

The CHAIRMAN.—Order! The honorable member for West Sydney will address the Chair. I ask honorable members to cease interjecting.

Mr. MINOGUE.—I shall mention a case now that I have mentioned in this chamber before. It concerns a returned soldier, now

living in Sydney, who was shot at Gallipoli. I know that that is going back a long way, but nevertheless this man was shot in the leg and lost the use of his ankle. Twelve operations were performed on him in Gallipoli, one in England, one on the way back to Australia, and several in Sydney. Although he was suffering from this disability, he continued to work for a tobacco company at Kensington. He had a stick and used to drag his leg along behind him. He received a pension of something like £2. Later in life he married. During the Australia Day holiday in January of this year, he became very ill and I was called in to see him. I could not get him into any hospital in Sydney. I rang the Yaralla Repatriation Hospital and the Randwick Hospital. I rang every hospital in Sydney. Honorable members will believe me on this case, as well as on the other one, because I have substantial proof of both cases. There was not a hospital in Sydney that I did not ring about this man. He had some heart trouble, but it was ruled that this had nothing to do with the war or with his injuries. Surely he had the heart of a lion, to live at all and to work for the years that he did; but this Government ignored him all the time. If his ankle was bad, Yaralla willingly gave him treatment, but if he suffered any other physical disability, he had to fend for himself.

Following a heart attack, his wife was lucky enough to get him into a hospital at Glebe at £20 a week. However, after three weeks the hospital authorities said that he was not likely to get better and asked his wife to take him away. Arrangements were made for him to go to a hospital at Balmain. His wife arranged for an ambulance to take him to Balmain, but he was there for only two and a half hours before the authorities at this hospital telephoned her at her home and asked her to take him away because he would not get better and they could not keep him. Another ambulance was engaged, and another fee paid. The man was taken from the Balmain hospital to his home and he was lying on the floor of this little two-storey house when I was called in. During the whole of the Australia Day holiday I tried to get him into a hospital, but without success. At last I got him into the Sacred

Heart Hospice for the Dying at Darlinghurst. That man lived for only five more days.

Many honorable members on the Government side of the House claim that they are ex-servicemen. I put to them that it is only fair for this Government to do the right thing by these men who gave the best years of their lives in the defence of their country. There cannot be many of them left now. Although four or five specialists may say that a condition is due to war service, a medical referee will rule, on behalf of the Government, that the ex-serviceman is not entitled to a pension. The ex-servicemen are not given any consideration at all. I hope that the Minister for Repatriation (Senator Sir Walter Cooper) will do something in the cases that I have mentioned. The Government does not see fit to look after these men, but they were good enough to fight in the war. The irony of it all is that the widow of the ex-serviceman to whom I have just referred is only 59 years of age and cannot get the age pension. She is in receipt of the widow's pension, the lowest pension available. Her two brothers were killed instantly at Gallipoli at the same time as her husband was injured. For all those years, he dragged along trying to earn a living; yet this Government, which says that it tries to help the people, closes its eyes and imposes a means test on those who seek hospital attention. I hope that something will be done to change this position.

I turn now to social service payments. Honorable members on the opposite side admit that the pension increase of 7s. 6d. is not very good. But the Treasurer (Mr. Harold Holt) has announced that in future, under the pharmaceutical benefits scheme, a charge of 5s. will be made for every doctor's prescription that is presented to a chemist. There may be some exceptions which I will mention later. But is it proper for the Treasurer to bring down a Budget which leaves the pensioners in fear of having to pay 5s. for every prescription they have made up? Child endowment, maternity allowances and all other social service benefits have been ignored by the Government. Possibly when the next election year comes round increases in these payments will be offered to the people as a sop. Supporters of this

Government often condemn the Labour Government of New South Wales, but were it not for that Government it would be impossible for pensioners in that State to carry on.

Some people suggest that I speak for the pensioners only because I want their vote. My reply is that at the last election my majority was the unlucky number of 13,000. There is no need for me to speak on behalf of the pensioners to gain their votes, but any man who does not speak on their behalf is not worthy of a seat in this Parliament. They are the people who pioneered this country. During this debate Ministers have referred to people who have been thrifty and those who have not. I remind those Ministers that until a few years ago the basic wage was only £3 10s. or £4 a week. Many workers reared families on that income. Were they not thrifty? Many of the men and their sons went to the war and fought for their country. But now many of them are subject to the means test in order to qualify for a pension. The best deal these people ever received was given to them by the Labour Party. The means test should be abolished. It is a disgrace to think that inspectors, receiving £20 or £30 a week, visit the back doors of homes where pensioners live and ask all sorts of questions. They want to know who lives in the front room, whether the woman in the house is the pensioner's wife or his de facto wife, or whether a pensioner's wife has left him. It is totally wrong that these people should be subject to such inquiries in respect of entitlement to a pension. Even then, the amount they are given is far below what they need to live in any degree of comfort.

The Labour Government in New South Wales helps the pensioners in a big way. The Commonwealth Government is seeking to take credit for increasing pensions by 7s. 6d. a week to £4 15s., but that is nothing compared with what the New South Wales Government is doing. Its social welfare organization provides clothing and blankets for pensioners, and if they are in need of spectacles, hearing aids or dentures, they can obtain them without cost. This Government provides a funeral allowance of only £10. That is far from enough to give any person a

decent burial. On several occasions members from this side have asked the Minister for Social Services to increase this amount, but he has refused to do so. The New South Wales Government provides free milk for pensioners, and also helps them to meet ambulance service charges. The widow I spoke about earlier received bills from the local ambulance for £14 or £15. It was impossible for her to pay this amount, but the Government of New South Wales came to her aid and met the cost in full.

Each year, the Sydney City Council gives a week's employment to the pensioners. Last year, this cost £60,000. It also remits the rates of any widow who lives in her own home and is solely dependent on her pension. The State Government reimburses the Sydney City Council to half the cost involved in giving this assistance to pensioners. Were it not for the State Government and the Sydney City Council, these people would not be able to live. That would certainly be the case if they had to depend upon the Prime Minister (Mr. Menzies) or the Minister for Social Services for help. The meals-on-wheels scheme renders wonderful help to pensioners in New South Wales. Once a day, a hot meal is supplied to them for the low cost of 2s. But for this, their prospect of getting sufficient food would be very poor indeed.

On previous occasions I have referred to the Pioneers Ball which is held each year in the Sydney Town Hall. Strange to say, some people have told me that I should not mention such a thing over the air. Surely, the trash and nonsense I hear over the air should not take preference over what is being done for the pensioners. On 16th October next, this ball will be held again from 8 o'clock at night until 2 o'clock next morning. Sir Edward Halstrom, the great animal lover, has never failed to donate a refrigerator to help this good cause. Also, Halvic Industries, whose factory is in the electorate of the honorable member for Bradfield (Mr. Turner), who yesterday condemned the Government, takes a practical interest in doing something on behalf of these poor people. The manager of that company provides a valuable prize each year.

But that is not enough. Indeed, it should not be necessary for organizations of this

kind to have to do such things to help the pensioners. The Treasurer has brought down a budget dealing with a total sum of £1,600,000,000. Is not the Government ashamed that out of that vast amount it is to provide a paltry 7s. 6d. a week for the pensioners, of which it will take back 5s. for medical prescriptions? If a pensioner, who receives only £4 15s. a week, earns £2 or more a week he loses his medical card. I know of pensioners who go to the Sydney city markets and in return for minding a cab they are given a few apples or a cabbage. But every day, social service inspectors are there also watching to see how much the pensioners get for doing such odd jobs. That is a disgraceful state of affairs.

There are many more matters I should like to speak about, but time will not permit me to do so. I visited South America last year and I saw there some conditions which resemble those in Australia. I attended a conference of the Inter-Parliamentary Union at Rio de Janeiro. Some of the newspapers have complained that they were not told what happened at that conference. I can tell them that as a result of it, there is no need to be afraid of the possibility that nuclear weapons or atomic bombs will be used in warfare at least in the immediate future. At that conference which was representative of all nations many matters were discussed, and it declared that people in every part of the world should have the right to live.

But in the countries which I visited I was deeply distressed by the extreme wealth and extreme poverty which existed side by side. In Brazil we were taken to many beautiful palaces—almost every important building seemed to be a palace—and the day before we left we were taken 500 miles inland to the new capital city of that country. We saw many workers as we drove along and they seemed to be poverty stricken. As we passed a mountain which was pointed out to me I was informed that every night workers climbed it as best they could because there were no roads and slept in the open. In the day time no sign of a house could be seen on the mountain side, but at night the lights from the camp fires seemed to be as numerous as the stars.

The highest wage paid for manual labour in Rio de Janeiro is about £15 a month.

This is the sum earned by drivers of buses or trams. That is an example of extreme wealth side by side with extreme poverty. A similar state of affairs exists in New York, and in nearly every other great city that we visited.

Australia is, perhaps, one of the best countries in the world. It would be the best country in the world if it were not for the Liberal and Australian Country Party Administration which is in charge of affairs. The Government has provided a terrific amount of money for defence, and it has arranged substantial increases in the salaries and allowances of members of the Parliament, but it has not done the right thing by the pensioners. The Prime Minister has said that there is no sign of war at present and that the possibility of war within the next few years is very remote. In that case why does the Government intend to spend nearly £200,000,000 on defence? The Minister for the Army (Mr. Cramer) last night told us about the peace-loving people whom he had met during his travels. He has no regard for the common people. When he was chairman of the Sydney County Council, there was a black-out every time a by-election was conducted in the metropolitan area. He has not improved since that time. He and I were aldermen on the Sydney City Council, and we were also members of the Sydney County Council. On one occasion during an inspection of a mine we lost our lamps, and we prayed that we might get out of the mine safely. We did, and when we reached the surface he said, "No one will ever hear me say another word about miners". But he has now changed his attitude.

The honorable member for Grayndler (Mr. Daly) said last night that the Government, by its Budget, would waste £50,000,000. One can imagine the benefits that would flow to the pensioners, the people who need assistance most, if £10,000,000, £15,000,000 or £20,000,000 were devoted to their cause.

The CHAIRMAN.—Order! The honorable member's time has expired.

Mr. IAN ALLAN (Gwydir) [3.27].—The debate on the Budget, which has continued for the past fortnight, has been very

dull. I am grateful to the honorable member for West Sydney (Mr. Minogue) for the way in which he has livened up proceedings.

I congratulate the Treasurer (Mr. Harold Holt) on the presentation of his first Budget. Although the effect of the Budget provisions will not be inconsequential, the Budget is more superficial than we have been accustomed to expect in recent years. I do not think that it will have any profound overall effect on the country. The proposed increases in postage charges, and the fact that the Government has budgeted for a large deficit, are indeed weighty matters. Of course, honorable members must realize that this is the first Budget introduced by the Treasurer very shortly after he assumed office, and it is difficult to introduce radical changes and bold innovations at a first attempt. It is also difficult to introduce anything novel at a time when the country is moving along so buoyantly, expanding so rapidly and holding so firmly the confidence of the business community. I am sure that the Treasurer did not wish to make any great changes because his predecessor in office, Sir Arthur Fadden, in the long years that he held the portfolio, did much to bring about the prosperity that we now enjoy. I hope that in future budgets the Treasurer will be in a position to make some of the changes that are necessary to keep our financial machinery abreast of the times so that the expansion and development now taking place in Australia may continue.

This Budget has a slight bias in favour of the manufacturing sector of the economy. Speaking as a representative of one of the greatest pastoral and agricultural regions in the Commonwealth, I have no complaint to make about that. In fact, I am pleased to see that the manufacturing sector is receiving attention, because we in the country share the manufacturers' pride in the way in which Australian industry has expanded in the last few years under the guidance of this Government. We are conscious also of the fact that in the next two or three years we must provide more job opportunities. To do this we must have expanding secondary industries. Primary producers rely upon manufacturers to provide them with the best possible home

market for their commodities. We in the country welcome any encouragement given to manufacturers which will lead to expanding and more efficient secondary industries.

Some idea of the effect of this bias on the Budget may be obtained from the editorial in the August, 1959, issue of "Industry To-day", which is the official publication of the Victorian Chamber of Manufactures. The editorial made certain claims for concessions on behalf of private companies—the Budget granted those concessions. It sought a reduction in income tax—the Budget granted that reduction. It asked that the Government cease the practice of using current Government revenue for capital works and services—the Budget met that request by the changes proposed in the accounting procedure in the Post Office. Various other requests were made in the editorial to which I have referred, all of which have been met in one way or another. A bias does exist towards the manufacturing sector but, so long as secondary industries are encouraged to become more efficient we, who represent the great primary industries which produce the goods that give us the overseas funds that we need, have no criticism to offer.

It must be remembered, however, that a large proportion of the manufacturers of Australia are not interested in maintaining or achieving efficiency, high productivity or a high rate of turnover at low prices. They have been cushioned for so long that they find it a good deal easier and more advantageous to kick along the inflationary spiral. That section of industry, which can damage our economy, is not worthy of any assistance.

The meat that is missing from this Budget sandwich is the encouragement to industry to raise the productivity of Australia by the implementation by the Government of a definite plan designed to raise the country's total wealth. That meat should be sandwiched between the careful balancing that has taken place between capital goods and consumer goods, on the one hand, and between loan expenditure and revenue expenditure, on the other.

I submit three proposals for the consideration of the Government during the next year or two. I believe that these pro-

posals would supply what is now lacking from the current Budget. They are proposals designed to put the missing meat into the sandwich and increase the wealth of Australia.

The honorable member for West Sydney spoke about the pensioners. They and every one else have a direct interest in increasing the total wealth of Australia. We must not become obsessed with the idea of cutting up the cake into even smaller fragments. We must not forget that our real aim is to bake a bigger cake. Therefore, I suggest to the Government, first, that it should do something about our wage-costs treadmill. This exists in all Western countries, including the United States of America and the United Kingdom. We have done less about it than any of the other countries. It is possible that we require to do less because, to a very large extent, the Tariff Board, which is very much alive to its responsibilities, is helping to keep costs down in this country.

However, we have to realize that price fixation is just as important in checking the spiral of costs as is the fixation of wage levels. For very long, now, the arbitration system has been bumping up wage levels. The increased wage rates have been followed immediately by increased prices which have robbed the wage earner of all the benefits that he has been granted by the court. But that is not the worst of it. The whole process of wages chasing prices has encouraged the inefficient manufacturer, the inefficient supplier of services, and the inefficient producer, and it has loaded the country with a burden that has put us out of step with the rest of the world. The wages-prices spiral has resulted in increasing inflationary pressures in this country. We are out of step with the rest of the world because other countries are undertaking deflation and correction of those evils that we are allowing to persist.

I invite the Government's attention to the Cohen report which was published in the United Kingdom about three weeks ago. It is the report of three wise men in that country who were given the task, a year or so ago, of studying wages, prices and productivity. The proposals of the Cohen committee, to our way of thinking, are quite revolutionary. There is no need for us to

apply the rigorous price control recommended by the Cohen committee because we have a different set of conditions here. But at least we have a very powerful argument for the introduction of a restrictive practices court such as has been operating in the United Kingdom and the United States of America.

That is one way in which we could check price fixation by industry without interfering with the efficient manufacturer. All the honest conscientious manufacturers, of whom there are quite a few in the community, look to the Government for a lead. They try their utmost to absorb wage increases and the Government has a duty to help them. One way in which the Government can help them is by instituting either a monopolies commission or a restrictive practices court, or both, and so bringing the light of day to bear on some of the price-fixing arrangements that operate in this country and which lead to gross inefficiency and place a burden not merely on exporters but on the whole community.

The next proposal that I make to the Government is that it should do something positive to foster import-saving industries. I have in mind particularly the agricultural industries of cotton, tobacco and oil seeds—crops which can be grown abundantly, widely and easily in Australia. All that is needed is a positive lead from this Government through the Australian Agricultural Council. So far, the tide for the Agricultural Council has run from the States to the Commonwealth. It is about time that the Commonwealth took the initiative and organized a national plan such as I have suggested for developing these industries. This would save us a large amount in overseas funds paid for imports. It would also have another effect of which I shall speak in a moment and which I believe is of vast importance.

The argument against doing anything is that we might as well receive cotton from the United States of America where it is subsidized to the extent of 8d. per lb. by the United States Government, and that we might as well go on receiving vegetable oils which, through the operation of the P.L.480 scheme in the United States, are cheap and in abundance throughout the world. The aid schemes that are operated by the United States are flooding the

world market with vegetable oils and this is having its effect on price levels. The argument is that it would be wise for us to go on buying cheap oil from abroad rather than produce it ourselves.

The same argument is applied to tobacco. It is asked, "Why not buy cheap tobacco from abroad rather than grow it ourselves?" I shall counter that with a proposal which I believe is of tremendous importance and which, to my mind, conclusively overshadows that argument. Any one who knows the countryside is aware that sharp fluctuations occur in the income of different regions because of sharp fluctuations in climate or in overseas prices. One region may go ahead in prosperity for four years, then strike a lean year or a lean two or three years when there is no great return and the whole region stagnates. That is occurring in some part of the Commonwealth all the time. It is the sort of thing that does not show up in statistics yet this wild fluctuation of incomes in the different country regions holds back, more than does inflation, the provision of funds for investment and the provision of proper amenities in the countryside.

If we could have some stability of income throughout the countryside we would have the right climate for the continued flow of investment money. There would be a continual unchecked development of our rural industries and the countryside would be provided with amenities that it does not have at the present time. With a plan to develop our import saving industries throughout the nation we would help to diversify production over the length and breadth of the countryside and we would help to stabilize the level of incomes throughout the countryside. That would have rapid and profound effects on the future welfare and continuing progress of our country towns and country regions.

That is the argument advanced against those who believe that we should rely upon receiving this kind of assistance from the United States of America. We owe it to the primary producers and people in country towns to do something positive to help them stabilize their incomes and obtain some of the comforts and amenities that people in the cities enjoy. That could be done in the way I have suggested.

Finally, I propose that the Government should pay attention to the financial relations between the Commonwealth and the States. Only recently, the Treasurer negotiated an agreement to regulate Commonwealth and State relations for the next six years. I deplore that agreement. I think it is the worst thing that has been done for many years. Nothing could damage the cause of federalism more than avoiding the search for a solution to the present problem of financial relations between the Commonwealth and the States, yet that is just what this agreement does. It avoids finding a remedy. The possibility of finding a solution has been postponed for six years. Why not admit that the States will not get back their taxing powers, that uniform taxation is here to stay? It is impossible and impracticable to return the powers to levy income tax formerly enjoyed by the States. Let us admit that. We should then admit that a very large volume of the taxpayers' funds is being passed over by the Commonwealth to the States to be controlled and spent by them. The States do not have to account to the taxpayers for that money. Such an arrangement is conducive to bad administration. It has already had the effect of leading to irresponsibility and maladministration throughout the States of the Commonwealth. By delaying the possibility of finding a solution to this problem for six years, the Commonwealth Government is not living up to its obligations or its ideals. I know that this Government believes in federalism, but it is not living up to this ideal or to its obligations to the taxpayers. We owe it to the taxpayers to ensure that every £1 of their money that we receive is spent as wisely and fruitfully as possible. We cannot do that under the present arrangement.

Therefore, I suggest to the Government that it should do what it can to take over the functions of the States within the limits of the Constitution. If we set out to explore those limits in this connexion, I am sure we would find a number of different points of entry. There are a number of different functions we could take over from the States one way or another, not with a view to destroying the States but with precisely opposite objectives. We would

strengthen the States and make them more responsible if we limited their functions and powers to their own taxing capacity so that they would be strong, viable units of the Commonwealth. In that way, we would ensure that Australian administration generally was made as efficient as possible. For example, we could take over the transport field to a large extent. We do not know quite how far we could go as the Commissioner of Commonwealth Railways has already suggested that there are provisions in the Constitution for the formation of an interstate commission which would allow the Commonwealth to enter the interstate transport field. Once that was done, the Commonwealth would have a controlling influence throughout the transport sector of the economy. The Commonwealth Government must show initiative, drive and determination in that direction to live up to its obligations to the Australian community.

Sir, I repeat that our objective in financial matters should be to help the country to bake a larger cake. It is true that that cannot be done entirely by the Treasurer. It is not altogether a budgetary matter, but the Budget provides a convenient time to indicate the Government's determination to act along this line. It is a convenient time for the Government to indicate its policy and its plans.

During the course of this debate, honorable members have referred to the number of jobs which must be provided this year and in the years to come. I warn the Government that in five years' time a very large number of youngsters will be entering the employment market looking for opportunities and for careers not only in Australia but in every western country. In five years' time, therefore, we will have a very intensive trade war on our hands. Unless we make this country efficient and strong now, not simply by annual accounting, but by long-range planning and determination, we will be in a very difficult position when that time arrives in 1965 or thereabouts. We are a great trading nation. We must plan forward and act aggressively and vigorously to implement those plans.

Mr. GRIFFITHS (Shortland) [3.53].—I agree with the honorable member for Gwydir (Mr. Ian Allan) that the Government should bake a bigger cake; but I

also suggest that the Government should cut it up more evenly and distribute it among the people to better advantage. The statement of the Prime Minister (Mr. Menzies) last week that the Government intended to review its proposed increases in postal charges must have been like a breath of fresh air to those organizations which were likely to go out of business when the higher charges became operative. There is no doubt that the numerous protests against these imposts and the wielding of the big stick by the Australian Country Party have had their effect. However, I want to record my protest against the charges, especially as they affect private co-operative organizations such as the National Roads and Motorists Association. The N.R.M.A. distributes about 400,000 copies of its journal to its members each month. This journal is of very great value to members of the N.R.M.A. It appears to me that once again the motoring public are to be the victims of this rapacious Government in its drive for more revenue, and I ask the Government to consider reviewing the increases with a view to withdrawing the proposals.

In fact, I think the Government should completely recast the Budget, and spread more evenly among the people the benefits that it contains. The Budget is somewhat disappointing. I think that it is more dishonest than any of the other nine budgets for which the Menzies Government has been responsible. It is a rich man's Budget. It strikes at the meagre resources of every worker while at the same time it hands out fabulous concessions to the wealthy. I feel that the basic problems confronting the community to-day are the cost structure and its impact on the economy. Its effect is closely linked with the steeply-mounting national debt and its terrific burden of interest payments.

I should have liked to see the Government tackle the problem of the national debt, because in my view the Government will never get control of the inflation that is strangling the economy, nor will it check rising costs, so long as it follows its present fiscal policy. The whole question of the improvement of living standards, production, expansion, employment, increased social services, imports and exports, and the general welfare of the Australian

people, is bound up with the Government's fiscal and monetary policies. Even the National Bank, which can hardly be described as a friend of Labour or of the working class, in its monthly economic survey, expressed disappointment with the Budget. It said—

In fact, the concessions will not impose any real costs on Commonwealth finances, as it is estimated that increasing incomes and population will raise tax receipts by no less than £80,000,000 this year.

It will be seen by that statement, Mr. Temporary Chairman, that even private sources indicate that the Government's income this year will be much greater than the Government concedes. Last year, the Government budgeted for the use of £110,000,000 of central bank funds to balance its budget, rather than cut departmental votes or restrict imports. Fortunately, it did not need most of that sum, as it was able to use income from trust funds which, to my mind, is an action also subject to criticism. This year, the Government will seek to use £61,000,000 from the same source. I should like to know why there is all this humbug and hypocrisy on the part of the Government about central bank funds, when the Prime Minister knows full well that any government will use them to suit its own requirements. Perhaps the Treasurer (Mr. Harold Holt) might tell us why those funds are being used in the defence vote rather than in the vote for some other department. Why are such funds not included in the Post Office appropriation or in the vote for the Snowy Mountains Hydro-electric scheme? Can their use in the defence vote be more easily covered up? Or what is the reason?

For my part, I suggest that the defence vote of £192,000,000 is one of the greatest rackets on earth. It is certainly the most inflationary item of our expenditure. National service training is the greatest rort that I know of. Apart from its physical aspect, in that the training helps to develop many of our young folk, the money spent on it is just wasted. Naturally, the top brass and the instructors from the regular Army want to keep it going, as it is a good cop for them. Week-end camps are simply a farce, and the quicker they are discontinued the better for everybody.

Will the Treasurer tell the Parliament and the people what the £37,000,000 appropriated last year from loan funds for defence was used for? Was it used to purchase equipment or food or was it used to pay wages? What will the £37,000,000 provided in this Budget be used for by the same department? I suggest that the information could be of enormous value, because it would illustrate to some degree whether or not central bank funds could be used as extensively by a Labour government as they are apparently being used by this Government. I make no apology for saying that I believe that central bank funds will have to be used far more extensively than is now the case, if the nation is to develop in keeping with the development taking place in Communist countries.

The action of the Government in its savage imposition of increased postal rates reeks of dishonesty, and reminds me of the imposition of sales tax on ice cream in the 1952-53 horror budget. In that year, Sir Arthur Fadden found that a tax on ice cream would return the Government a handsome profit, because ice cream was then being used by every family as a food. It was no longer a child's delicacy. That tax still remains. The Government has failed to remove it because it is a good money spinner. The ice cream tax, Mr. Temporary Chairman, and now the increased postal charges, remind me of the centuries-old salt tax of China. Many hundreds of years ago, the Chinese rulers found that every Chinese used salt, so they imposed a salt tax on the population. The salt tax still remains in China, even though the Chinese people pay no direct personal exertion tax.

It is my view that the crippling postal charges and the ice cream tax will always remain in this country so long as this Government is allowed to remain in office. It is, therefore, up to the electors to get rid of the Government as quickly as possible. In effect, every one, rich or poor, the sick, the age and invalid pensioners, and the children, all have to subscribe to the Government's vicious money grab.

The theme used by the Treasurer in the Budget speech, and repeated by the Prime Minister, was expansion, progress and stability, which both speakers claimed the

Government had been responsible for achieving. The Treasurer repeatedly pointed to the achievements of the Government, of industry, and of commercial and financial institutions during the past year. The right honorable gentleman endeavoured to show how the Government's immigration programme was assisting in the expansion of both primary and secondary industries. He spoke of the high rate of home-building and of the great number of new motor vehicles that had been registered during 1958-59. Mention was made of the remarkable progress in industrial production. The Treasurer said that earlier there were to be seen crippling shortages of materials, equipment, fuel and power, which had hampered progress, but that we now seemed to have achieved a remarkable basis of stability—economic, political, social and industrial. The Treasurer, I believe, then blotted his copybook, because he had been handing out bouquets to the Government, and taking all the kudos for the remarkable achievements of this country during the past fifteen to twenty years. The right honorable gentleman had conveniently forgotten the part that the Curtin and Chifley Governments had played in the nation's development. He had forgotten that the immigration scheme about which he talked so much was the brain child of the honorable member for Melbourne (Mr. Calwell). The right honorable gentleman also forgot that when this Government came to office there was an acute shortage of man-power throughout the length and breadth of Australia. Tens of thousands of positions were vacant, thousands of people had two jobs each, and employers were glad to take on any kind of labour. In those days it did not matter whether or not a man had an affliction, whether he had a wooden leg or a bad heart; so long as he was willing to work he was employed.

To-day the position is different. In many industries doctors examine applicants for employment to see whether they are in good health. If there is any sign of physical disability the applicant is rejected and remains on the dole. Married women are continually being retrenched and in many instances are not being replaced in industry because mechanized plant is taking over. To-day there are more than

63,000 registered unemployed. In addition, thousands of women need work and cannot procure it. Literally thousands of people who are out of work refuse to register for employment because of the way in which they are treated at the employment office. Time and again unemployed men and women have complained that they have been refused payment of the unemployment benefit because departmental officers were not satisfied that they had been genuinely seeking employment. I think the Treasurer could at least have given the Labour government a little credit for its war-time and post-war achievements.

The Treasurer's reference to the Korean war pin-points the thinking of most Liberal Party and Australian Country Party members so far as the economic expansion of this country is concerned. Big business thrives on war whilst millions of people perish. The Budget is a good illustration of that. If the Treasurer's statement that we have found stability—economic, political, social and industrial—is authentic, why the need for the increase in postal and telephone charges and the imposition of a charge for prescriptions issued under the pharmaceutical benefits scheme? If the nation has found economic stability, what will the Government do with the hundreds of millions of pounds that it has filched from the taxpayers during the last ten years on the pretext that it was putting the surplus spending power of the people into a safe place in order to curtail inflation? I ask the Treasurer why he is continuing to take out of the Consolidated Revenue Fund millions of pounds each year to put it into the Loan Consolidation and Investment Reserve. The Auditor-General's report shows that this fund had a balance of £237,372,520 at 30th June last, having re-purchased securities totalling £100,046,099. What were the securities re-purchased for more than £100,000,000, and from whom were they re-purchased? Will the Treasurer tell honorable members how a loss of £529,190 was incurred in the realization of investments last year? I feel that some interesting revelations might flow from the details. I do not suggest for one moment that there is anything sinister in the transaction, but I do think that the disclosures that would flow from the information would be very

interesting. For instance, I think the statement made last year by Sir Arthur Fadden, when presenting his 1958-59 Budget, showed quite clearly that this country had become so hopelessly in debt that the Australian people will forever be held in the vice-like grip of the financial institutions and money lenders. Last year £363,000,000 of maturing loans had to be met, and this year a similar amount will have to be met.

The Treasurer said that he did not yet know the exact amount that bonds maturing this year would represent, but he said that it would be a substantial amount. I understand that the amount will be in the vicinity of £300,000,000. If that is so, you can bet any amount that again this year the Government will have to find a substantial sum for bond redemption purposes. Last year, the Government found £72,000,000 for that purpose and it may have to find a similar amount this year. I should like to know why the Government cannot use loan funds for bond redemption just as it is using loan funds to balance its budget. It is common knowledge that numerous investors in Commonwealth bonds are not renewing them with government or semi-government stock. As the bonds mature they are withdrawn and transferred to hire-purchase companies, which offer up to five times as much interest. The hire-purchase racket operating in Australia to-day is a positive disgrace to any civilized community. This Government, being aware of what is happening with regard to hire-purchase finance investment in Australia to-day, is guilty of encouraging the worst form of usury by those people. More than £400,000,000 is now tied up in various hire-purchase companies. Week after week advertisements appear in the daily newspapers offering investors up to 20 per cent. interest on their investments. The bona fides of those companies should be examined. I submit that an investor can double his capital every five years only by exploitation or at the expense of the consuming public. Nearly every private bank in the country is operating in the hire-purchase field in some form.

Properly conducted, hire purchase is good and essential to family life in times of high costs brought about by inflation, but never

was it more necessary than now for governments to police hire-purchase transactions properly and to put a stop to inflation. In my view many people investing in hire purchase to-day are like cannibals. They are living off the misfortunes and needs of their fellows who seek finance to purchase the essential requirements of life.

Mr. Temporary Chairman, earlier I was dealing with maturing loans and I indicated that possibly £70,000,000 would be needed this year to pay bond-holders who wanted their money. In view of the fact that the Government used £37,000,000 last year from bank credit, or, as the Treasurer called it, the loan fund, to help finance the defence vote, why could not similar money be used to repay those investors who seek the return of their money to invest it in hire purchase? The national debt now stands at £4,040,000,000. Interest payments on that money total £147,800,406 this year. Since this Government came to office—in ten years of Liberal-Australian Country Party Government—the interest bill has practically doubled, and within a year or two it will have doubled. Since 1949 the debt has increased by £1,215,000,000. Are our people to be forever subjected to a rate of taxation so high that many of them will be crippled economically for as long as they live? Each year increased amounts are to be provided in the Budget to meet interest payments. I feel that eventually something must happen to compel governments to do something about this appalling position.

I would like the Treasurer to say what has happened to the debt incurred in the building of the old Newcastle tramway system or the tramway systems recently taken up in Castlereagh and George streets, Sydney, or to the debt incurred in building many ships of the Royal Australian Navy which have long since been sunk or broken up. What happens to the money owing on many of the old post office buildings and the exchange equipment, which are now obsolete and out of use? I think it is time that the Government looked at the position and used its loan funds provided from bank credit to repay loans now being redeemed, and thus reduce the burden of interest payments which the community meets and which is becoming heavier year by year.

Let us consider the subject of exports, which worries the honorable member for

Richmond (Mr. Anthony). I agree with him that a high export market does provide prosperity not only to rural communities but to the nation as a whole. But he and his colleagues disregard completely the ability of the home market to do likewise, provided the people are allowed to work and obtain a decent standard of living. A high standard of living can only be obtained by full employment. Increased rural consumption can be obtained by increased social service benefits, better education, better housing, increased water and sewerage facilities and better roads. High costs can be reduced by a reduction of the national debt and the excessively high interest bill that the people are called upon to meet every year. This year the interest bill on the national debt, which stands at approximately £4,000,000,000, will be approximately £147,000,000. If those two items could be reduced we would be well on the way to stabilizing and reducing the cost structure, about which the honorable member for Richmond was so concerned.

It is my view that in future Australia will need to concentrate on consuming more of its primary production at home, while at the same time increasing exports to Asia of secondary products, such as electronic equipment and the like. I consider that, within the next few years, China will offer an excellent market for the export of electrical goods, because she is extremely short of that kind of equipment. I believe, also, that as that country develops industrially it could become an exporter of oil, and, China being within the sterling bloc, that could mean a great deal to Australia.

The need to increase the standard of living of those pensioners who receive the basic pension and those persons who depend on other social service benefits cannot be too strongly emphasized. Nor can we overlook the need to re-employ the 63,000 persons who are out of work. These matters should be coupled with the level of the consumption of primary products and the need to undertake reproductive works such as water and sewerage schemes in big country centres and the cities. It is a positive and everlasting disgrace that areas within 10 miles or less of the general post offices in Brisbane, Sydney, Melbourne and other capital cities are not sewered. I should like to hear the views

of members of the Australian Country Party on this subject. Here we have a class of work that is urgently required in almost every large centre. All the material required is in abundant supply in this country, and all the necessary machinery can be manufactured here. Why do we allow 63,000 men and women to be out of work when work on such projects is waiting for them? Last year, a total of £8,652,000 was paid out in unemployment and sickness benefits. Why could the Government not provide the additional funds to pay wages and provide the equipment needed to carry out the work that I have mentioned?

The employment of workers on these projects would not entail the expenditure of overseas funds, and the workers involved would spend their earnings on the consumption of products from our own factories and farms. In Australia to-day, there are 600,000 age and invalid pensioners, and to that number can be added many thousands of widows and special rate war pensioners. Were the Government to pay each pensioner another 10s. a week, anything up to another £25,000,000 would go into circulation each year. Most of it would ultimately find its way into the pockets of the farming community, and thus lift the living standards of that section of the community considerably. I see no reason why anybody in this country should be unemployed. Nor do I see any reason why pensioners should go hungry while the farmers can produce a surplus of primary products.

The Government's failure to assist the wives of invalid pensioners or the wives of age pensioners who are not certified as being permanently incapacitated is beyond all reason. It appears to me that the Minister for Social Services (Mr. Robertson) is quite oblivious to the hardships suffered by the dependants of many of our pensioners. Mr. Temporary Chairman, does the Government expect a woman of 55 or 60 who has never worked in industry to be able to obtain employment? Thousands of women have been refused either a wife's allowance or a pension. Many of those who have been refused a wife's allowance have husbands between 65 and 70 years of age who are certified by doctors as being not permanently incapacitated for work

although they have been retrenched from industry. Relief for the wife, therefore, is refused, and both the man and his wife have to live on a miserable £4 7s. 6d. a week. The Government's refusal, in this Budget, to increase the wife's allowance is despicable, to say the least of it. Numerous women who are compelled to stay at home in order to care for invalid husbands are literally slaves and are half-starved. Often, the invalid requires special food, and the wife then has to go without, because the total income of £6 2s. 6d. a week will not go round. If there are children, the position is much worse.

It is my view that the Government should reduce the degree of incapacity necessary in order to qualify for an invalid pension from 85 to 75 per cent. and allow the pensioner to earn as much as other pensioners are allowed to earn. I know that the Minister will say that this cannot be done, but I submit, Mr. Temporary Chairman, that it can be done. If a pensioner who receives a pension because he has a heart condition undertakes employment of a kind that further jeopardizes his health, the responsibility rests with the pensioner. But I feel that denying invalid pensioners the right to supplement their pension by more than a few shillings often condemns the pensioner and his wife to slow death.

Mr. Temporary Chairman, I now want to turn for a moment to the reference to reduced taxation made last week by the Prime Minister, who claimed that the Leader of the Opposition (Dr. Evatt) had deliberately misstated the benefits that will be obtained by all wage-earners as a result of the 5 per cent. reduction in income tax. I suggest that the boot is on the other foot and that it was the Prime Minister who endeavoured to mislead the public about the Government's taxation proposals. The general public should be told that when the Government compares its proposals for this financial year with the proposals contained in the Budget for the financial year 1950-51 it should not use average wages as a guide to the benefits that wage-earners are likely to receive as a result of the present tax reductions. The ruse of quoting average wages is deliberately misleading, and its use by people like the Treasurer and the Prime Minister is not to their credit.

Mr. Forbes.—On a point of order, Mr. Temporary Chairman. I ask for your ruling on whether persons in the press gallery are permitted to read the "Tribune".

The TEMPORARY CHAIRMAN (Mr. Wight).—Order! The honorable member for Shortland may continue.

Mr. GRIFFITHS.—The Prime Minister took £575 as the annual equivalent of the average wage in 1950 and £1,040 as the average in 1959. Neither figure is correct, because, in 1950, the majority of taxpayers received a wage much less than the average figure quoted by the right honorable gentleman; and the position to-day is similar. According to the statistics contained in the Budget papers, in 1956-57, the number of taxpayers totalled 3,896,074, and 2,559,310 of them received an income of less than £999 for the year.

Mr. Cope.—I rise to order, Mr. Temporary Chairman. Is it a fact that the person who is reading the "Tribune" is reading about this Government's trade with red China?

The TEMPORARY CHAIRMAN.—Order!

Mr. GRIFFITHS.—In 1950, the basic wage was approximately £6 2s. a week, or £317 a year. So a wage or salary earner who received £575 in that year earned really good money. However, let us deal with taxation alone, so that we all shall understand the position. Under the Labour Administration, a married man with one child to keep paid no tax at all if he earned only the basic wage, and, in addition, he and his family received free hospital treatment, and medical services were provided at minimum cost. The present basic wage in New South Wales is £14 3s. a week, or £736 per annum. A worker with a wife and one child to keep who claims on his tax return as deductions £143 for his wife, £91 for the child, £20 for expenditure with a chemist, and £20 for sundry allowable expenses would be assessed on a taxable income of £451. The tax payable last financial year on such a taxable income was £21 15s. To that amount must be added at least £10 in contributions to hospital and medical benefit funds. The arithmetic is simple. Having compared the position of the basic

wage worker with a wife and child to support, who, under Labour's administration, paid no income tax, with the position of a similar worker who, under the administration of the present Government, has to shell out more than £30 a year, I suggest that the Prime Minister's figures fall to the ground.

Mr. Malcolm Fraser.—On a point of order, Mr. Temporary Chairman: Is it in order for the "Tribune" or any other newspaper to be read in the press gallery?

The TEMPORARY CHAIRMAN.—Order! There is no point of order involved. I may say that the Chair is paying attention to what is going on in the committee. The honorable member for Shortland has been interrupted on a number of occasions by frivolous points of order, not only from the Government side of the chamber, but also from the Opposition side, and his time has now expired.

Mr. CHANEY (Perth) [4.23].—At this time of the year we indulge in a fortnight's debate on the Budget. On this occasion it was most interesting to hear the Australian Broadcasting Commission's news service, on the morning after the Treasurer (Mr. Harold Holt) presented his Budget, summarize it in four minutes. I suppose in that four minutes the people of Australia learned all they wanted to know about the 1959-60 Budget, because the news service picked out the highlights of it, pointing out what you will get and what will be taken from you. Then for a fortnight various speakers on both sides of the House express their views on the Budget, but I venture to suggest that not one of us is naive enough to believe that what he says will have any direct bearing on the Budget. I predict that the debate will proceed according to plan, the vote being taken some time to-night.

But I think we have reason to expect that the comments made by various speakers will have some influence on the way in which the next Budget is framed. Therefore I wish later to devote myself to a few matters to which I think the Government could well give consideration. Before doing so, however, I want to comment on the speeches of a couple of honorable members, one from each side of the committee.

The first speech to which I refer is that which was made by my colleague, the honorable member for Bowman (Mr. McColl), who spoke last night on the situation in New Guinea. I think he said, with a great deal of truth, that he has given much thought to the position in the Territory of Papua and New Guinea, and I am sure that after his visits there, and in the time that has elapsed since he returned from the Territory, he has intensified his study of the situation. Finally he has presented his views to this committee. With those views I have little quarrel, but I do quarrel with that part of his views that the newspapers saw fit to headline this morning. I refer to the honorable member's remark that he felt the Minister for Territories (Mr. Hasluck) had outlived his usefulness. But, in my opinion, the honorable member broke down his own argument when he said that he believed completely in the sincerity of purpose of the Minister, and that few men in Australia have been as sincere or have worked as hard in the interests of the natives of the Territory and of our own aborigines as the Minister. If one passes that kind of judgment on the work of the Minister, one cannot then proceed to a statement that he has outlived his usefulness as Minister for Territories.

If some people in New Guinea, or some people in Australia, believe that actions taken by a Government—not by a Minister but by a Government—are not in their interests, or are not in the interests of the natives, it is quite consistent with our political set-up for them to say so; but surely, if unpopular moves were the reason for removing Ministers from their posts, this country would have been without successive Federal Treasurers since federation. An unpopular move is, therefore, little excuse for advocating a Minister's removal. I do think, on the other hand, that the very facts given us by the honorable member for Bowman—the sincerity of the Minister, and his interest in the welfare of the native people—are fundamental reasons why he should remain in office.

This New Guinea question is not one that is confined to the people of Australia. Indeed, New Guinea is in the spotlight for the whole of the peoples of the Afro-Asian area, and what Australia does in New

Guinea is of vital interest to those peoples in determining their attitude towards us. Their attitude towards us will largely determine whether we will be able to proceed to do what we want to do in New Guinea in the best interests of the indigenous people of that country. For these reasons, although the Minister may lose the confidence of members of this Parliament and of some residents of New Guinea, if the Minister and the Government retain the confidence of the people to whom New Guinea rightly belongs, then I believe that we can go forward in the assumption that we are treading the right path.

Now I wish to comment on something that was said during the debate this morning by the honorable member for Braddon (Mr. Davies). He made a statement, perhaps by mischance, to the effect that the Tariff Board, in its report on the timber industry, had recommended subsidies on freights for Australian timber. That is not quite true.

Mr. Duthie.—It is pretty nearly right.

Mr. CHANEY.—It is not quite true at all. It is entirely at variance with the recommendation that the board did make. The Tariff Board said—

Because of the importance which the Board attaches to stability in the timber industry and the importance which freight disadvantages can have upon the return to timber producers in States which have to rely upon sea transport within the Australian market, the Board feels that the Government's attention should be directed to finding some solution to the problem of freight disadvantage between domestic and imported timbers. Indeed, the Board believes that one of the major problems of the timber industry in Tasmania and Western Australia is, in fact, not a problem directly related to this industry so much as to the interstate shipping industry.

The Government, upon receipt of this report, did pay attention to this problem and appointed an inter-governmental committee to investigate it. From memory, I think that the committee did not recommend that a subsidy be paid on interstate freights, because that is not a solution to the problem. At the time there was shipping lying idle in overseas ports, and it was safe to assume that there would be a further reduction in overseas freights, while Australian freight rates would continue to rise. So a subsidy, although it might have offered immediate relief, would not have provided

much in the way of any long-term relief, and there was a necessity for the industry itself to look for ways and means to cut its costs, to improve handling conditions and to solve some of its other problems—which it has done.

I do believe, however, that the Government can give assistance to the timber industry in South Australia, in Tasmania particularly, and in Western Australia. I feel that the Government is obliged to do so because of the difficulty the industry faces continually in the timber areas that we have in Australia. As your centres of production move further from your sea ports, when new cutting areas are opened up, you get an increase in costs. In placing timber on markets throughout Australia, the industry is constantly facing this problem of an increasing cost structure.

At the present time Western Australia can produce far more timber than it can sell, either in the State itself or in the eastern States. Although the Government has said that it does not use import controls to bolster up any Australian industry, I believe that this is one instance in which it would well do so. South Australia is importing vast quantities of Oregon timber from America. This, of course, costs us dollars. Several honorable members from Western Australia have spoken on this matter in this chamber on previous occasions. At the same time as South Australia is importing timber from America, there are available in Western Australia ample supplies of timber for the South Australian building industry, which has been found satisfactory by the South Australian builders. As a matter of fact, some of them, such as the State housing authority, specify that Western Australian timber should be used in their buildings.

If one turns to the section of the Budget speech concerned with mining industries, one finds this—

Proposals will be brought forward to liberalize under certain circumstances the depreciation provisions relating to various categories of expenditure by mining concerns on housing and certain other amenities. The annual cost to revenue is estimated at £250,000 including 1959-60.

Because the Government recognizes the importance of mining in the earning of overseas funds, it is taking certain steps to develop mining undertakings throughout

Australia. It is also legislating to give assistance in the search for oil, because of the importance of this commodity with relation to our overseas balances. I think the Government has a duty also, not only to those industries that it wants to start up and induce to grow, but also to the older-established industries such as the timber industry. If we can apply these depreciation concessions to the mining industry in an endeavour to help it solve its problems, then surely we can meet the requests of the timber industry to have the same concessions applied in that case.

For years past the timber industry has been urging the Government to take into consideration expenditure on mill buildings, housing, &c., with regard to this matter of depreciation. When you move your mill centre to a new area of production you have this problem of building, and I believe the Government could well consider applying to the timber industry also the depreciation system that it has established for the benefit of the mining industry. By doing so, it would help to lower the cost structure to a certain extent. This would enable the timber industry to survive and to continue to provide employment for numbers of Australians who, in many cases, have been brought up in the timber industry, who know no other occupation and who would be lost souls if they lost their employment in that industry.

The other point that I want to touch on concerns social services. I know that Opposition supporters have raised strong objections to the static position of child endowment payments. I agree with them to the extent that I think the Government should give serious consideration to some action in connexion with child endowment payments. If it cannot grant a flat rate of increase applying to every child, then it should adopt some method of easing the burden on the middle income group particularly, and on those with large families. I notice that the Minister for Supply (Mr. Hulme), in his Budget speech the other night, in reply to the Leader of the Opposition (Dr. Evatt), stated that this Government had done many things which could be considered as alternative to an increase in the child endowment payments.

Mr. Killen.—How many children have you?

Mr. CHANEY.—On the last count, Mr. Acting Chairman, seven. I was speaking about the middle income group. Having read the newspaper statements following the Richardson report, I can hardly believe that I am in the middle income group; after reading those newspapers I believe that I am in the millionaire group, so what I am saying to the honorable member for Moreton does not apply in my case.

The Minister for Supply said that this Government had introduced a medical benefits scheme, a pharmaceutical benefits scheme, free milk for school children, poliomyelitis vaccine free of charge, tax concessions for educational expenses, the Commonwealth scholarships scheme, about which I shall comment later, and increased tax concessions in respect of dependants. That is very true, and I suppose that the average family has benefited considerably. But it still does not get away from the fact that when a child who is still attending a school or a university reaches sixteen years of age, the family suffers because child endowment for that child ceases. It also suffers in another way. The amount lost is not 5s., which is the payment for the first child, but 10s., which is the payment for the second child, because the second child then becomes the first child for the purposes of endowment. The Government could well give consideration to the payment of child endowment up to a later age for the child who remains at school or proceeds to university, because that is the period when the family feels the difficulty of financing schooling for their children.

I disagree with the honorable member for Macquarie (Mr. Luchetti) who stated that all over the country brilliant children were leaving school at an early age to supplement the family income. That to me is a rather derogatory statement to make about parents in the middle and lower income groups, many of whom keep their children at school and at university at great sacrifice to themselves. There are very few instances where a brilliant child leaves school to supplement the family income and if we look back over the history of brilliant children who have left school at fourteen or fifteen years of age, we will

find them in commerce or industry or somewhere else holding leading positions in whatever field they have chosen; their ability has shown itself and they have come to the top.

Mr. Pollard.—How much better it would have been if they had had the additional opportunity, though!

Mr. CHANEY.—Sometimes when I look around this chamber I doubt whether the opportunities that have been given to some have been properly grasped and used to advantage.

As the Minister for Supply mentioned, the Government introduced a Commonwealth scholarship scheme. However good it may be, I believe that it can be considerably improved. First, the interpretation of the living allowance is quite wrong. A living allowance should be paid on the net income and not on the gross income, because very few people qualify for it after the means test has been applied. Further, if a child is brilliant enough to win a scholarship, the value of the scholarship becomes part of the father's taxable income. It puts the father into a higher income tax group. Any one who wins a motor car on a quiz show, a lottery or a prize as a beauty contestant is not required to add the value of the prize to the taxable income. What we are doing, in effect, is taxing the brain power of our citizens at a time when this brain power should be used to the greatest advantage. I suggest that the Government give serious consideration to this problem, because, in all instances, regardless of the income of the parents, education to university level these days is a severe drain on whatever resources they have.

The third matter in the field of social services that I would advocate is that the Government institute, along the lines of the medical health scheme, a dental care scheme. Dentists' bills to-day are the greatest bugbear of Australian families. Many children now visit a dentist not to get their teeth put in a sound state, but to have dental treatment to the amount that the parents can afford to pay. Some scheme should be introduced so that the parents of children up to a certain age, perhaps seven or eight years or a little older, could receive some assistance to ensure that their children enjoy sound

dental health. To-day, dentists themselves admit that the simplest treatment is being priced beyond the means of the average parent.

The last matter on which I want to comment is a matter that has received a great deal of attention during the Budget debate. There is some dangerous talk, particularly from Opposition members, about overseas investments in this country. The honorable member for McPherson (Mr. Barnes) yesterday gave a very clear account of the activities of General Motors-Holden's Limited in Australia. He mentioned what Australia owed to the company and what the company had ploughed back into the nation's economy. Therefore, I do not want to deal with that point. However, I think that honorable members should be extremely careful lest they do the very thing that can sound the death knell of development in Australia, by frightening people away from investment within this country. I shall illustrate how simply this can be done. Some two or three years ago, the Western Australian Government passed a simple act on unfair trading. I know as an absolute fact that firms that had decided to go to Western Australia to establish businesses did not do so because of the operation of this legislation.

Mr. Pollard.—They wanted to be unfair.

Mr. CHANEY.—The honorable member for Lalor said that they wanted to be unfair. That is as far removed from the truth as anything could be. What they wanted was to be in a position to gamble their investment but not to be penalized if the investment were a success. They were not willing to invest in the State that was placing a curb on the progress of their business interests. The moment that impediment is removed, I feel sure that establishments in the eastern States will begin to develop their enterprises in Western Australia.

Honorable members opposite would do well to get a copy of a speech made by the Honorable William Sebald, the American Ambassador to Australia, to the Sydney Rotary Club on 9th June, at a time when there was much criticism in the Australian press from would-be influential people about the success of General Motors-Holden's Limited. That particular aspect was not

mentioned in the speech, but I think the aim was to stop some of this nonsensical thinking about profits. When we are hearing so many tales of gloom about the Australian economy, it is refreshing to hear a man like the American Ambassador praise the state of the Australian economy in the way that he did in this speech. I shall quote at some length from it, although if this were the American House of Representatives I could now request that the whole of the speech be incorporated in "Hansard" and I would be saved the necessity of reading it. I cannot read it in full but I shall try to string the pieces together. He said—

During the past year and a half we have had an extraordinary demonstration of the strength of the Australian economy in the face of a world-wide recession and of a continuation, for the second consecutive year, of the lowest level of Australian farm incomes for a decade. Income from wool exports have been down by over 40 per cent. Yet, in spite of this, national income has not declined significantly. The period has thus shown that Australia has become less dependent on primary industry, and particularly on wool, for its short-run prosperity.

For the benefit of those who may think that Mr. Sebald was decrying the development of the wool industry in Australia, I point out that he went on to clarify the statement. Later in the speech he said—

The investors of the world, I think, are now becoming aware of Australia's rich resources and of the stability of its institutions and strength of its economy. This being so, Australia has, through its own efforts, reached a most enviable position—a position which many other less fortunate nations would go to great lengths to achieve.

So the speech proceeded, praising the Australian economy which was so attractive to overseas investors and proving that, regardless of what was taken out after these investments had been made, they added to the general wealth of the country because of the attraction of other investments. He said—

It is for this reason that I was somewhat puzzled by recent comments which suggested that the price paid for foreign investment was too high.

It was interesting to be told that the development of America in the early days of its history was achieved entirely by the investment of overseas capital. The American railroad system was built in the main by the investment of British capital. Queen Victoria was the largest shareholder in one particular American railroad. From that example, the Americans point to the Australian scene and say that since Australia

has reached a stage of development comparable with that in America at that time, the attraction of overseas capital can help us to develop at much the same rate as America did in those early years. It is interesting to note the amount of non-American capital—not necessarily British—invested in the United States at that period. From 1843 to 1919 America was a net debtor. In 1919 she became a net creditor because during World War I. most of the British investments in America had to be sold so that Great Britain could buy equipment needed to fight the war. In 1843 the amount of foreign capital invested in the United States amounted to 200,000,000 dollars. By 1869 the amount had risen to 1,460,000,000 dollars; in 1897 it was 2,710,000,000, and in 1908, it was 3,900,000,000 dollars. To show what was happening in the country, American national wealth in 1843 stood at 5,700,000,000 dollars, in 1869 at 25,200,000,000 dollars, in 1900 at 88,500,000,000 dollars and in 1912 at 186,300,000,000 dollars. America has progressed at an amazing rate over the last two centuries and its example clearly shows that overseas investment in Australia can only serve the best interests of our nation.

When dividends from overseas investments are paid to shareholders outside Australia, some people think that Australia's resources are being drained away. But, in fact, investments of that kind are opening up further channels of investment and increasing the reservoir of our national wealth. Critics of undertakings like General Motors-Holden's Limited should bear in mind the fact that all American investments in this country have not met with such success. For example millions of pounds have been invested in oil search in Australia with absolutely no return to the investors and the possibility is that there never will be a return.

Mr. Jones.—What about the profit from oil sales?

Mr. CHANEY.—The other night I heard some criticism about the establishment of oil refineries in Australia. It was said that the wicked oil people came here and built a tremendous refinery which can be operated by only twenty men. The charge was that this concern caused unem-

ployment. What a magnificent argument. There were no workers employed there before this refinery was built, but now twenty are fully employed. Because oil refineries have been built and oil refined here, Australia has been saved about £30,000,000 in foreign exchange during the last five or six years.

Mr. Pollard.—Most of those refineries were established in States when Labour governments were in office.

Mr. CHANEY.—I come from Western Australia. I will not refer to what has happened in Victoria. In Western Australia the refinery was established during the régime of the McLarty-Watts non-Labour Government. Originally the Commonwealth Oil Refining Company Limited intended to build its refinery in Victoria. That is a complete answer to the honorable member's suggestion that these establishments were built only in States in which Labour governments were in office.

Lastly, I shall refer briefly to the state of Western Australia's economy. The Government of that State is making valiant efforts to bring Western Australia's progress and development somewhat into line with that in the eastern States. It faces a mammoth task. Honorable members opposite criticize overseas investments and complain about the profit made by General Motors-Holdens' Limited or by Broken Hill Proprietary Company Limited. My reply to their criticism is that if New South Wales or Victoria object to the investment of overseas capital in their States, Western Australia will welcome such investment with open arms. Industries may come there and establish their factories and progress to their heart's content, because we realize that this would improve the economy of our State and provide employment for the thousands we want to see employed in Western Australia.

Mr. CLARK (Darling) [4.50].—I wish to deal with some of the items which were covered by the Treasurer (Mr. Harold Holt), in his Budget speech. Previous speakers have dealt with many of its points and have shown that this Budget is designed to assist those in the community who are better off but gives little aid to those in greatest need.

One of the first matters to which the Treasurer referred was employment, and he said—

Of the additional people available for employment, most if not all found occupations.

He went on to deal with overseas reserves, and said—

Externally, our position improved as the year went on and instead of our overseas reserves falling by something over £100,000,000 as had been feared when the year began, they fell by only £10,000,000. . . . This came about partly through a strong inflow of private capital combined with some success in public borrowing abroad, and partly through a recovery in exports.

He further pointed out that the ceiling for import licensing was being raised from £800,000,000 a year to £850,000,000 and added—

These are the essential facts of a successful year. Any business man who balanced his trading budget only by borrowing from his friends would not be regarded as being very successful. Most people would consider that the business was in a very bad way. If a business cannot show adequate profits in its trading activities it is considered to be very unsatisfactory. National finances can only be considered in the same light as we view a private business. I draw attention to a further statement in the Budget speech which reads—

In net terms the addition to the work force this year will probably be about 80,000.

That is a very significant figure, and it has been frequently cited in this debate. The Treasurer also said—

To keep all resources, and particularly our resources of labour, fully employed is, of course, not only a social obligation but also a vital economic need.

One would think that if the Treasurer felt it was a vital social and economic obligation to keep our labour force fully employed, he would do more about the matter than is being done at the present time. For quite a considerable time in Australia the number of unemployed has stood at 60,000, which is a very substantial number indeed. In the year 1957-58, about £2,000,000 was paid out in unemployment benefit, but in the year 1958-59, payments under that head amounted to £4,900,000, which was more than double the figure for the preceding year. The Treasurer stated that about 80,000 persons had become available for employment this year. Last

year the estimate was about the same number. It would be interesting to know whether these people actually found employment. I know that in my electorate this year, many children who were old enough to leave school, returned there because they could not find employment. That is one of the very serious aspects of unemployment to-day. The figures available for last year show that the total number of persons employed in Australia, apart from those engaged in the defence forces, increased by 22,000. Of that number 16,000 became engaged in Government activities, so only 6,000 persons commenced employment with private organizations. It is rather startling to learn that of 80,000 persons who became available for employment, only 22,000 obtained employment, and of that number 16,000 were absorbed in the Public Service.

A budget should contain a definite policy and a programme designed to expand the country's production. We have read of five-year plans and seven-year plans in other countries, but in Australia we have no specific programme. We should set a target for primary production, and the Government should give substantial assistance to primary producers to enable them to reach that target. But the Government leaves everything to the producers. A similar target should be set for the heavy industries, which produce our consumer goods. We have been told that our population will increase substantially during the next ten years, and that the demand for goods will rise correspondingly. The Government should do more to assist private enterprise in its efforts to expand our economy. It could do this by assisting in the establishment of new industries, and by protecting those that already have been established. The Minister for Trade (Mr. McEwen) has stated that an increase in our export income is dependent on producers, manufacturers and exporters, and not on the Government. The leading article in the "Sydney Morning Herald" of 11th August dealt with the Minister's statement in these terms—

Some good progress should undoubtedly be aimed for in the exports drive from now on. The great capital inflow . . . lies beyond our control and will in due course carry servicing obligations in the form of dividend and interest remittances.

The honorable member for Perth (Mr. Chaney) has referred to the benefits to be derived from the investment of foreign capital in Australia. Although I do not oppose the establishment of foreign enterprises, or the investment of foreign capital, in this country, there should be a percentage of Australian holdings in all companies so established. Those companies should have the right to export their production to any part of the world. However, in Australia we have companies wholly owned by overseas organizations which exploit this country, obtain huge profits and then take out of Australia a great proportion of those profits. The much maligned General Motors-Holden's Limited raised its capital in Australia. That company advertises every day for debenture capital to finance its operations, offering to pay 6½ per cent. interest on a long-term loan although it is making many hundreds per cent. in profits. G.M.H. is not an example of foreign capital investment; it is an example of foreign interests exploiting Australian capital. Only by expanding the home markets for our produce can we obtain a turnover in goods to enable us to build up a sound export market. If we have a substantial home market which is protected to the extent that our industries are able to develop on sound economic lines, use more efficient methods of production and diminish costs, those industries will be in a better position to go on the export market. But the Government has not helped our producers, because during the ten years it has been in office the march of inflation has been unchecked, and the cost structure has become a heavier burden on our industries.

I have been rather alarmed to learn that the Minister for Trade, a member of the Australian Country Party, has initiated inquiries before the Tariff Board into about 300 items on the most-favoured-nation schedule designed to lower the rate of duty on a comprehensive range of goods imported from foreign countries. I have taken the opportunity to examine all those items, and have found that the proposed reductions of duty will be very substantial in many instances and will be disastrous to the establishment of new industries and to the security and development of those already established. Advertisements have appeared in Sydney newspapers to the effect that

Tariff Board inquiries will commence on 20th July into 164 items, and on 6th October into a further 106 items. Unfortunately, the Tariff Board must complete its inquiries within a specified time so it does not have the opportunity to inquire carefully into all of the 300 items on the schedule. I shall refer to only a few of the items on the schedule. The duty of 47½ per cent., plus 10 per cent. primage, on screws, bolts, nuts, rivets and metal washers will be reduced to 17½ per cent.; the duty of 22½ per cent., plus 10 per cent. primage, on screw hooks, eyes and rings will be reduced to 7½ per cent.; the duty of 45 per cent. on transmitters will be reduced to 30 per cent.; the duty of 45 per cent. on electrical machines and appliances will be reduced to 30 per cent.; and the duty of 22½ per cent., plus 10 per cent. primage, on certain electrical household equipment will be reduced to 7½ per cent. Industries producing the goods to which I have referred are already established in Australia, and I am sure that the proposed reductions will make it more difficult for them to carry on. Instead of trying to build up home markets for our production, the Government seems to be trying to wreck established industries. Unfortunately, many Australian Country Party members are one-eyed, and cannot see what the Government is doing.

Let me refer now to textiles. The duty of 22½ per cent. on blankets, which are manufactured on a large scale in Australia, will be reduced to 12½ per cent. A similar reduction will be made in the case of quilts. The examples that I have given to the committee indicate the substantial reductions of duty that the Government suggests should be made in order to encourage other countries to purchase our primary products, but it is doing this at the expense of our secondary industries. Such a policy is disastrous. Indeed, Mr. G. R. Bain, the tariff officer for the Associated Chambers of Manufactures of Australia, made a very strong comment about the attitude of the Government. He said—

If Australian industry is to grow and to make a greater contribution to national development, it must have tariff rates which will give real protection.

Labour will never agree to substantial tariff reductions. We have always regarded the home market as a sound one for our

primary products, and the establishment and fostering of secondary industry as essential to our national well-being.

Under the Scullin Government Labour did much to establish industries, and any reduction of tariff rates would be a backward step. The current Tariff Board inquiries were initiated as a result of Australian Country Party pressure within the Cabinet. That party has always been prejudiced against, if not opposed to, the establishment of secondary industry. It has been reactionary, and has never realized that its best customer was the home customer. It is significant that the Minister for Trade is a member of the Australian Country Party and that the chairman of the Tariff Board, Dr. Westerman, commenced his service with the Department of Commerce and Agriculture. Another member is Mr. Boyer, the son of a member of the party, who is well known in the broadcasting world. Labour believes that at least half of the members of the Tariff Board should be men with a vast experience of manufacturing industry. Such men would be in the best position to review the tariff schedules. It would be fallacious to suggest that any lowering of the most-favoured-nation tariff would assist Australia. On the contrary, such action would harm this country. In my 25 years of parliamentary life I cannot recall a previous occasion when the Tariff Board has been directed to inquire whether a wide range of duties could be substantially reduced—obviously, in order to benefit foreign industries and embarrass local manufacturers. The proposals are fantastic, especially as they are made at a time when, on the one hand, Australia is experiencing unemployment, and, on the other, secondary industry is expected to provide work for thousands of new Australians brought in under our immigration scheme. Recently, certain tariff rates designed for the protection of Australian industry have been reduced, though increases in the rates had been sought. I have in mind certain rubber goods, textiles and wheeled tractors. The Government also refused to give protection to woollen piece goods in the way recommended by the Tariff Board. All this is indicative of a move to break down tariff protection and, in that way, substantially injure the secondary industries.

Mr. Duthie.—Who is inspiring it?

Mr. CLARK.—It is inspired by the Australian Country Party. Recent events in connexion with Tariff Board recommendations leave no doubt in our minds that that party is prepared to sacrifice our secondary industries, and remain blind to the advantages of the secure home market that they provide.

I shall not labour the point further except to emphasize that our tariff system is in great danger as a result of the inquiry which is now taking place. I hope that the board will not be stampeded by the Government into reducing tariffs in the way I have described. That would sound the death knell for many great Australian industries, and would add to the ranks of the unemployed.

The honorable member for Perth (Mr. Chaney) referred to the inflow of capital from overseas. I believe that we should borrow in order to finance the business of this country, but that loans should be raised within Australia. It is fallacious to borrow £20,000,000 abroad in order to implement the Mount Isa to Townsville railway scheme when the whole of the labour, material and resources required for the project are obtainable in Australia. We can only be excused for borrowing overseas when we are short of dollars or sterling with which to purchase essential requirements. We have substantial sterling balances and should be able to buy what we need from Britain. If we do that, the resultant production will swell our export income and help our trade balance. It is humiliating for Australia that her Prime Minister (Mr. Menzies) should be a party to bowing and scraping before the American people so that Australia can obtain a miserable £20,000,000. To-day, when hundreds of millions are spent annually by governments, £20,000,000 is a small sum indeed. It could be advanced by the Commonwealth Bank under the guarantee of this Government. That is a simple banking process which we see put into effect frequently. If an individual wants an overdraft to help him carry out some business enterprise he obtains the help of a guarantor of more substantial means and is then entitled to write cheques up to a

specified limit. If the banks—and particularly the Commonwealth Bank—can do this for an individual, how much more can be done for a State, which is backed by all the security which the nation can provide? As long as the nation is sound the security will hold good, and if the nation fails all else is lost. I was rather pleased that the loan for the Mount Isa railway project was turned down. I am hopeful that better counsels will prevail, that the money will be advanced by the Commonwealth Bank and that this Government will guarantee its repayment.

Our essential industries should be developed with local capital. People should be encouraged to invest the substantial savings at present lying in the savings banks. The return to the individual would be much greater if the Commonwealth were to use its own resources to finance its works, and public savings were invested in secondary industry. We should be a more prosperous country and every one would benefit.

Another matter with which I should like to deal in the few minutes at my disposal is the intention of the Government to increase the charges for telephone calls and the postage of letters, periodicals and so on. This proposal must have been very little understood by Government supporters. It is rather significant that an Australian Country Party member is responsible for that proposal. I have been reliably informed that the officers of the Postal Department were entirely opposed to the suggested increases and that the new rates were adopted without their approval or recommendation. Who else could have done it but the Minister in charge of the department, in collaboration with the Treasurer? And to-day he is trying to get out from under by introducing a charge which is opposed by the officers of his own department as being most unjust and inequitable! The Country Party must bear the full brunt of responsibility for these increased charges which will bear so heavily upon the country people, because they make great use of post and telephone facilities. The cost of newspapers, periodicals and so on must increase as the result of these higher rates and all this will add to the already high costs being borne by the com-

munity. Costs have gone up in many ways, yet the Government proposes to double certain postal charges.

The Prime Minister admits that he knows nothing about the matter. This is not the first occasion on which I have found that he does not know what is going on. He travels around the world so much that he gets out of touch with things here, and knows very little about what is going on at home. The price of wool has been down for over twelve months now, and the Government takes great credit to itself for the recent increase, but I point out that twelve months ago I asked the Prime Minister why interest rates had been increased for money for the purchase of wool. I pointed out that this increase would be responsible for reducing the price of wool. The Prime Minister informed me that he had no knowledge of the matter other than what I had said to him. On the next sitting day I brought to the chamber the actual document furnished by the woolbuyers' banks in which it was stated that the interest rates would be increased as from, I think it was, 4th October. I asked the same question again, having the document in my hand at the time, and the Prime Minister still said he had no knowledge of the matter. I state emphatically that the restriction of credit then for the purchase of wool made it more difficult for people to buy. It restricted the number of purchasers because many of the small buyers were unable to operate owing to inability to obtain credit. This had the effect of reducing the price of wool. Those buyers were not asking for long term credit; they wanted only short term loans to cover the wool during transit and until the signing of the documents on the other side of the world. After all, that is only the usual practice on the London market. These operators earn millions of pounds in profit out of financing the sale of wool in Australia whereas if Australia's Commonwealth Bank provided the financial assistance Australia would receive millions of pounds in extra returns from the sales and would also enjoy the benefit of a considerable reduction in adverse overseas balances. Such charges as freight and insurance cost Australia about £100,000,000 a year, and I suggest that with the establishment of our own shipping line, the carrying of our own insurance and the

financing of the sale of our primary products from Australian sources, similar to the way in which wheat sales are financed—by making advance payments to producers—Australia could effect a tremendous saving.

My time has nearly expired, and I hope that some of the points that I have made will be noted by the Government. The taxation proposals put forward in the Budget are very illuminating indeed, and, after perusing a short summary of the Budget I find that increased social services and benefits to be granted to the people this year will cost a little more than £20,000,000 whereas increased taxes will return to the Government an extra £78,500,000. This, together with other increased charges, will return an additional £97,300,000 to the Government this year. It will be seen, therefore, that although the Government takes credit for granting considerable concessions to the community by way of tax reductions, more will be taken from the people this year.

The TEMPORARY CHAIRMAN (Mr. Luchetti).—Order! The honorable member's time has expired.

Mr. FAIRHALL (Paterson) [5.20].—As we are considering the state of the national economy in the context of the Budget proposals, it is not inappropriate to do as I propose—spend a few minutes looking at the wool industry. It is a happy circumstance that the opening sales of the new season should have shown an increase of from 10 per cent. to 15 per cent. in wool returns, but I believe that would turn into an unhappy circumstance if we allowed ourselves to be bemused by the short-term advantages of this increased price because I think that in the long term the picture ahead of the wool industry is not nearly so bright.

I am encouraged in that belief by the statement made by two informed contributors to the wool seminar organized by the Australian National University who said of the demand for wool that "only a narrow line separates prosperity from disaster." With that view I am inclined to agree. Indeed, I believe that the time has come for a searching inquiry into the wool industry and the likely influence of the industry's future on the Australian economy.

There is a general feeling of disquiet about the industry's prospects; but there is a general hope that whatever is wrong with the industry will somehow cure itself if we leave it alone. I do not believe that. If there is trouble ahead for the wool industry, there is equally trouble ahead for the whole economy, and we ought to know it. Therefore, I suggest that nothing short of a royal commission would be adequate to examine thoroughly all aspects of the wool industry and to present to the Australian people an integrated picture of the industry which, more than all others, supports Australia's economy. The wool industry and its effects on Australia and the Australian people must be got into the headlines, and I believe that an inquiry by a royal commission would do just that.

I believe that such a commission should be empowered to look into all aspects of the wool industry—production and selling, the processing and marketing of the finished product, and the need for and the adequacy of all phases of wool research and wool use promotion. There should be a study of the dependence of the Australian economy on the wool industry, and, at the same time we ought to attempt to assess the proportions, present and future, of the mounting competition presented to wool by synthetic fibres.

The inquiry should lead to a well reasoned programme of what ought to be done to safeguard Australia's economy by preserving the health of the wool industry. When, within one generation, the growth of synthetic fibres has become a menace to Australia's biggest export income earner, there is little room for believing that the wool industry is not threatened.

In recent times, there has been a great deal of wool promotion and wool advertising under the slogan "There is no substitute for wool." Many people will stoutly declare that there is no possibility that synthetics will ever really oust wool, but I believe that is a question which only the future, and the laboratories in which tens of millions of pounds are being spent on research into synthetics can possibly answer. In the meantime, the fact remains that in the United States of America which is generally taken as an indicator in matters of this kind wool use has declined by 40 per cent. in the last eighteen years, and

in that period there has been an enormous growth in the use of synthetic fibres.

There are some who believe that if we, in Australia, keep telling ourselves that wool is best, somehow, the future of wool will be secured. But, again, we consume only 10 per cent. of our own production in Australia, and the task is therefore to convince the rest of the world that wool is best, and we must do this in the absence of any motive of natural loyalty.

Nor is the threat to wool only from the synthetics. In a recently published volume called "People of Plenty—Economic Abundance and the American Character", the author, David M. Potter, said—

Not only is the nourishment and housing but also the clothing controlled by American abundance. One of the most sweeping consequences of our abundance is that in contrast to other people who keep their bodies warm by wearing clothing, we keep our bodies warm primarily by the far more expensive and wasteful method of heating the buildings in which they are sheltered. The oil furnace has not only displaced the open fire-place. It has also displaced the woollen undergarment and the vest.

In commercial language, Potter said that wool has now to compete, not only with dacron, orlon and nylon and the rest of the synthetics, but also with more implacable antagonists—central heating and air conditioning. It seems likely that, as Australian homes and other buildings yield to the march of central heating and air conditioning, our pattern of dressing will follow that of America. It is not without significance that in all five major construction projects now before the Commonwealth's own Public Works Committee, air-conditioning is proposed. The pattern is beginning to establish itself here in Australia. Certainly, the long woollen undergarment is on its way out if it has not already gone. The waist-coat is dying away. The heavy all-woollen suit that used to be worn all the year round is being replaced, for a large part of the year at least, by lighter suits made from wool and synthetics. The light top-coat and the synthetic rain-coat have dealt a mortal blow at the all-wool great-coat and the electric blanket is no longer a novelty. All these things are biting into the wool market.

In the meantime, the wool-grower is feeling the pinch. It is not as if increased wool production would help wool sales. An increase may only push down the price of wool to a level at which the producer who is tied

to fixed wages, fixed prices of farm machinery and services, and fixed interest on overdraft, may not be able to stay in the wool business. Fluctuations in the price of wool, as we have seen in recent years present great difficulties to the textile industries, a difficulty which manufacturers of synthetics have been quick to exploit by fixing the price of their product for long periods even though, under prevailing conditions in the market, they could have received increased prices. Therefore, the fluctuation of wool prices may lead to further depression in the price of wool.

In the last few years, I think it is true to say, particularly in regard to marginal producers, that much of the Australian wool clip has not returned the cost of production. The grower, therefore, has had the choice of receiving a salary for his work or a return on his investment, but not both. Since he could invest his money with comparative safety at from 5 per cent. to 8 per cent., his decision to stay in the wool business is a gesture of unbridled optimism or indicates his inability to free himself from the land under existing conditions.

A few years ago it might have been fanciful to suggest that the characteristics of wool could be duplicated synthetically. But now, with the accumulated knowledge and experience, and the advances in technology and techniques, we cannot be so sure. Professor M. Chaiken, Professor of Textile Technology at the University of New South Wales, has stated that there is a danger that man-made fibres will supplant wool completely in from ten to twenty years. Certainly, this danger will increase unless something quite adventurous is done to keep wool in demand.

Economic developments occur earliest in the United States of America. There, the consumption of fibres since 1940 shows a disturbing trend. Since that year rayon consumption has more than doubled, increasing from 482,000,000 lb. to 1,108,000,000 lb. a year. Nylon consumption has increased from a miserable 3,000,000 lb. to 479,000,000 lb. Cotton has held its market reasonably well. Even the consumption of textile glass has increased from 1,000,000 lb. to 108,000,000 lb. a year. It appears that in that period the total consumption of fibres increased by 22 per cent. while the

only two to lose ground were wool and silk—both under competition from man-made fibres.

Wool consumption in the United States of America dropped from 434,000,000 lb. in 1940 to 269,000,000 in 1947, yet over those years, the population climbed from 131,000,000 to 174,000,000. It is clear that people in the United States have not, by any means, stopped buying textiles; but they are buying less wool. Between 1954 and 1957, world production of synthetic fibres rose by about 30 per cent. per annum. The influences that work in America are not less active elsewhere in major markets, nor even here in Australia, although the domestic effect is less pronounced because we are only a minor consumer of our own wool.

It is true that no single textile—no man-made fibre—has all the qualities of wool. But it is likewise true that wool is markedly deficient of some of the wanted qualities in textiles. The Commonwealth Scientific and Industrial Research Organization recently published a research bulletin which included an article under the title "The Challenge to Wool". In this article the qualities of wool were compared with those of man-made fibres. It showed that in the wanted qualities of dyeing, heat resistance, moisture absorption and draping, wool left the synthetics far behind. But it also showed that in the equally wanted qualities of strength and resistance to insects, wrinkling and shrinkage, the synthetics held a handsome advantage.

It is worth mentioning, in passing, that this gives point to the value of blends of wool and synthetics, because the buyer of textiles is concerned only with the finished fabric of superior quality and is little interested in the composition except in so far as it indicates the qualities that he is looking for. This statement also puts a heavy question mark against the views of those, including some members of the Australian Wool Bureau, who believe that Australia's wool publicity should not mention synthetics or blends. The fear that, in selling blends, we would be promoting the sale of synthetics, is of doubtful validity at this time. In any case, it is a

question that ought to be settled by competent market research.

There is more than a little evidence that major wool processors, particularly in the United States of America, are heavily engaged in the production of blends. Under these conditions, wool promotion which ignores blends would be unrealistic. I believe that, in the short term, man-made fibres and wool are complementary. But it is true that, in the long run, synthetic research will work towards the complete replacement of wool. It is simple common sense that wool research must aim at producing in wool all the advantages which are now possessed exclusively by the synthetics. It may very easily be that the way to sell more wool, until research is further advanced—and I have chosen those words carefully—is to promote the marriage of wool and synthetics in the world's best textiles.

I do not put forward that view as a conclusion. I merely say that we should not dismiss the possibility but should seek to establish its truth or falsity. People throughout history have been saying that there is no substitute for a particular product. But substitutes have come and have replaced the product entirely or have eaten heavily into its market. What can happen is plainly written in the story of indigo for the production of which Indian farmers once cultivated 1,500,000 acres—until European chemists learnt to produce analine dyes. Indian farmers then went out of the indigo business entirely and were obliged to find new products and new markets in a process which could only have been long and costly.

Closer to us in time is the fate of the Siberian hog which, as you know, provided most of the bristles for the world's brushes. Although natural bristles are said to have some great advantages, the fact is that they went down before the synthetic, nylon. Silk met and succumbed to the same competition. It is true that silk is still manufactured, but I doubt whether it would be were it not for the fact that workers in silk are among the most underpaid workers in the world. Nevertheless, in a few short years, nylon has cut the silk market in half. It has been reduced from 130,000,000 lb. to 67,000,000 lb. in the last fifteen or eighteen years.

With these bits of history in mind, we ought to turn to an examination of Australia's dependence on the wool industry. Unhappily, there are many who fail to understand the extent to which wool underpins our economy, but if the wool industry goes into a decline, the Australian economy, our wages, our salaries, and our standards of living will, I believe, smartly follow it into the same sort of decline. It is a recommended exercise that we should think for a moment of the shape of an Australian economy without a wool industry of any great consequence. As the position is now, and has been for years past, Australia has been warding off a very difficult balance-of-payments problem only by the imposition of the harshest import restrictions. The apparent permanence of import restrictions is a by-product of our failure to match our appetite for imports with an ability to find abroad markets for our products. But, happily or unhappily, depending on how one looks at it, this position has been masked or obscured in recent years by the inflow of capital, which reached the total of £712,000,000 between 1947 and 1956. But capital investment could dry up overnight and, indeed, it would most certainly do so if anything happened in the wool industry to force a halt or even a recession in the general tempo of the Australian economy. Then we would be left with the problem, often referred to, of meeting dividend service on foreign investment from vastly reduced overseas earnings.

Industrially, we are a high-cost country, yet we are in competition with more experienced, more populous, lower-cost producers in the United States of America, Europe, and, increasingly, in Asia. The prospect of making up in secondary products what we lose in wool is a rather bleak one, unless we are to accept a heavy fall in wages or salaries. Apart from wool, in the field of primary produce our major export items, wheat, dairy products, barley, and so on, are meeting world surplus production, much of which is subsidized by governments, as in the case of American wheat. The one product in relation to which we enjoy a great natural advantage, and upon which we depend, is fine wool. It is clear that if our standards of living are to be maintained in the future, we shall depend on wool in two ways. First, it

must earn our basic overseas income. Secondly, it must service overseas investment in this country, which supports any hope we have of competing in the field of secondary industrial production.

The first great task is to see that wool can foot the bill. We must know whether or not it is likely that wool can be replaced in the foreseeable future and, if so, what we are going to do about it. This much is certain: Australia will fall back to being a very second-class nation indeed if wool goes the way of those scores of products which have been replaced by more useful or cheaper items. It ought to be kept in mind that wool provides in foreign exchange three times as much as do all of our manufactured products combined. A permanent drop in wool exports would offer poor prospects for continued industrialization. It would cripple Australia's burgeoning industries as much as it would cripple rural production.

I repeat that it is hard to imagine Australia without a wool industry of some magnitude. We prefer not to think about it, but for the sake of the future of this country's economy we ought to think about it in the most serious and close-up terms. If we are to appreciate the problem, we ought first to get some idea of how big wool is in national or international stature. If our wool production were in the hands of one company, it would rate only 57th place in the list of major productive enterprises in the United States, as published by "Fortune" magazine. It is interesting to note that it would be considerably below Kodak in size and about one-third of the size, in terms of turnover, of that enormous competitor with wool, the Du Pont industry, which is the producer of nylon, dacron, orlon and a large number of other synthetics, and I am sure it will be the producer of more in the future.

Research into wool can be a long and costly business, even involving the sheep-breeding programme, but the chemist in the synthetics laboratory is under no such handicap. He can try out new formulations and new techniques with small-batch production, always with the likelihood of coming up with something new. With greater resources at his command he might allot 50 scientists to a

particular project and waste some of his money, but, as I say, one never knows what will be uncovered. This fact alone gives the synthetic fibre industry an enormous advantage in its publicity, because it always has at hand some new, exciting synthetic which it can publicize. We are left with wool, and it is a more difficult job to prove that wool is improving in its quality. The chemist, of course, is beating us hands down in the amount of money he has to spend on the development and promotion of his industry.

We in Australia will have this year about £2,000,000 to spend on the wool industry. By comparison, it is interesting to note that the Celanese Corporation of America will spend £2,500,000 on an industry which has a turnover less than one-third that of wool. The Du Pont organization, our most formidable competitor, with an advertising budget of about £20,000,000 a year, a research budget of the same proportions, and an advertising public relations staff that runs into hundreds, will not be sparing the expense account. The Du Pont organization has pilot plants in which every known spinning and weaving device is installed. It has textile experts, who work with any manufacturer who seeks assistance. It employs designers to help produce more suitable textiles. Its advertising agents are constantly engaged in market research, testing the acceptability of its products. I refer honorable members to a recent bulletin of the Commonwealth Scientific and Industrial Research Organization, containing photographs of a laboratory of this kind. Du Pont's task is to get a bigger percentage of its products into wool. Ours is the task of countering its efforts, which will not be done by putting our heads in the sand. The market place for us will be pretty cold and unfriendly and there is no room and less time for us to feel sorry for ourselves as we contemplate bigger, more powerful, better financed and very formidable competition.

The thing for us to do is assess the facts, to count the cost of failure and then to decide what we must do to be saved. The provision we are at present making, and reliance on prejudiced opinion rather than on scientific knowledge, will not help us to get through, and Australia's competitors in the world's textile market will

not sit by and wait for us to make up our minds. There is no doubt in my mind that the amount of money available for research and promotion will have to be vastly increased. It may be that the producers' own contribution will need to be expanded, but I believe the cost structure of the industry will still put a limit to that. Therefore, I think there will be a call on the Government to expand its support of what is in fact Australia's basic industry.

After all, we have subsidized butter. We have not hesitated to support, by advertising and promotion, the sale abroad of other primary products. We are to-day offering great concessions in the field of oil search. These are very wise and proper things to do, but if there is any validity in the points I have put forward, refusal to further aid the wool industry will savour very much of giving away the substance while we grasp at the shadow. I believe that it would be timely and proper to reconstruct the Australian Wool Bureau. It consists, as honorable members know, of seven members. One is a Government nominee, and the other six are split evenly between the Australian Woolgrowers Council and the Australian Wool and Meat Producers Federation. It is noted, unhappily, that there is some evidence of disagreement between these two sections of the producing industry. I question whether the safeguarding of Australia's greatest industry, whose problem is less one of production than of market research, sales promotion, advertising and public relations, can be left in the hands of graziers, who may be the best men in the world at their own jobs but who do not show any great capacity in the field of promotion or in the ability to control those who are responsible for promotion.

There appears to be a deep-rooted objection to expanding the bureau to include manufacturing and marketing experts, on the ground, as I understand it, that it would open the way to outside interference with the wool-growers in the handling of their own production which is understood to be the property of the wool producers themselves. Of course, we must have some regard to that point of view. But, as I believe an inquiry would show, the wool industry is so vital a part of Australia's economy, future security and prosperity that

the public interest in the handling of the wool clip may be greater than that of the producer. The grower has nothing to lose and everything to gain by an expanded effort to preserve the industry which underlies his personal fortunes. In fact, if the job is done properly—as it must be—the best interests of the wool-grower and the Australian people will be shown to be synonymous. That fact is already widely appreciated by wool producers, many of whom are disturbed at the apparent lack of direction of present efforts in wool promotion.

I am well aware of the difficulty of satisfying vocal opinion in the wool industry. Again, I believe the findings of a royal commission would do much to bring unified and positive thinking to the industry, to say nothing of support for a really worthwhile plan of research and sales promotion. Hit or miss methods of research and sales promotion will not save the wool industry, and surely any bureau dealing with such an industry ought to include in its membership men experienced in textile research and production as well as advertising and marketing. To bring home to the Australian people the extent of their dependence on wool and to assemble the facts about every phase of so important an industry, I believe there should be a searching inquiry by a royal commission. If it is true that the tide has set permanently against wool, it is necessary to recognize the fact at the earliest possible moment. We ought to know what we can do to replace declining wool income if such a position is inescapable. Certainly, progress will go on at an increasing rate in the synthetic fibre field. We must know as clearly as we can know what the end effect of this progress on our own economic affairs will be.

In the face of the wonderful achievements of the chemical industry, I cannot believe that ever-increasing research will not produce enormous progress towards the synthetic industry's goal of ousting wool. Nothing but good could come from concentrating on the wool industry the undoubtedly talents and experience we have in this country in wool growing and selling, wool and textile research, market research, advertising and sales promotion for the benefit of the industry and the Australian economy. Hence the need for a royal

commission—and soon. We may elect to wait and see, but Du Pont certainly will not do so, nor will Imperial Chemical Industries, Union Carbide, Celanese, Courtaulds, Montecatini and the rest of the people who are engaged in the world's growing synthetic fibre industry. The longer we wait, the easier it will be for them.

Mr. CLAY (St. George) [5.48].—It was right and proper that the honorable member for Paterson (Mr. Fairhall) should devote so much of his time—in fact, all his time—to a discussion and examination of the subject of wool. There is no more important factor in the economy of Australia. I myself speak with the benefit of 30 years practical experience in the textile industry, and I think there would be few who would realize as fully as I do the importance of this industry to Australia and also, so far as I am concerned, to the field of employment, because this industry is one of the few in which profitable employment can be found for large numbers of women. In that regard, it is almost unique.

The honorable member for Paterson spoke of the substitutes which are being developed and which threaten the sovereignty of wool in the textile field. He spoke very well and very learnedly on that subject. I reflect upon what happened to another textile fibre in the natural field. I have heard far too many people say that there is no substitute for wool. I remember the time when people were saying with similar confidence that there was no substitute for silk. I well remember the enormous export market which Japan possessed in that natural fibre that we call silk. It was largely used in clothing and hosiery, and Japan placed great reliance on silk to obtain overseas currency. Almost within a few months, the silk industry of Japan collapsed and disappeared. I would not like to see the same fate overtake the natural fibre upon which we place, I think, far too much reliance.

With regard to the commodity we call wool, I think it would be of great value if the Australian Government were to give even greater encouragement to the scientists of the Commonwealth Scientific and Industrial Research Organization who could then

devote their remarkable talents towards improving this fibre. I remain unconvinced that it is difficult to improve this natural fibre. We might even reach the stage where wool, taken from the sheep's back, will not be spun, scoured and treated for the mills but taken to a plant where it will be subjected to solvents and extruded. But it remains for the scientists of the C.S.I.R.O. with the requisite staff and money, to conduct their investigations and examine what can be done with our most important primary product.

Everybody is fully aware of the enormous financial value of wool to Australia. Without it, the standard of living in Australia would be much lower than it is. If its value were to drop catastrophically, the effect would be widespread. At the wool sales immediately preceding the recent sales, prices were much lower, and many wool-growers, especially the smaller men, were in grave doubts about their financial stability. So it does not take a great drop in the price of wool to cause alarm to the wool-growers. When some possible calamity appears on the horizon, I always wonder what the Government is doing about it. It has been said by the honorable member for Paterson that a relatively small sum of money is being spent on wool research. I believe—and I am sure the honorable member will agree with me—that in view of the enormous value of wool to Australia, if the expenditure on research into wool were trebled or quadrupled, it would still not be too much. I have great confidence in the scientists of the C.S.I.R.O. When they brought a remedy to the wool industry they produced that diabolical disease, myxomatosis, but horrible as it was, they probably saved the Australian economy at the time. The price of wool was then dropping and had the rabbit population remained at the level it had reached, there is no doubt there would have been a great drop in the production of wool as well as in its value.

The scientists of the Commonwealth Scientific and Industrial Research Organization came up with a remedy. I believe they could come up with some remedy whereby we can make this natural fibre superior to the synthetics which threaten it. Let me say this: It used to be a part of my business to go into the mills of this

country and see the work being done. I refer particularly to the knitting of wool. I did not know—and I still do not know—one manufacturer who would use wool if he could get the people to accept a substitute—I am referring particularly to orlon—not because the manufacturer is unpatriotic or disloyal to Australia, but because wool has been unstable in its price level.

The manufacturers of this country have been grievously concerned about ordering commodities for which they have to pay three months in advance. If a change takes place in the price during the three months after they have made payment they can be put to great financial trouble. I myself have known manufacturers to become bankrupt because there was a change in the price of wool to their disadvantage. If we do not find some way to stabilize it—the price of wool—manufacturers will be less and less inclined to use our own most valuable product—wool. So I come back to this question: What is the Government doing about it?

Mr. Pollard.—Nothing!

Mr. CLAY.—That is the answer. The Government is doing nothing about it. I do not say that it sits idly by, but it sits by, adopting a Micawber-like attitude, hoping that something will turn up. I hope that something does turn up, because I have a strong feeling that the time is not far distant when we will need something to turn up. I speak those words with great feeling, because I think that the textile industry of Australia is probably the most efficient industry in this country. I can point to one mill in Newcastle—certainly, it processes cotton, but others process wool—which achieves a higher efficiency rating than any other mill in the world. I am thinking in terms of the United States of America and Japan. As honorable members know, the textile industry of Japan is greatly assisted by the United States. I would hate to see an industry such as this, which provides such a large amount of employment for the families of Australia, threatened in any way by a catastrophe such as a fall in the price level of wool.

Mr. Temporary Chairman, I have indicated to you that I think the remarks of the honorable member for Paterson very

timely. It is my earnest hope that the members of the Government—I know that honorable members on this side of the chamber did pay very close attention to what he had to say—will heed what he said. Unless great notice is taken of the warning that has been issued by the honorable member for Paterson, dire calamity can fall upon this country. I believe it is true to say that if there is a fall of only 1d. per lb. in the price of wool, between £4,000,000 and £5,000,000 is lost in overseas earnings to the people of Australia, or to the economy of Australia. In consequence, I think that we have to do all that lies in our power—of course, we on this side of the chamber can do very little except to exhort—to induce the Government to spend the necessary money upon the encouragement of the scientists employed by the Commonwealth Scientific and Industrial Research Organization and, if necessary, bring scientists from other parts of the world to set their brains to work in order that the answer might be found to what looks like being a most difficult problem in the not very distant future.

It has been revealed by the honorable member for Paterson that several millions of pounds are being spent by the Celanese Corporation alone. It deals in an artificial fibre in the rayon field. When rayon was first produced, there was great competition between rayon and cotton, and the rayon manufacturers got the better of the battle until such time as the cotton manufacturers of the world set to and, by research, improved the fibre we call cotton, and gradually gained supremacy. In this competition the advantage frequency passes from one fibre to another, and it is our job to see that the natural fibre that is so valuable to us retains its supremacy over fibres such as nylon, orlon and dacron.

Sitting suspended from 6 to 8 p.m.

Mr. CLAY.—Australia places too much reliance on wool, especially for the earning of overseas funds. We depend upon it more than is good for our own security in these times when the synthetics industry is developing as a field of danger for our wool industry.

It is with some regret that I leave the subject of wool and return to the rather

dreary subject of the Budget. Many words and many phrases have been applied in description of this Budget. Supporters of the Government have prated about the stability and expansion which are to flow from this year's financial planning. The use of the words "stability" and "expansion" in descriptions of the Budget intrigue me. "Stability" is defined in Nuttall's Dictionary as "the dynamic condition by which a body retains its condition, shape or motion". Expansion is, of course, the act of expanding, or the state of being expanded. So we have this contradiction—a condition in which the economy will not alter its position, shape or motion, although at the same time it will expand!

The people will surely be dazed by the Treasurer's profound pronouncements. They will be dazed even further by the gifts contained in the Budget, which remind me strongly of the gift of the Trojan horse which led to the fall of Troy. Those who know the ancient Greek story will recollect that for a long time the besieging Greeks had failed to breach the walls of Troy. So they left a gift for the Trojans outside the walls, and the Trojans foolishly accepted it and brought it within their gates. It was a wooden horse filled with armed men, and so Troy fell. Apparently justice is done in this Budget in a Trojan horse fashion, by giving equally to the rich and to the poor. The 5 per cent. reduction in income tax applies to all. I find it just a little difficult to comprehend this Liberal justice, which gives 6d. to the poor and £1 to the rich. But then, of course, we people on this side of the chamber are biased. We persist in thinking that the man with the 6d. is entitled to even more consideration.

The honorable member for Melbourne (Mr. Calwell) has described the Treasurer as "Robin Hood in reverse", as a man who has robbed the poor to help the rich. He could have gone even further and described the Treasurer as a "Robin Hood-wink", the modern magician from the party which has modified Abraham Lincoln's famous dictum by showing that you can fool enough of the people for enough of the time. This is done by means of financial legerdemain in the first and second years of a three-year term, and removing the pressure in the third year, in

which year the electors have a say. This policy has characterized the actions of the Government since December, 1949, and I have sufficient faith in the intelligence of the Australian people to believe that the Government cannot fool enough of the people for very much longer. The Budget is a vivid illustration of the Government's contempt for public opinion in the first year of a three-year term.

I want to make some reference during the course of this speech to the allied problems of housing and immigration, because to me they seem to be inseparable. It is a most curious thing that at this particular time there is, as there has been for some years past, no shortage of bricks, timber, glass, tiles, iron, or any one of the materials which are so necessary for the building of a home; yet Australians and immigrants alike are finding the housing situation desperate. Only a few days ago, in this very chamber, we were debating the Matrimonial Causes Bill. A considerable part of the discussion on that bill showed that it was agreed on both sides that the absence of housing for a very large number of people, or the availability to them of unsatisfactory housing only, contributed materially to the divorce rate in Australia. Housing plays a very important part in several of the problems which trouble the minds of honorable members. I suggest to the Government that since we desire more and more, and Australia needs more and more, of the best type of immigrant, there is no better way to go about getting them than to be able to tell intending migrants in Europe or the United States that they can be sure that when they reach these shores they will have no difficulty in getting themselves established in a home where they can live in comfort and raise their families.

It might be said, and it has been said, that on this side of the chamber we are completely destructive in our approach to the Budget. I wish to deny that the Labour Party's attitude to this Budget is entirely destructive. Certainly there are many features of it about which we feel highly critical. I want to suggest to the Government, for what it is worth, that if it wants to assist in solving the housing problem it should not leave the matter entirely in the hands of the States, but should go to the rescue of the States. One way in which

it could do so would be to facilitate the construction of large blocks of flats in or near the cities and towns of this country. Young married couples in the first few years of their married lives might be much better housed in flats than in homes. This would relieve them of the need to find the enormous amount of money required for a deposit on a home early in their married life, and would save them the enormous expenditure associated with the first few years of buying a home. If married couples could rent flats for a few years they would have a chance to establish their finances so that later they could build or acquire homes in which to establish families. Honorable members on both sides of the House agree that there are no better people than family people.

As an indication of how badly people need homes I remind honorable members of the very large number of what are called "home units" being erected in our cities. I know that many such units have been built in or around Sydney, and I presume that that is also the case in other cities. That indicates to me quite plainly the desire of many people to acquire a home at any cost. If such people could rent flats I am sure that there would be a desirable diminution of the number of home units being built, and there would also be a greater number of places available for young people to occupy in the early years of their marriage.

Before I leave the subject of housing I wish to make brief reference to the quite large number of people who come to my office with complaints about the delay of eighteen months between the approval of a war service housing loan and the actual paying over of the money. I think it is deplorable that the heroes of the last war should have to wait eighteen months for a loan. During that period of eighteen months many of these people make private arrangements with finance companies for temporary loans; so the finance companies profit by this delay.

I shall make a brief reference to telephone and bulk postal charges. I remind all people who have a private telephone, if they need reminding, that a local call will cost them a penny extra from now on and that the rental of the telephone will be increased by £2. I presume that the

increase of £2 applies to a six-monthly period, which will mean an increase of £4 a year. Telephones are rapidly becoming a luxury. There are in my electorate many old people who rely on a telephone as their only means of calling help, to send an SOS should something happen to them. If the Government makes it hard for them to own a telephone, I know that their difficulties are going to be greatly increased. I know what will happen to the printing trade as a result of the bulk postage charges, and so does everybody else, so I shall not labour the proposed increase. I deplore the fact that this Budget contains nothing to help blind people to get a telephone. I think that blind people ought to be able to obtain telephones free of charge, and I think most other people will agree with me.

I want to make a brief reference to defence. First, let me congratulate the scientists who developed the Malkara and thereby helped to make Australia safe from the invasion which one day may threaten. I think we all are conscious of the fact that one day invasion may be threatened, and we know from where the threat may come. I have taken some interest in the Army. I went to Mackay at the invitation of the Minister for the Army (Mr. Cramer). I am very glad that he invited me, because I came into contact there with officers and men of the Citizen Military Forces, of whom I cannot speak too highly. I think it is a wonderful thing that there are so many thousands of young men and middle-aged men who devote their time, and not a little of their own money, to training themselves to defend this country in an hour of need.

I wish now to refer to local government and to say that this Government should relieve local government authorities of the necessity to pay pay-roll tax. Such authorities provide so many facilities for the people that it is time they received some help from this Government. They cannot get the loan funds they cry out for—and, Lord knows, they cry loud enough for them. If the Government wants to help them in some way it should relieve them of the need to pay pay-roll tax.

I think it is time that somebody on this side of the chamber made a kindly remark about General Motors-Holden's Limited,

and I propose to do that. General Motors-Holden's is the only big company that I know of which makes no attempt to water its capital or to conceal its profits. For that, I congratulate its directors. Sometimes I wonder what would have happened had the directors of General Motors-Holden's been Australians.

I also want to refer briefly to the Boeing 707 aircraft which plague the suburbs surrounding Kingsford-Smith aerodrome. They are the noisiest planes ever built. I have heard them pass overhead, and the noise is like the approach of a typhoon. It grows to a crescendo, so that conversation becomes impossible until it gradually dies away. There is no nuisance so great to the people living in the suburbs around the Kingsford-Smith airport as the Boeing 707, and the people of Melbourne will know all about it too, before they are many months older.

I suggest that the Government give close consideration to what has been done at Kowloon Bay, Hong Kong, where a promontory has been built to take a runway. A promontory could be built into Botany Bay, as far as the Heads, if necessary. If that were done, all aircraft could land or take off along the promontory extending out into the bay. I am told that they could do this. The roadway known as General Holmes Drive could be dropped a few feet, and there would be no need to hold up traffic. There would no longer be 300 or 400 motor cars held up, waiting for a Boeing to pass overhead. The lights could be taken away. The noise nuisance would almost cease to exist. In addition, planes could take off with much greater safety if they were taking off along a runway that extended over the water. However, this Government gives no sign of doing anything about constructing such a promontory into Botany Bay.

Perhaps the safety factor is the most important factor of all in this connexion. I warn this Government that one of these days an accident will happen. If one of these metal monsters crashes on a school or a hospital in the St. George district, woe betide this Government. Thousands of gallons of inflammable liquid might drop on a three-story school or hospital, and a thousand lives could be lost in the holocaust.

or inferno that would follow. Let no one say that that could not happen. Such things can always happen. We should not be running the risk of their happening.

I want to congratulate the Government on its social services and on the very prodigal generosity that it has displayed towards the old, the ill and the widowed. The Government proposes to give them an additional 7s. 6d. a week, as if that were the last drop of its heart's blood. These old people made Australia what it is to-day. If we are enjoying life, it is because the old people of Australia made it possible for us. Well might they say—

How sharper than a serpent's tooth it is
To have a thankless child!

This Government proposes to reduce taxation for all by 5 per cent., which, of course, will give great benefits to the rich and little or next to nothing to the people on lower incomes. What decent person would not have preferred taxes to stay as they were in order that those on whom the burdens of age and the hammer blows of misfortune have fallen might have a little more? Were it not for the fact that we have a number of service clubs to help us out, the situation would be a great deal worse for those in our midst who are less fortunate than we are.

Has this Government no heart? Has it no shame? Has it no conception of the wounds dealt by death when it takes the breadwinner? Do we, too, have to join with death in deepening the wounds inflicted on a widow in the loneliness which comes from separation by death? We give her 7s. 6d. a week extra and say, "Be happy". No one has a greater call on the greatest virtue of all—charity—than has the widow. But this Government allows her tears to pass unnoticed. Her cries remain unheard.

I want to say a few words about the means test, in the few minutes that remain to me. I call the means test a penalty for thrift and self-denial. We preached to the people during many of the years that have passed and we told them they should save and prepare for their old age. We said to them, "If you do those things you will be much better off towards the end of your days". What is their reward?

The CHAIRMAN (Mr. Bowden).—Order! The honorable member's time has expired.

Mr. HAROLD HOLT (Higgins—Treasurer) [8.18].—Less than three weeks ago I presented, on behalf of the Commonwealth Government, the financial programme for the year 1959-60. The Opposition has taken the course of moving the traditional amendment to the Budget by way of a vote of censure on this Government. Honorable members on this side of the House, Sir, have not been greatly impressed—nor, I feel, has the country—by the efforts so far of honorable gentlemen opposite to attack the Government, but at least from my point of view they have served a useful purpose in giving me a chance to come back into the debate and answer criticisms, not only those which have come from across the chamber and, indeed, a few from my own side of the committee, but also some which have come from outside.

As I turn to those criticisms, Sir, it might be as well, in order to get the discussion back into perspective, if I were to restate quite briefly what the Budget sets out to do; indeed, what every financial statement on behalf of this Government at Budget time has sought to do during our ten years of office. We aim to develop Australia. We aim to continue a high level of employment with jobs for all who are able and willing to work. We aim to provide for our national security and to apply a spirit of social justice to the policies that we hope to implement. At the same time we aim to hold costs and prices stable so that there shall be a sound economic base upon which our development can proceed.

I stressed in my Budget speech that our twin objectives for Australia are stability and expansion. A welter of criticism has been directed to the Budget since that time, but I submit that none of it has really shaken those elements that I announced to the committee. Honorable members have questioned some of the elements, but no one has really shaken what we consider to be the foundations of Australian development and prosperity at this time, nor indeed the principles upon which we have acted.

It is significant that in this debate on a budget which relates to the financial circumstances not only for the Commonwealth Government but also of six State governments, which covers the expenditures of 22 departments of state, which touches the financial circumstances of every citizen of this Commonwealth and which involves a total expenditure of £1,682,000,000 and a host of items, the argument now seems to be narrowing down to the £4,000,000 or £5,000,000 that is concerned mainly with bulk commercial postage. The mass of people outside are left unmoved by the criticisms of honorable gentlemen opposite. They recognize that Australia is moving steadily forward. In my Budget speech I forecast that Australia and all sections of Australians could be assured of a favorable year. Such pointers as have developed since that time all are confirming the assessment that I was then able to make.

There should be no surprise that the Budget evoked criticisms from many quarters. We have become accustomed in Australia to a certain pattern of criticism which develops after each budget is presented. First, there is the immediate criticism that comes from the press, and I say in no unkindly spirit that the commercial press of this country has long realized that circulation is built more by criticism, and particularly sensational criticism, than it is by commendation. That lesson has not been lost on others who have observed the press techniques.

Then, of course, there are the criticisms that come from the spokesmen for sectional interests, and there are hordes of them in Australia. Their numbers grow each year and they come to governments with their requests. They overstate those requests before the Budget is presented. Human nature being what it is, they tend to pitch their requests rather high, perhaps thinking that if they get one-half or one-third of what they ask for, they will not have done badly. Then after the Budget has given them the one-half or one-third of what they requested, they cannot afford to commend it because they had asked for something more. So, every budget is a disappointing budget to the spokesmen for our sectional interests.

Then we come to the political opposition. Of course, it would be expecting too much, and displaying optimism far beyond even my buoyant temperament, to ask for commendation from an Opposition of a budget introduced from this side of the chamber. Indeed, if we got commendation we would begin to wonder where we were going wrong, because quite certainly I never intended at any stage to produce a budget that would appeal to the Leader of the Opposition (Dr. Evatt) and his socialist colleagues nor, I gather, have I done so, judging by what they have been saying.

There have been some criticisms from my own side of the chamber, and I shall deal with all of them briefly, if I can. But if anybody has taken the trouble, as naturally I have, to follow closely what the critics have said, he will have discovered that much of the criticism tends to cancel out. On the one hand, for example, there was a fairly general press criticism that the Budget was too timid, too conservative, that it reflected cautionary Treasury thinking, that we should have been bolder, and that we should have gone for bigger expenditures in certain directions. If that is one's point of view it is a valid criticism, but it cancels out—or tends to—the criticism voiced by some of the more thoughtful members of the Parliament, that far from being too timid and too conservative, this is a budget that threatens inflation in this country because we are budgeting for a deficit of £61,000,000. Both sets of critics cannot be right, and I prefer to believe that the Government has adopted a reasonable balance in this matter.

It is true that we have budgeted for a quite substantial deficit and that there is the normal desire to balance one's accounts. But let me just mention three factors which I believe justified—and indeed made desirable—some deficit financing on this occasion. One is that we expect to have about 80,000 additional people available for the work force in the course of the current year. We must provide opportunities for them. There must be an expansion of industry and of the employment that industry can provide. Another factor is that in the course of the year we will be importing an additional £50,000,000 worth of goods compared with last year. This itself is a counter-inflationary matter. The third factor is that

inside the Budget, on the revenue account, about £150,000,000 is to be provided for the capital works of the Commonwealth Government. Normally, we would have hoped to raise that money by loan, but for reasons with which honorable gentlemen are familiar, we now have to take it from revenue. In addition to that £150,000,000 there is another £37,000,000, of which £30,000,000 is to bridge the gap between our estimated loan raisings of £190,000,000 and the £220,000,000 which the States have agreed upon as a loan programme for this year and the remaining £7,000,000 of which is for land settlement. So, although on the face of it there is a deficit and the cash is short to that extent, it is not as irresponsible as deficit financing sometimes proves to be, because I repeat that we have this very substantial volume of what is in effect capital provision being made out of our revenues this year.

Other criticisms also tend to cancel out. The Leader of the Opposition is the only one of the critics who has managed to have it both ways. He attacked us, first, because in his view we were not providing enough by way of taxation relief—and I will come to that in a little more detail later. Then he said that we were too niggardly with our provision for social services. In other words, he recommended an expansion of expenditure in this and other directions. But at the same time he attacked every provision that we had made for getting increased revenue. He was against what we were doing in the field of postal charges. He was against what we were doing in making a charge for pharmaceutical benefits. Whilst attacking the charges that we were imposing and, at the same time recommending increased expenditures, the right honorable gentleman was saying that our policy was one of creeping inflation. Well, what would his policy be in the circumstances? He made it quite clear that he was also critical because we proposed to raise by way of loan money which he said could be provided by treasury-bills. In those three criticisms, taken together, the right honorable gentleman has made it abundantly clear that the policy of the Australian Labour Party would produce not creeping inflation, but galloping inflation.

Mr. Crean.—You are the last one who should talk about inflation.

Mr. HAROLD HOLT.—Well, I have been talking about it for some little time. When he came to the item of taxation, the Leader of the Opposition had his criticisms to make, and they were in these terms—

Apart from its miserable halfpenny reduction in customs duty on petrol, the Government failed in the Budget to reduce customs duty, excise duty, pay-roll tax or sales tax, particularly on household goods.

All of us in this place know that, when you look at a particular budget, to be reasonable and fair you do not treat it in isolation from other budgets which have preceded it, nor do you treat it in isolation from other important economic events that have occurred during the year. Let us look at some of these earlier matters and link them up with what we have done in this Budget. Of course, all taxes cannot be reduced in all budgets, unless a government is prepared to budget for enormous inflationary deficits far beyond anything that we would be willing to contemplate. Although tax concessions in the present Budget are confined almost wholly to income tax, we have granted concessions in taxes of every kind in our previous budgets when economic and financial circumstances have permitted us to do so.

Let me remind the committee that since we took office complete exemption from sales tax has been granted on well over 100 items, many of which were foodstuffs and household goods subject to sales tax while Labour was in office. Honorable members opposite talk about our not doing anything on pay-roll tax. Well, at least we have improved things in this direction since we assumed office. The pay-roll tax exemption was increased from £1,040 per annum, that being the exemption in force when we took office, to £4,160. It was subsequently increased to £6,240, and in 1957 to £10,400. As a result, the number of employers paying pay-roll tax has been reduced by approximately 70,000 since this Government assumed office. As is well known, we have abolished land tax and entertainment tax, which previously were levied by the Labour government.

One point of the Opposition's criticism was that, although we had made some taxation concessions, this was a rich man's Budget—in other words, that those concessions had been made in favour of the wealthy against the poor. I repeat that it is

utterly unfair to treat a budget item as being unrelated to anything else that has occurred. When we were making our Budget decisions, we found that the great mass of Australian wage-earners had already benefited this year by what was a quite substantial increase of the basic wage, that a margins case was in the course of being heard, that pensioners would be receiving additional benefits under the Budget, and that most sections of the community had shared in one way or another in the benefits of a reasonably prosperous year.

It is not often that one can touch the income tax structure. You obviously do not want to be chopping and changing your tax rates from year to year. As I pointed out earlier, in recent years a vast sum has been raised annually from revenue for capital purposes. This year, having regard to that circumstance in itself and to the benefits which others had received, we felt that the small degree, the modest degree, of tax reduction on the direct income scale was justified.

It is said, Mr. Chairman, that the Budget favours the rich against the poor. The fact of the matter is that the man who at present is paying 60 times as much tax as another man will continue to pay 60 times as much tax as that man on the smaller income. The Prime Minister (Mr. Menzies) demonstrated very effectively that the proportion of tax levied by us on the higher incomes is in excess of that which was levied by Labour when it was in office. He might have added that, so far as company tax is concerned, this Government could hardly be accused of being more tender towards the companies than was the Labour government. When we assumed office, the general rate of company tax was 7s. in the £1. During our term of office it has fluctuated at different times and has risen to as high as 9s. in the £1. At the moment it stands at 7s. 6d. I find it a little ironical that, while on the one hand I as Treasurer am attacked by honorable gentlemen opposite who say it is a rich man's budget, on the other hand I have been strongly criticized by the Taxpayers' Association, the Chamber of Manufactures and the Chamber of Commerce for being far too niggardly in the tax provision that I have been able to make by way of benefit to their members. I think most fair-minded people

will agree that we have done what was reasonable in the circumstances.

I deplore the attempt by honorable gentlemen opposite to create in the minds of the Australian public a picture of a government legislating along class lines. Theirs is a shabby and mischievous charge—one which this Government, by its performance during its ten years of office, has shown should not be levelled against it. We would not be here in this chamber to-day with a record majority unless the people of Australia had come to the well-founded conclusion that this Government was prepared to deal fairly by all sections of the community. One of the reasons why honorable gentlemen opposite are sitting where they are and in reduced numbers is that they have not been able to absorb the spirit of the modern Australia and realize that Australians generally are sharing fairly in the national prosperity which our policies have at least been able to encourage.

I have mentioned the criticism that has come from the spokesmen for industry to the effect that we have not done enough for them. It is true that in this Budget there is no substantial direct tax concession for industry. But there have been tax reductions for industry in earlier budgets. I refer, for example, to the matter of depreciation allowances. I point out that industry, as a whole, probably has never fared better than it has during this recent period, largely because of a financial and economic environment which our policies have been able to foster. One point of evidence should suffice for me to make my point. At the moment, I have an analysis for only the first nine months of the last financial year, but I point out that public support for Australian industry by way of investment in one form or another was 72 per cent. greater than for the previous year. That certainly reflects not only prosperity in industry, but faith in continued prosperity on the part of the Australian investing public.

So, when all these criticisms are boiled down, it is not surprising that the finance editor of the Melbourne "Herald", of Wednesday, 12th August, in an article which included some criticism of his own, should say—

The Budget leaves the Federal Treasury in the soundest financial position of any government

treasury in the world, and brands us internationally as one of the soundest countries in the world financially.

My only complaint is that the newspaper concerned tucked that comment away in relatively small print towards the end of Mr. Eddy's article. However, favorable comment in the United Kingdom press was given quite wide publicity, and I do not need to refer to it. It may be of interest to honorable members to hear a comment from New Zealand, our neighbour just across the water. The New Zealand "Evening Post", commenting on our Budget, said this—

A spirit of enterprise and expansion is abroad in Australia, and it is reflected in the federal Budget and the comments which followed its presentation. It gives the distinct impression that Australia is forging ahead economically at a tremendous rate. It is a brave Budget, too, not in the sense of being unpopular, but because it recognizes frankly that the whole Australian economy these days is based upon the assumption of strong, continuous growth.

Even if Dr. Evatt and Australian businessmen do not agree with Mr. Holt, there is much in his Budget about which we in New Zealand are entitled to feel some twinges of envy.

Mr. Reynolds.—I can give the Minister some other comments about it.

Mr. HAROLD HOLT.—The honorable member may have an opportunity at some time.

Let me turn for a few minutes, Sir, to some particular criticisms that have been made. The honorable member for St. George (Mr. Clay), who preceded me, referred to pensions. No party, of course, has a monopoly of warm-heartedness in relation to what can be done or should be done for the aged and the infirm in our community, and we, for our part, Sir, have a record in these matters which is unmatched in the history of the Australian federation. Honorable gentlemen opposite have given us all sorts of criticisms, but the facts speak for themselves. When we took office late in 1949, the Budget which had just been presented by the Labour Government provided a total of just on £80,000,000 for social services and health services. Our Budget this year provides just over £300,000,000 for national welfare and for health services. I admit quite frankly that there has been some movement in prices since 1949, but it certainly has not been of anything like the

dimensions that the difference in proportions may suggest—a growth from £80,000,000 under Labour to £300,000,000 under this Government.

Mr. Pollard.—In pounds that will buy only half as much as the same number of pounds would have bought in 1948.

Mr. HAROLD HOLT.—The honorable member may halve it, if he likes, but there is now just on four times the volume of expenditure that was provided in Labour's last Budget.

I know that what we have proposed does not satisfy the pensioner organizations. It would be surprising if it did. But in every Budget, we have tried to do a little more, and there has been this progressive increase in expenditure which I have mentioned. The pensioner organizations said that they wanted a pension equivalent to half the basic wage, but it does not take very much thought to realize that if that principle were adopted many pensioner couples who were eligible also for income and property concessions under the provisions of our social services would be rather better off than were taxpayers who paid for the pensioners' benefits, and I do not think that the request was very seriously pressed. There have been others, Sir, who have said that pension rates should move in accordance with movements in the C series index of retail prices. If we apply that test, the Government has nothing to be ashamed of. After the provision made in this Budget, the general rate will be 15s. 5d. a week higher than the present-day equivalent of the 1949 rate obtained by applying the C series index. For pensioners eligible for supplementary assistance—and those are the cases of greater hardship—the total combined payment of pension and assistance will be £1 5s. 4d. a week more than the present-day equivalent of the 1949 rate—the rate when Labour was in office—adjusted according to movements in the C series index of retail prices.

But that is by no means the end of the story. There was no pensioner medical service in 1949. The pensioner had to pay for medical treatment and medicine. Since 1951, a general practitioner service and a wide range of medicines have been provided free of charge for the majority of pensioners. Further, invalid and widow

pensioners with children now receive an additional pension of 10s. a week for each child under 16 years, except the first. No such supplement was paid in 1949. The means test has been liberalized in that the allowed income has been raised from £1 10s. to £3 10s. a week and the property limit from £750 to £2,250 for a single pensioner and from £1,500 to £4,500 for a pensioner married couple. A pension free of the means test was introduced for the blind in October, 1952. Income from property has been disregarded since October, 1954, in applying the income means test. These all are concessions and liberalizations which have occurred during the term of office of this Government and which did not apply while Labour was in office.

We have never felt, Sir, that although the Commonwealth has a substantial responsibility for our aged and infirm the responsibility should end there. It will be a bad day for Australia when there is no recognition that there is also a State responsibility, which is exercised through the welfare organizations which each State government has established, when there is no sense of community responsibility and, finally, when there is no sense of family responsibility. What we, as a Commonwealth Government, provide is a base for the pensioner to which the discharge of these other responsibilities can add its contribution.

Then there was the attack that this Budget failed to provide for increased child endowment. That has been answered by many previous speakers. After all, we introduced child endowment. In the teeth of Labour's opposition, we extended it to the first child. But it was supporters of the Australian Labour Party who, after the child endowment scheme had been put into operation and was being financed by the pay-roll tax, decided to alter the principle applied in the fixing of the basic wage. They have gone along to the industrial tribunals since the pay-roll tax was introduced to finance child endowment, and have pressed the tribunals not to make provision for family needs—I believe that, in the long run, that would have been a sounder approach—but to fix the highest basic wage that it is within the capacity of industry to pay. Quite clearly, you cannot have it both ways.

Having the pay-roll tax, at a certain rate, levied on industry in order to finance child endowment, you cannot ask the arbitration tribunals to fix the highest basic wage that it is within the capacity of industry to pay, and, at the same time, chide the Government because it is not able to get more from industry for the purpose of increasing child endowment. So I say that the critics of the present scheme would do well to look at their own policies and see whether they could usefully be overhauled.

I do not think it is necessary, Sir, to answer criticisms of the pharmaceutical benefits scheme that have been made. The proposed changes in the scheme have been well received by the public. I think that when we presented the figures which showed how the number of prescriptions had grown from 3,000,000 to more than 16,000,000 a year and how the cost had increased from £3,000,000 to £18,500,000 a year, there was a general realization that the position had to be stabilized. And the Government is setting about doing just that.

Another major criticism, in respect of which I do not want to take up the time of the committee unnecessarily, is related to postal charges. Fortunately, it is not so necessary for me to deal with this, because my colleague, the Postmaster-General (Mr. Davidson), will elaborate this matter in his second-reading speech on the legislation which will provide for the revised rates. I just want to make two or three points for the consideration of honorable gentlemen opposite. Since World War II., just on £400,000,000 has been spent on capital items for the Post Office. The return from postal services has not represented anything like a normal interest return on that capital investment.

In one particular area, that of commercial bulk postage, quite apart from any notional interest being introduced into the calculations, the Post Office was losing millions of pounds a year. I think £5,000,000 would have been the total over the whole area in the year just concluded. In the field in which there has been some public controversy in recent days, had matters stood where they were there would have been an operating loss of £3,000,000. For example, it costs about 6d. to deliver, under the bulk postage scheme, a periodical or a newspaper, for which a charge of 1½d.

is made. The Government, through the Post Office, has virtually been subsidizing, to the tune of about 5d. an article, the delivery of commercial articles delivered as part of commercial services. I do not think anybody would regard that as reasonable, or that the general taxpayer should carry such a burden, when the consumer and the commercial operative might very well do so.

I saw some rather flamboyant criticism in one of the newspapers under the heading, "Dial M for Murder." Incidentally, I have discovered since taking over the Treasury that criticism can assume some rather flamboyant forms. For instance, some character hung a red flag in a tree near my home in the dark of night some little time ago. I do not know whether that was a sign that I had produced a rich man's Budget or the reverse. Again, a package marked "Fragile" which was delivered to my wife over the week-end, contained a very old set of false teeth. I do not know what that was supposed to signify. In any event, this newspaper article, "Dial M for Murder", suggested that it costs the department only £9 for a telephone, yet it charges this exorbitant annual rental. As my colleague knows—and the figures will be produced by him—if you take into account the elements which a commercial organization would very properly take into account in the installation of a telephone, such as the exchange equipment, the underground cables, the cost of installation in the home as well as the mechanism itself, you get a figure of not £9 for that telephone, but £290. So when the facts can be presented—and we have produced a few of them to-night—these things take on a very different aspect from that which our critics would present to the public.

Finally, let me say this: I indicated that we had achieved in this country a remarkable degree of stability, unparalleled in our history, economic, social, political and industrial, which has left us most favorably placed to deal with the economic circumstances of the future. Nothing which has been said in the course of this Budget debate has challenged that proposition. Nobody can deny that these circumstances, unrivalled in our own history and, I believe, unsurpassed anywhere else, exist in Australia to-day. So I say that the Budget-

which has been produced will enable those favorable circumstances to continue. The judgment that should be applied to it is not a judgment made on the day after the Budget is announced. The real test should be applied on the eve of the next budget which will be introduced into this Parliament. I feel every confidence that when that time arrives I shall be able to say quite faithfully to this House that the Budget for 1959-60 assured Australia a prosperous year of expansion and development, and gave to its people better living standards than they had known before.

Mr. POLLARD (Lalor) [8.54].—The Treasurer (Mr. Harold Holt) has to-night defended himself against the critics of the Budget which was recently introduced into this Parliament. He told the Parliament that the key-note, in effect, of the Budget was an attempt to hold costs and prices stable. But we are informed by one critic in this Parliament that between 1948—one year before Labour left office—and 1957 the official retail price indices covering food, rent, clothing and miscellaneous household expenditure, rose in Australia by 98 per cent., representing an all-time record. This critic indicated that prices rose in that period by only 50 per cent. in the United Kingdom, where the economic position is and has been much more difficult to manage than ours. The relevant figure for Canada was 26 per cent., for New Zealand 52 per cent., for South Africa 43 per cent., and for the United States of America 18 per cent.

We are told by the present Treasurer, as is always the case when a Treasurer of this Government brings his Budget into the Parliament, that the aim and objective of the Government has been to hold prices stable and prevent inflation, but, as has been the case throughout the last ten years, inflation has proceeded apace, and the position of the average citizens of this country, particularly those receiving the basic wage or a little more, has become worse and worse. After all, as everybody knows, inflation means ever-increasing prices for commodities that must necessarily be purchased by the people.

Confirmation of my claim can be found in the report of an address delivered by Dr. Coombs, the Governor of the Commonwealth Bank, and reported in the

Melbourne "Age" of to-day. To be quite fair, let me say that the report came from Perth, and I realize that it is possibly a condensation of Dr. Coombs's address. However, he is reported to have said this—

Inflation is a serious and growing threat to the health of our economy.

Well, who has managed the economy of this country, untrammeled, for the past ten years? This Government took office with a fanfare of trumpets, saying, "We will not only put value back into the £1, but we will even ensure that the £1 will have a higher purchasing power for the people receiving social service benefits". Nobody can suggest that the Government is governing fairly and justly when consideration is given to the figures that I will cite, and for which I am indebted to the speech of the honorable member for Yarra (Mr. Cairns).

We find that in this current financial year the Government requires £1,682,300,000 in cash—a lot of money—and it expects to get by way of revenue not enough to meet that requirement. In fact, it expects to get £1,385,300,000. This is short of its requirements by £297,000,000. The Government says to the people of Australia, "We will borrow £190,000,000 from the trading banks, and, of course, we will pay them the prevailing bank rates". The Government will not say to the trading banks, "We will use our powers under the Banking Act to determine a rate of interest that is reasonable, considering the fact that this money is required to finance the activities of the Commonwealth Government". The Government tells the people, "In addition, we will issue £46,000,000, plus the amount of our deficit, £61,000,000, to finance our activities, per medium of treasury-bills". It gets the treasury-bills for about 1 per cent. from its own Commonwealth Bank, and there is no reason why it should not be compelled to get its £190,000,000 at the same rate instead of the higher prevailing bank rates.

This is not the first time that we have had this deficit budgeting. It happened last year, when the deficit was estimated to be £110,000,000. That sounds serious and is serious, but does any one who reads in the daily press of the gigantic mergers of big businesses really believe that there

is any shortage of money or capacity to pay increased taxes by those who have waxed exceedingly rich and affluent during the ten years of mis-government by the Menzies-Fadden Administration? Look at the powerful commercial concerns that are trying to swallow each other. Do they want to swallow each other so that they can disgorge something to help the people or do they want to swallow each other so that they can strengthen their grip on Australia's economy and amass wealth for the few people who direct them? The daily newspapers carry advertisements inserted by hire-purchase companies and others, offering rates of interest that range from 6 per cent., 8 per cent. and 10 per cent. to even 15 per cent.

We have a Treasurer who was one of the Heaven-sent geniuses of the Liberal Party. But this year, as with last year, we are told that the Government must engage in deficit financing. This deficit financing excuse is used to deprive people of the substantially higher social services payments that they are entitled to receive. The Treasurer comes into this chamber and brags of the reduction in taxation, but these reductions mean that the man on the basic wage will get 18d. and I will get £25. Is that social justice? I get £25 a year out of this Budget on my taxable income and the less fortunate man on the basic wage gets about 18d. a week out of it. Is that not a pointer to the methods used by this Government to finance its activities? But far worse than this is the Government's complete failure in the last three years to take the bit in its teeth and to do something about one aspect that more than anything else is responsible for some of the difficulties that must be faced.

The honorable member for Paterson (Mr. Fairhall) made a speech to-day, and I congratulate him. I do not often congratulate my opponents and I will cut him down again very shortly. I congratulate him for pointing out to this Government, as I had planned to do on somewhat different lines, that if this or any other government is going to manage the affairs of the country and control inflation effectively, it must control the marketing of Australia's annual wool clip, if possible with the consent of the growers. What are we confronted with

here? We are confronted with this fact: The 90,000 wool-growers in Australia—that is all there are—send their wool to the markets for sale. Every year in these markets they are the victims of the most capable and most highly organized set of buyers and brokers to be found, probably, anywhere in the world. We have only about 150 of them and sometimes never more than 26 operate at the auction. When the wool-growers are in the hands of these people, the nation also is in their hands.

I represent 66,000 people in my constituency. Approximately 56,000 of them are basic wage and salary earners in our industries. The other 10,000 are rural residents. There would not be more than perhaps 1,000 wool-growers in the whole constituency. But when the gangsters—I should not call them that, perhaps—when the astute businessmen who buy wool for overseas interests control absolutely the price that will be paid for that important product, it is not the 1,000 wool-growers but the men who work in Massey-Ferguson (Australia) Limited and in the other great industrial concerns in the constituency who suffer most.

Mr. Anthony.—How do you explain the fact that the price goes up?

Mr. POLLARD.—We know very well that from time to time even these rings of buyers break down, and then the price rises. But I want to say this to the honorable gentleman: I will not be side-tracked but I will tell him some of the history. In 1921, after World War I., the wool selling situation in this country was so serious that some responsible people advocated dumping 1,700,000 bales of wool in the sea because, they believed, it would never be sold. An organization was created to sell the surplus wool and, concurrently with it, the incoming clips. As a result of its operations, protected from the price rigger, the growers reaped a profit of £35,000,000. Subsequently, the propaganda of the banks, brokers and profiteers, who wanted to have the wool-growers at their mercy again, convinced the growers that they should vote out their own organization, and they did so. The brokers said, in effect, that the price of wool would never again go down to the disastrous level that had been

ruling after the war, but within three months it went down by 30 per cent. and within six months it went down by 60 per cent. All these periodic flutters in the market do not mean very much.

I advise my honorable friend to read the copy of "Muster", published on 25th August, 1959. "Muster" is the pastoralists' journal and in it we see the headline "Russia's 'Mr. Wool' Here". All the pastoralists are happy because the Menzies Government approves of trade with these dangerous Reds in Russia, China and anywhere else that there is money. The Labour Party advocates that we should trade with every one, irrespective of political or religious outlook. The report in "Muster" about a Russian official coming here—and I will be brief with it—says—

Since his arrival in Australia recently he has been preparing terms for Russian purchases of Australian wool, and arranging final details with buyers he has selected in Australia.

It is believed that these suppliers include the well-known wool firms, Dreyfus & Co., Kreglinger and Fernau and Prevost and Co.

Let us have a look at these firms. Some of them were named in the inquiry held into wool sales by the New South Wales Industrial Commission as people engaged in operating buyers' rings at the Sydney wool markets. Before this inquiry, which was conducted by the Industrial Commission appointed under the New South Wales Monopolies Act, a wool buyer, Mr. Rene Moniez, is reported in the "Sydney Morning Herald" of 13th November, 1958, as having said that he was in a "pie", which is a buying group, with eight other wool-buyers. Mr. Moniez said that other buyers in the "pie" included L. H. Bell Proprietary Limited, John Sanderson and Company (New South Wales) Proprietary Limited, and Kreglinger and Fernau (Australia) Proprietary Limited. Another firm is mentioned here also. This gentleman who, it is believed, will buy wool for the Russians belongs to a buyers' pie. That fact was revealed before the royal commission to which I have referred.

What is a "buyers' pie"? Buying brokers get together and they say, "Don't be foolish, boys; let us all go down to the sales but only one of us bid, and we can split up the lots afterwards". That is rather a natural thing to do. But in this

country there is no corresponding organization on the selling end, and the end result is that this nation suffers. I mentioned that after World War I. we had a buyer-selling organization for the growers called British Australian Wool Realization Association which sold the war-time surplus of 1,700,000 bales, or thereabouts. About one-fifth of the surplus left over after World War II. had to be sold under a similar organization. It is a remarkable thing that when there is a surplus which clearly represents a danger to the wool-growers, the commercial men get together, as well as the brokers and the conservative politicians, and approve of something being done about it. But when the mountain of wool disappears and the immediate danger passes, they want to open the way for the speculator again.

I will not traverse the history of B.A.W.R.A., because it is long, but it was a successful organization, and sold for the growers of this country £35,000,000-worth of wool when other people said, "Dump it, because you will not be able to get rid of it". At the end of World War II., there were 10,000,000 surplus bales of wool in England which had been supplied by South Africa, New Zealand, the United Kingdom and Australia. The Labour government of the day agreed to buy a 50 per cent. interest in the Australian portion of the surplus, amounting to 7,000,000-odd bales. It agreed to form an approved organization to be known as "J.O.". It was believed that to sell those 10,000,000 surplus bales of wool would take from ten to fourteen years. But the market proved buoyant and that wool was sold, together with the incoming wool clips, within five years.

That scheme was backed by the Commonwealth Labour Government under the leadership of Mr. Curtin and Mr. Chifley. The end result was that because a reserve price was fixed by agreement between South Africa, New Zealand, Australia and the United Kingdom, a profit of more than £99,000,000 was made out of that transaction. Of that sum, £40,000,000 or £50,000,000, for which the Commonwealth taxpayers were committed and which could have been lost, was paid out. It was really only a sum to be drawn on, but it was safe and the Australian wool-grower received

the proceeds from the sale of that surplus wool which he had already been paid for.

Let us trace the subsequent history of wool. There was a movement among the growers to get a similar organization to protect future wool clips, but it was destroyed. I make that charge with a full sense of responsibility. I believe it was destroyed wilfully by the then Treasurer of the Menzies Government. How was it destroyed? It was agreed among the growers' organizations that a poll be taken regarding the new set-up which was to be very similar to the successful one which had ended its work. The Menzies Government had just obtained an agreement with South Africa, New Zealand and the United Kingdom for a similar scheme to proceed. Then, in the 1950-51 Budget it imposed a tax of 7½ per cent. on the gross sales of all wool sold in Australia in order to raise the finance necessary to work the new scheme. I do not think the growers worried much about that, but the Government imposed a further 20 per cent. deduction from the gross wool cheques of every wool-grower in Australia, and the brokers, the buyers, the banks, commercial interests in this country and a whole lot of people who had more interest in commercial transactions than in wool and not much interest in the welfare of their country, launched propaganda for a "No" vote, and unfortunately the growers voted out that scheme. They believed that if they voted it in, they would lose 27½ per cent. of their wool cheque each year.

But time marches on. That was in 1951. Since then the position of wool has become serious. In 1957-58, during one period of twelve months the return from wool in Australia dropped by £100,000,000. During this last twelve months it dropped £71,000,000. Hence, the Government has been faced with difficulties and many other people in this country are suffering. The honorable member for Paterson (Mr. Fairhall), in his excellent speech this afternoon, urged that the Government should appoint a royal commission to inquire into the problems of wool selling and the promotion of the use of wool. I do not want to do the honorable member an injustice, but I do not think he intended that the royal commission should cover the marketing of wool clips.

Mr. Turnbull.—He said that.

Mr. POLLARD.—I do not know whether he did.

Mr. Turnbull.—He said it.

Mr. POLLARD.—He might have said it, but he can speak for himself. The honorable member for Mallee can speak for himself, too. Over the last twelve months there has been a lot of propaganda in this country on the question of the fall in wool prices. It is noteworthy that the conservative interests among the wool-growers, their henchmen and those who pull the strings among the buying groups of brokers, as well as other interested parties—and some of them ought to know better—have been trying to make wool-growers believe that the real problem is one of sales promotion—getting buyers for the wool. That is important, and I agree with most of what the honorable member for Paterson said. However, I say very emphatically that what is needed immediately is some means of matching the skill of the overseas buyer and his brokers and representatives in this country—a selling organization which this Government ought to be sponsoring for the growers. Until the Government does that, all promotion activities will go by the board. Any one would think that in every year of the last ten years a wool surplus had been banking up in Australia and that we could not get rid of it. The plain fact is that with the exception of about 60,000 or 70,000 bales at the end of every selling season, and the exception also of the war time period, the whole wool clip has been cleared each year. The outstanding problem is to get a price for it.

These are the facts, but they do not discount for a moment the need to launch a promotion drive with sales talk to teach people the virtues of wool and encourage them to buy it. But when the honorable member urges the Government to appoint a royal commission to inquire into sales promotion methods and so on, I think he is indulging in the same sort of talk that is coming from other interests in this country in an effort to divert the minds of the wool-growers from the very real immediate problem, which is the price of wool.

Mr. Killen.—It was a very good suggestion.

Mr. POLLARD.—The honorable member says it was a good suggestion. Any intelligent Cabinet Minister could gather around him within a reasonable period all the experts on sales promotion that this country has—and some of them are pretty good. On television one sees these experts engaged in all sorts of sales promotion. I think of the "Four and Twenty Blackbirds" unit. They give all sorts of commercial pep talks. Surely the advertising of wool either at home or abroad does not require an inquiry by a royal commission in order to launch a sales promotion drive. Such an inquiry would only cause delay.

The constitution of the Australian Wool Bureau is in question. I have some sympathy with the point of view of the honorable member for Paterson, but do not let us be deluded about the other important question of getting hold of the marketing end. What did the late William Morris Hughes do in 1921 when the wool industry went to him and said, "The price of wool is down to 6d. a lb.; we want you to do something about it"? He drafted regulations under the Customs Act, I think, which prescribed that no wool was to be allowed to leave this country under what was then considered to be the bare cost of production, namely, 9d. per lb. A reserve price was to be declared from time to time. Immediately, the people who had been bidding 6d. per lb. lifted their bids to over 9d. Some people say that was a purely fortuitous circumstance, but the fact remains that the regulation was effective. Until some drastic action is taken, we shall be fools in the eyes of the world, because, as the producers of a great product—the world has proved it wants our wool because it takes it every year—we do not have sense enough to take steps to have an effective say in the price paid for it.

Any man who says that we should ask outrageous prices ought to be examined mentally, but we have the Bureau of Agricultural Economics, established by a Labour Government, which has been operating for the last ten years. It has earned the admiration of the whole world by the soundness of its findings. The bureau is capable of telling us the average

cost of production of wool. It can assess the cost of production of a highly efficient producer and that of a less efficient producer and take an average. That information could be utilized in a pricing method, or in some other way of dealing with this very vital and, I believe, immediate problem.

I want to add a few words about postal charges. I have not time to say very much, but I do say that it is a well-known fact that from 1901 to 1945 the Post Office paid for all of its capital requirements out of its earnings. It is true that since 1945 capital works have been provided for out of Consolidated Revenue, but apparently there has been no very effective book-keeping system by which the actual interest obligations of the Post Office in respect of its more recently borrowed money and in respect of the valuation of its capital property can be ascertained. The Post Office does not seem to have any effective knowledge of these things.

It is quite true that at the moment the Post Office is losing some money, but it is also true that it is unjust to raise extra revenue to meet losses incurred by the Post Office when a major portion of those losses is due to the fact that this Government, and all other governments, as a matter of policy, have laid it down that country residents shall have mail deliveries, telephone services, telegraphic services and other public services at far below cost. Are we now to tolerate a Government that, in order to recoup the cost of the services that have been given to people in isolated areas, as a matter of policy, is going to load that cost on to, for instance, the humble suburban householder who has a telephone? The husband may be away from home all day. If he is a member of Parliament, he may be away for a week. Are we to load on to telephone users in the city and, by the same rule, on to telephone users in the country, an obligation that, in view of the policy of assisting people of the outback, should properly be discharged from Consolidated Revenue, to which every taxpayer contributes on an equitable basis? That is the place to put the burden. The present proposals are unjust because they penalize non-profit-making organizations, such as religious, sporting and other bodies.

The TEMPORARY CHAIRMAN (Mr. Wight).—Order! The honorable member's time has expired.

Mr. BRIMBLECOMBE (Maranoa) [9.24].—At this late stage, when the Budget debate is drawing to a conclusion, I want, first of all, to offer my congratulations to the Treasurer (Mr. Harold Holt) on the presentation of his first Budget in this chamber. I intend, however, despite the second speech he has delivered, to offer some criticisms of certain matters contained in that Budget.

I think this is an appropriate occasion to pay a tribute to Sir Arthur Fadden, who was the Treasurer of this country for so many years, and who played a very big part in bringing about the sound economic conditions which this country enjoys to-day. I think it should be put on record that he played a major part in placing the economy of Australia on a very sound basis. I think it is worth recalling to the minds of some of the younger people in the community that when he introduced some of his early Budgets, which I well remember, he was criticized by all sections of the people from one side of the country to the other, so much so that at one period he said that he could entertain the only friends he had left in a telephone box! However, as time went on, he was proved to be right, and I think the great majority of the people of Australia now are prepared to say that what Sir Arthur Fadden did was in the interests of his country and that he is a great Australian.

The honorable member for Lalor (Mr. Pollard) gave us a dissertation on the position of the wool industry as he saw it. His speech was in contrast with those made earlier by the honorable member for Paterson (Mr. Fairhall) and the honorable member for St. George (Mr. Clay). They discussed this matter with a view to advising the people of Australia of what would happen to the country and the great majority of the workers if the wool market collapsed any further than it has done in recent months. I think they did a duty to their country by stating the facts, and the people of Australia should pause for a moment to think of the dire circumstances that would arise if the wool industry were to go to the wall.

I recall that, not many years ago, when woolgrowers were enjoying high prices for their wool, they did not receive any sympathy from a number of Labour members of this Parliament. I can remember speaking on this subject in the House. I spoke as the representative of one of the biggest fine woolgrowing electorates in the Commonwealth. As a matter of fact, over half of the sheep in Queensland—11,000,000 of them—are in my electorate. When I spoke on behalf of the woolgrowers, I was chided for being parochial, and I was told that I was always looking after the great wool and beef barons. I was chided with that, and the record can be seen in "Hansard". To-day we find that honorable members opposite are talking in a different strain. I do not include the honorable member for St. George in what I am going to say, because he has already demonstrated that he can see the dangers ahead if any further calamity happens to the wool industry.

Members of the Opposition are now displaying great sympathy and telling this Government, quite rightly, that it should do something to rectify the position. It is their duty to do that sort of thing if they think it is in the interests of the nation. But they should be consistent. The production of the wool industry is subject to the vagaries of the seasons to a very great extent. The industry also relies on the free auction system, which the growers themselves have decided they want. The Government adopts the attitude that if the growers want a free auction system, they shall have it. It is their product and they should decide the best method for its disposal. The honorable member for Lalor has claimed that some of the buyers rig the sales and that a free auction system does not exist. He has said that the buyers go to the sales and make one bid. My colleague, the honorable member for Mallee (Mr. Turnbull), has reminded me that the infamous Newmarket one-bid auction was introduced by the Labour Party. What reply can the honorable member for Lalor make to that assertion? During his speech he did not say one word about what that system has cost the primary producers.

He said that the Labour Party would trade with any country irrespective of the

religious beliefs and political views of its people. I remind him of the attitude adopted by the Labour Party when this Government announced its intention to enter into a trade agreement with Japan. The Labour Party opposed the move very vigorously and voted against it in this House. How can the honorable member reconcile that fact with his statement tonight that the Labour Party is prepared to trade with all and sundry, whether it is red China, Russia or any other country? The Labour Party should be consistent in its attitude.

I should like to comment on the proposal to reduce income tax by 5 per cent. I join with the honorable member for Canning (Mr. Hamilton) in saying that the reduction will be of advantage to only a very small minority of the people. The proposal will benefit those who have assets and will give nothing to those whose income is so low that they are not liable to be taxed. I refer in particular to the great majority of the people whom I represent. One has only to look at the figures to see how income from primary industries has been falling and how costs have been rising. Although the total income from 1956-57 to 1958-59 has remained fairly static, costs in the form of wages, depreciation and other charges have risen considerably. I venture to say that the great majority of primary producers will not be liable for income tax in any case, so they will not receive any benefit from the proposed reduction of 5 per cent.

I should like to refer now to postal charges. Of all the Ministers who have participated in this debate, only the Prime Minister (Mr. Menzies), the Treasurer and the Minister for Supply (Mr. Hulme) have made any reference to this very contentious matter. The Prime Minister has announced that some alteration will be made in the bulk postage rates. The Minister for Supply, in a very brief reference to the subject, made a poor defence of the proposal to increase the postal rates. The Government would be wise to reconsider its proposal. I make that statement after having given some thought to the subject. During the last few years I have made it my business to study the operations of the various sections of the Post Office. I have found that senior officers have been

able to effect many economies in all branches. During his Budget speech the Treasurer, referring to the efficiency of the organization, said—

We all know it to be a highly competent organization—efficiently managed, devoted to the service of the public, progressive in its outlook, eager to meet the ever-increasing demands upon it for wider and better facilities. It has had notable success in this; it has made really great headway in providing Australia with an adequate and up-to-date communications system.

I know that statement to be true because I have investigated the operations of the Post Office. I have visited practically all the large post offices in Australia as well as many of the smaller establishments, and I have talked with the employees in those places. A committee will investigate the capitalization of the Post Office and express it in proper accounting terms. If that committee reports that there is no justification for the increased charges, I wonder whether the Government will reduce them. I suppose that, in this instance, any reduction could not be made retrospective.

It has been suggested that losses have been sustained by various sections of the Postmaster-General's Department. I agree that there may have been losses in terms of pounds, shillings and pence, but how can one place a monetary value on the service that the Post Office has given to the people of Australia, particularly those in the country areas? The Government has a duty to provide services for the people who are prepared to pioneer the outback. Unless they are given some of the amenities of city life—and postal and telephone services are what may be called an essential amenity in the country areas—how can the Government expect them to go into the wide open spaces?

Every day we read and we hear that it is essential that we produce more and reduce costs. Industries, particularly primary industries, in the electorate which I represent are very conscious of the fact that costs must be reduced if we are to compete in overseas markets. But the manufacturers and the primary producers have no control over the majority of the costs that they must bear, and this Budget has not given them a lead as to the way in which the question should be approached.

I shall state briefly my view on how production costs may be reduced. First and

foremost, transport costs should be reviewed. If there were some co-ordination between the transport services of the various States, these costs could be reduced materially. Transport represents between 20 per cent. and 30 per cent. of the cost of primary production. Another way to reduce production costs is to assist people engaged in primary industry to obtain up-to-date equipment and thus produce more efficiently. I have in mind especially those who have commenced operations within the last eight or nine years. In my own area those people are well and truly up against it in obtaining finance for modern equipment and taking advantage of the new techniques made available by the Commonwealth Scientific and Industrial Research Organization. Of course, I am living in hope that the proposed Commonwealth Development Bank of Australia, which will commence operations next year, will be able to provide the necessary credit for this purpose and for other essential purposes. At present it is difficult to obtain finance from the trading banks, which prefer to invest in avenues offering quicker returns.

Until recent years it was the practice for the country storekeeper, and the stock and station agent, to act as a sort of banker for the farmer to carry him over the seasonal period. They could obtain short term credit with which to buy the whole of the sacks of fertilizer needed in a district and could extend similar credit to the primary producers using them. Such short-term credits are no longer available. Their withdrawal is retarding production and is imposing a great handicap on primary producers.

At present a convention of scientists is being held in Perth. Once again we have been told that there is a dearth of able scientists in Australia. I shall mention only one group, for whose services primary industry is crying out. I refer to the agricultural scientists. Why are they not available in greater numbers? Facilities for training young people are provided at the universities, but pupils are not coming forward for training. When the agricultural scientist has taken his degree and goes out on probation he is paid less than a plumber. He is the lowest paid of all

scientists, yet this country depends upon the sale of primary produce for the overseas credit that it needs if it is to buy the material which keeps secondary industry going.

Mr. Clyde Cameron.—Whose fault is that?

Mr. BRIMBLECOMBE.—It is our fault, and doubtless when Labour was in office it made the same mistake. I ask the Government to grant more scholarships for work in this faculty; to make the associated grant more liberal; and to ensure that the probationer is given adequate remuneration. It may be said that I have an axe to grind in bringing forward this matter. Indeed I have. Almost all the members of my family are agricultural scientists. They are leaving their government employment because they do not receive sufficient remuneration to make it worth their while to remain. They could make more outside with private enterprise, or by simply going on the land. Australia cannot afford to lose agricultural scientists, who are the link between the producers and the sales end. We must encourage them in every way possible. I plead with the Government to look at this matter and ensure that these people are given a decent position in the list of scientists, which is a very long list. At present they are at the bottom and there are available very few to fill the positions that are vacant.

Trade is the life blood of this country, and the Minister for Trade (Mr. McEwen) has done a mighty job in promoting it overseas. I recall that, some years ago, he warned Australia that we must encourage our secondary industries because we could not live for ever on our earnings from primary industry. He has done everything in his power to attain that end. We of the Australian Country Party believe that a proper balance should be maintained between the primary and secondary industries. We believe that the home market is the best market, but we have not forgotten that the export market is the most important for the maintenance of this country's economic stability.

Mr. CLYDE CAMERON (Hindmarsh) [9.49].—I think that I ought to tell any one who may have been listening to the hono-

rable member for Maranoa (Mr. Brimblecombe) that he is normally a supporter of the Government. He is an Australian Country Party representative and his party alone is responsible for keeping in office this Government—which he has criticized so correctly, and with such justification. Indeed, it is his party alone that makes it possible for the Government to increase postal charges in the way that he has criticized. It is the Australian Country Party alone which is responsible for this Government being able to make tremendous reductions in tax on high incomes—giving practically no benefit to the smaller income-earners whom he mentioned when referring to the primary producers. It is perfectly correct, as the honorable member said, that there are very few primary producers to-day who will get any benefit at all from the reduction in income tax that is proposed in this Government's Budget. On the other hand, people living in the capital cities who own large parcels of shares in the big concerns which manufacture the things that the primary producer has to buy at a price fixed arbitrarily by the manufacturing combines themselves, will have the lion's share of the reduction.

If the members on the Government side of the chamber who have criticized this Budget in the same way as the Opposition has criticized it vote, in a few minutes' time, in accordance with the way in which they have spoken, the Budget will be rejected and this Government will have to face another general election. Of course, although some honorable members opposite often speak against things that the Government does, they can always be relied upon to vote for the Government when its fate is likely to be in the balance.

Whilst it is pleasing to know that some members of both Government parties are now agreeing with the criticisms which the Opposition has levelled against this rich man's Budget, it would be very much more pleasing if we could see them match their words with deeds and vote against the Government when the division bells cease ringing and the count of heads takes place.

The honorable member for Maranoa made yet another important point when he said that trade is the life blood of this country. There is no doubt that trade

is the life blood of a country. Any government that knows its responsibility to its people ought to do everything possible to expand trade. I agree that a country should not, of course, send to countries that may become enemies, strategic raw materials or materials that could be turned into war goods. On the other hand, I cannot understand the double talk of members of the Liberal Party and Australian Country Party when they pretend on the one hand, that they are opposed to trade with China, but, on the other hand, do not oppose trade with red Russia. They are opposed to recognizing red China, yet they are quite prepared to recognize red Russia!

The honorable member for Hume (Mr. Anderson) who is interjecting knows that he sold his wool to red Russia at a time when it seemed that wool would be a very important factor in a war which the Government had told us was only three years away. This honorable member who always has so much to say about not recognizing red China, sold his wool to red Russia for no better reason than that red Russia was able to pay him a few pence per pound more for it than anybody else was willing to pay. The primary factor in the honorable member's mind was not any "hi-falutin'" principle about recognizing Communist countries, but the question of how much more money he could get by selling to red Russia—a country which his own Prime Minister had told him, in 1951, would be at war with us within three years. That illustrates the kind of split principle that seems to be applied in this question of the recognition of red China.

Although the Government talks a lot about refusing to recognize red China, the Minister for Trade (Mr. McEwen) has told us that it is now quite in order to sell not only wool and foodstuffs but also steel to red China. This indicates how strong are the Government's moral objections to trade with Communist countries. Its excuse for permitting our potential enemies in the Communist world to be supplied with vital war materials is in effect, "If we do not give the Communists steel, some other country will, so we might as well join in the bean-feast and get our cut of the profit". The prime consideration of these people, all the time, is not some high principle but the

question, "How much money can we get in our own pockets from the transaction we now contemplate?"

The difference between the policy of the Government and that of the Labour Party is that we are honest. We agree with the honorable member for Maranoa when he says that trade is the life blood of the country. We believe it is proper to trade with the countries of the world irrespective of their kind of government. I do not criticize the honorable member for Hume for having sold his wool to red Russia at a time when war seemed to be inevitable; but I do not like to hear the honorable member criticizing the Opposition simply because it is honest enough to say that we ought to trade with any country irrespective of its politics. At the same time as he criticizes us for advocating trade with these countries, he trades with them himself, selling his wool to red Russia simply because he can get an extra penny per lb. for it.

The Opposition simply says, "Let us face the issue". If we decided to trade only with those countries whose politics are the same as our own, we would not be able to trade, I presume, with New Zealand because it has a Labour government and we have a Tory government. We would be able to trade with the United Kingdom only so long as it elected Tory governments. If a Labour government were elected, presumably we would stop trading because we disagreed with that Government's politics. This is a magnificent form of reasoning—that once a government's politics are different from ours we should refuse to trade with the people of that country. That is the kind of addled thinking which typifies the attitude on the Government side of the chamber to this question of trade with China. I believe, as I have always said, that we ought to trade with any country. The more we extend the avenues of trade, the better the chance we will have of selling our surplus commodities, and the better the chance we will have of getting higher prices for our existing exports such as wool.

Let us look at the situation which has been gradually developing in this country since this Government has been responsible for its finances. In 1958-59 our overseas reserves were £16,000,000 more than in the previous year. That sounds quite good. But against the increase of £16,000,000

must be offset £203,000,000 worth of invisibles including freight charges, insurance payments and interest on overseas borrowing. Consequently, instead of having a surplus of £16,000,000 we had a deficit of £187,000,000.

It may be said that there is nothing we can do about the invisibles. I disagree entirely with that statement. A substantial part of the £203,000,000 consists of shipping charges which are arbitrarily fixed by the shipping cartels in the United Kingdom and other parts of the world. These charges are fixed at the maximum rate that the cartels are able to extract from the primary producers, especially those in this country who have to rely on shipping to get their goods to the world markets. The Government should expand the Commonwealth-owned shipping line so that the people's own ships may be used to carry the produce of this country for the actual cost of working the vessel.

Mr. Forbes.—Put Lascars on.

Mr. CLYDE CAMERON.—I do not know which honorable member opposite interjected but one of them looks like a Lascar himself. I do not agree with putting Lascars on the ships. The mentality on the Government side of the chamber is indicated by this suggestion that Lascars should be employed on Commonwealth-owned ships at cut rates of wages. We could and should employ good Australian seamen on our own Australian ships, pay them decent wages and save the exorbitant profit that goes to the shipping cartels in England. A tremendous reduction would then be made in the invisible charges that have to be paid by the primary producers. The poor old primary producer is the one who fattens the shareholders of the P. & O. line. And has anybody in this House ever heard one word of protest from members of the Country Party against that form of exploitation? Of course not!

Mr. Daly.—There is only one of them awake.

Mr. CLYDE CAMERON.—As the honorable member says, there is only one of them awake at the moment, which indicates the interest the members of the Country Party have in the affairs of the people they pretend to represent. The

point I wanted to make was that, in addition to the drain that has occurred already in our overseas balances, this Government has now decided to increase by another £50,000,000 the value of imports it will permit to come into the country. Therefore, we have to find a further £50,000,000 worth of exports to meet the extra £50,000,000 worth of imports the Government has now decided to allow into the country. It is true that there has been an increase in the price of wool and that this increase will to a large extent meet the extra £50,000,000 worth of imports the Government has decided to admit to the country, but the important point is that the whole of the increase in the price of wool which we expect to flow to us as a consequence of the Russian entry into the wool market is now going to be absorbed by the increased import quotas this Government has decided to allow.

Still talking about invisibles, I emphasize that when we send dividends out of this country as a consequence of foreign investment here we are sending away something for which we will get no return whatever. It is something like the tribute which the Romans extracted many centuries ago. When the conquering Roman armies marched into foreign lands and subjugated the peoples, governors were appointed to rule them and to collect tribute from them to be sent to Rome. To-day, overseas capitalists are doing much the same thing. The only difference is that they are invited here. They are being feted and given great treatment by the Australian Government, not so that they will bring armies to extract tribute from us but in order that they will bring in capital which is just as effective a means of extracting tribute not only this year and next year but for centuries to come, unless some other government steps in and puts an end to it.

Let us now examine the position of General Motors-Holden's Limited. Last year, the company made a net profit of £15,000,000; that is after paying taxation and after setting aside a very liberal amount for depreciation, and a large amount for reserves. The actual profit was £30,000,000, and 425 per cent. of the original net capital of the company was sent abroad last year in the form of dividends. In other words, General Motors-Holden's Limited sent

away £7,500,000, an amount equal to 425 per cent. of the original capital investment. In fact, if one looks at the total net profit that General Motors-Holden's Limited made one finds that it represents 800 per cent. profit in one year on the original capital investment.

There has been a good deal of misconception about the original capital of General Motors-Holden's Limited. No doubt many people know that the original capital invested in this company was about £2,225,000. But there was not one American dollar in that amount! That £2,225,000 was lent to General Motors-Holden's Limited by the Commonwealth Bank!

Mr. Anderson.—Under what government?

Mr. CLYDE CAMERON.—Under the Chifley Government. So every time the honorable member praises General Motors-Holden's Limited, as he did in his speech—

Mr. Anderson.—I did not praise the company.

Mr. CLYDE CAMERON.—The honorable member did! I read the report of his speech, and it did not surprise me that he said that it was a marvellous thing to see General Motors-Holden's Limited making £30,000,000 profit while the primary producers did not know which way to turn to pay their debts.

Mr. Anderson.—I said that I did not praise the company.

Mr. CLYDE CAMERON.—One minute the honorable member praises the idea of General Motors-Holden's Limited making a profit of £30,000,000, and now he speaks as though it is a terrible thing because the Labour Government introduced the proposal in 1947 for the establishment of the company.

Mr. Anderson.—What nonsense!

The CHAIRMAN (Mr. Bowden).—Order! The honorable member for Hume will remain silent, as will all other honorable members.

Mr. CLYDE CAMERON.—Some might ask, "Why does not General Motors-Holden's Limited increase the capital base of its undertaking here? Why does it still leave the base at £2,225,000? Why does

it not issue bonus shares as other companies do?" There is a very good reason. If the company did increase the capital base of its assets, then, for a start, it would have to pay a capitalization tax of 15 per cent., and it is not prepared to do so. Indeed, General Motors-Holden's Limited is determined to pay as little by way of tax as it can to the Australian people, and, while it is determined to pay as little by way of tax as it can, having got the Government—I think it was in 1953—to agree to the abolition of double taxation, so that it now pays no tax at all on certain earnings on which it previously paid tax, it is charging the Australian users of its product as much as it can extract from them while paying its employees only what the Vehicle Builders Union forces it to pay. If it were not for the efforts of this union, which is constantly pressing the company for increased wages and decent conditions of employment, General Motors-Holden's Limited would be in a very much better position than it is to-day, and the employees would be in a very much worse position. Profit can be made in one of two ways—either by under-paying the employees or by overcharging consumers for the goods produced. I believe that General Motors-Holden's Limited is doing a little bit of each. It is certainly true that it is overcharging when one looks at the profits it makes on the goods it sells and, having regard to the profits, I believe the company is grossly underpaying the men it employs.

I have referred to the tribute that is being extracted from this country. Let me explain what I mean. In 1948-49, 4½ per cent. of the total national income of Australia went abroad in the form of dividends on capital invested in this country from overseas. Let me now give the figure for 1956-57, which is only two years ago. The amount has been increased substantially since then, as every one will agree, but the year 1956-57 is the last year for which I have been able to obtain figures. The tribute taken out of this country by foreign investors in the form of dividends from which we get no benefits whatever amounted to 8½ per cent. of our national income in 1956-57. How much longer will this drift be allowed to continue? If the percentage gets higher and higher, the time will come when 50

per cent. of our total national income will be sent to overseas investors, while the people who produce it, and the country which is responsible for its production, will get no benefit whatever from it.

I believe that we are now faced with a very serious situation. This Government is allowing an inflationary situation to develop. Even its own supporters are now beginning to criticize it and ask very pertinent questions about it. I refer the House to the speech delivered by the honorable member for Bradfield (Mr. Turner), who is a member of the Liberal Party in this Parliament. This is what he said only the day before yesterday—

Fear and anxiety are gripping at the hearts of tens of thousands of thrifty people in this community as they watch the erosion of their savings and wonder how they can provide for their declining years. I make a plea for these forgotten people, who are a numerous and not negligible section of the community.

The Leader of the Opposition (Dr. Evatt) was perfectly correct when he described this as a rich man's budget. It is a rich man's budget, as Country Party member after Country Party member and some Liberal Party members in Country Party seats have indicated. It is a budget which seeks to give enormous reductions in income tax to the very wealthy and the paltry sum of 9d. a week to the ordinary family man with two or three children. To illustrate this point, I mention the case of the man who is earning £1,000 a year and who has three children. He is now paying £54 a year in income tax. He is to receive a magnificent reduction of 1s. in the £1 or 54s., not a week, not a day as some of the rich will receive under this Budget, but a year. He is to get the wonderful payout of 1s. a week! That is completely illusory, because he has not yet looked at the effect of the basic wage increase. When he adds the 15s. increase in the basic wage—equivalent to £39 a year—to his income of £1,000, he will find that instead of enjoying a reduction of £2 14s. a year, as the Treasurer pretended, he will pay an extra £6 a year. Instead of paying £54, as he did last year, he will pay £60 a year because of the effect of the basic wage increase upon his salary. It must not be forgotten, either, that the increase in the basic wage does not improve his standard of living. It merely seeks,

belatedly, to maintain his present standard. Therefore, he is forced to pay £6 a year more in tax than he paid last year, instead of paying less, as the Government claims.

Turning to the other side of the picture, the wealthy men who live in the mansions of Vaucluse, Springfield, Toorak and all the other flash suburbs in the various capital cities—the stock exchange investors and bankers, men whose incomes are about £20,000 or £30,000 a year—are not affected by the 15s. increase in the basic wage. Let honorable members not laugh when I mention incomes of £20,000 and £30,000, because there are in Australia men who receive such incomes. The reduction in their income tax will be of the order of £10 a week, while the man on £1,000 a year, with three children to maintain, will have to pay an extra £6 a year.

This Government talks about a deficit of some £61,000,000. What is a deficit? When a government has commitments which it cannot meet from taxation and from borrowings, it has to make up the difference in some manner. This Government proposes to bridge the gap with treasury-bills. What will happen will be that the private banks will buy from the Government, with credit created by the private banks, these treasury-bills issued by the Government to bridge the gap between commitments on the one hand and revenue and loan raisings on the other hand. No real money, no new money in the true sense of the word, will be made available. Credit created by the private banks is to be used by them to pay for the treasury-bills, on which the Government will then pay interest to the private banks so that they may be reimbursed for the trouble of issuing this imaginary credit. All that the private banks will do in this transaction will be to expand their own credit in order to buy government securities. They will then use those very securities, which they have bought as a consequence of expanding their own credit, in order to build up their liquid assets, on which they can make additional credit available to their ordinary borrowers.

Who are their ordinary borrowers? As the honorable member for Maranoa has said, the ordinary borrowers from private

banks to-day are not the farmers, who are living in hope that they might get money from the new Development Bank. The ordinary borrowers from private banks to-day are the hire-purchase companies. What is their position? The honorable member for Hume (Mr. Anderson) is shaking his head. Of course, he would not know anything about hire-purchase transactions. Having sold his wool to the Russians at such a high price, he does not know anything about buying goods on hire purchase. I can tell the honorable gentleman that the Australian community has increased its indebtedness to hire-purchase companies from about £58,000,000 ten years ago to £351,000,000, which is the amount now owing to the various hire-purchase companies. These companies in turn are getting their money from people who normally would be making money available in government loans for government undertakings and public works.

If bank credit is to be extended, why can the Commonwealth Bank not extend the credit which is now allowed to be handled by the private banks? If the Commonwealth Bank did so, the interest would be payable to the Government itself, and no interest would be payable, as it is now payable, to the private banks. There would therefore be no secondary inflation, such as is the case when money is borrowed from the private banks, or when private banks are allowed to buy treasury-bills on artificially or privately created bank credit. The interest rate in this country has reached an alarming level. The total interest bill is £148,000,000 a year, as against £83,000,000 a year ten years ago. We cannot go on forever building up this enormous indebtedness in interest rates to overseas lenders of money and to internal lenders of money to the Australian Government. We cannot go on forever meeting this enormous interest bill of £148,000,000 a year. There has to be an end to it sooner or later, and the sooner the better.

I want to deal quickly with the Budget as it affects various groups. I remind the Committee that the Government has decided to reduce income tax by £20,000,000, the major portion of which will go into the pockets of the very rich people, company investors and banking

institutions of the country. Government supporters say that high taxes are an impediment to earning capacity, but I do not believe it. I do not believe that you can stop people from wanting to earn more money simply by increasing their taxes. That is a myth that ought to be exploded. This Government is wrong in paying out every year more and more handouts to the rich who do not need them, leaving the poor who need relief so badly to flounder along as best they can. The Government has given a handout to the wealthy by deciding that those who can afford to pay £8 a week in insurance premiums will be able to deduct the whole £8 from their taxable income. What working man can afford to pay £8 a week in insurance premiums? Obviously, this is another handout to the very wealthy. Private companies will receive taxation concessions amounting to £2,250,000. Foreign oil companies, which have taken up all the oil prospecting leases with the exception of two or three, will get a handout of £1,250,000. When they find oil, they will decide whether we get the oil and, if so, at what price.

That is the sort of thing done by this Government, which claims to represent the people. It has announced a reduction of $\frac{1}{2}$ d. a gallon in excise duty on petrol, but it has no guarantee from the oil companies that the $\frac{1}{2}$ d. reduction in excise will be passed on to the motorist. I shall be very surprised indeed if it is in fact passed on. The Government has announced its intention to increase the age pension by 7s. 6d. a week, that is, to 34.5 per cent. of to-day's basic wage, whereas the pension fixed by the Chifley Government was 37 per cent. of the basic wage in 1948. If the Government maintained the relationship between the pension and the basic wage established by the Chifley Government eleven years ago—everybody else has had an increase except the ordinary worker—the pension would be not £4 15s. but £5 3s. Yet this Government has the cheek to boast about what it is doing for pensioners.

An amazing position exists in relation to proposed increases in postal charges amounting to about £17,800,000 a year. The ordinary letter rate, which is applicable to letters written by the average man,

will be increased from 4d. to 5d., while the air mail rate, which is applicable mostly to letters written by business men and wealthy people who want quick replies and do not worry about a 3d. surcharge, will be reduced from 7d. to 5d. The main beneficiary from the increased charges will be Ansett-A.N.A., because it is proposed that all letters will be sent by air. I hope that Ansetts, when carrying out this contract, will do it a little more honestly than was the case six months ago when one of their big motor transports overturned on the Hume Highway and its contents, scattered all along the road for everybody to see, included thousands and thousands of air mail letters. These letters, on which the Government had been paid 7d., were being moved by ordinary surface transport.

Mr. Killen.—Can you prove that?

Mr. CLYDE CAMERON.—That can be proved.

The CHAIRMAN.—Order! The honorable gentleman's time has expired.

Mr. OPPERMAN (Corio) [10.19].—It is always interesting to hear the honorable member for Hindmarsh (Mr. Clyde Cameron), who has just concluded his speech. As usual, it makes up in fluency and force what it lacks in sense and logic. The honorable member referred to wool. I remember that when we put a 30 per cent. tax on wool sales to balance against future income tax as a buttress against inflation, the honorable member as well as the Leader of the Opposition (Dr. Evatt) and the Deputy Leader (Mr. Calwell) put up a bold fight purely for the sake of being opportunist protagonists for the poor old woolgrowers. It is rather ironical to hear the honorable member speak of the lack of cohesion in the Liberal Party when one thinks of a case now before the court concerning a certain trade union, and when one also thinks of the dissension in the Australian Labour Party to-day which has caused it to lose the confidence of the Australian people. The honorable member's economics are sadly off the beam when he talks of nationalized shipping lines because he overlooks conveniently the cost of running a ship on Australian charter rates of pay. Obviously, those rates would have to be paid, but they are more than

£200 above the British charter rates. So, the primary producer whom the honorable member professes to be so solicitous about would be merely subsidizing the honorable member's socialistic ideas.

Before I speak on the Budget, I would like to congratulate the Treasurer (Mr. Harold Holt) on bringing forward his first Budget. We in this Parliament know the right honorable gentleman's versatility, his experience and capacity, which have made him a most prominent political figure. Following his representation of Australia overseas in various roles which he filled so capably as Minister for Immigration, Minister for Labour and National Service and Chairman of the Commonwealth Parliamentary Association, he is regarded highly abroad as an outstanding statesman. With such a reputation to sustain and having taken over his portfolio from such a renowned personality as Sir Arthur Fadden, the Treasurer might have been forgiven if he had yielded to the human temptation at his first attempt to make a spectacular effort to extend concessions to all sections of the community. That would have gained him an immediate and temporary popularity, but it would have been gambling with Australia's future. However, to his credit and to the benefit of Australia, he has demonstrated the level-headed judgment which has earned him his present important portfolio. Instead of yielding to any such impulse the right honorable gentleman has reflected in this Budget the restraint, control and sense of responsibility which has marked the Administration of the Menzies Government during the past ten years.

The Opposition in fairness to its own followers who, after all, derive the greatest benefit from stability in employment should indicate some appreciation of the situation instead of endeavouring once more to create the same old atmosphere of gloom and depression. For years, the Opposition has despairingly tried to paint a gloomy picture of what lies ahead. Honorable members opposite know that the position is quite different; and their recognition of the facts slips out occasionally. For instance, the honorable member for Grayndler (Mr. Daly) said last night—

The Budget appals me, particularly in view of this period of prosperity and progress.

That statement came from an honorable member opposite. The lack of consistency and intensity in the Opposition's attack reveals just how unsure it is of its ground. During my ten years in this Parliament, I have never heard such a variety of conflicting opinions as those expressed by members of the Opposition in support of the amendment moved by their leader. This, perhaps, is not to be wondered at, for this is the tenth round of their endeavours to dislodge the Menzies Government. As they have delivered every type of budget body blow known to political science and have been punched back on the ropes each time, while they face another desperate defensive for the ensuing twelve months, there is some excuse for their coming into this encounter and wondering, exhausted and battered as they are, just how they can make some sort of a showing which will justify them continuing as one of the contestants.

After all, a party which has been predicting for ten years terrific financial disasters, great unemployment, the collapse of overseas markets, the winning of the next elections and the ill wind of the public for the Government, while still having a few internal fights on its own hands, must come to the stage that this Opposition undoubtedly has reached. It has the feeling that the public places no reliance on its arguments and has no faith in its alternative methods and plans for developing along sound lines. How wrong the Labour Party has been year after year. It is well perhaps to reflect on the last Budget as a measuring stick of the reliability of the Opposition in criticizing this Budget. During the Budget debate last year, the Deputy Leader of the Opposition (Mr. Calwell), whom we can accept as expressing the typical outlook of the Labour Party, said—

The mess in which this Government finds itself in regard to loan raising, in regard to loan conversions, in regard to cash balances, in regard to deficits, in regard to inflation and in regard to everything else is of its own making. Nobody else created its problems. They cannot be blamed on to labour troubles because the Government continually boasts of the amount of peace there has been in industry since it has been in office.

Those sentences offer the best compliment that could be paid to the Liberal management of the country, for if we were unequivocally blamed in 1958 for an

alleged mess, and, by contrast, in 1959 the economic position is even sounder, the Government must be given the credit. What is the position? Loan raising has been at a record level of £206,500,000. Loan conversions have been readily met. The Budget deficit has been decreased from £110,000,000 to £29,500,000. There is a record amount in savings banks, and the average deposit stands at £136 a head of population, compared with £129 a head in 1958. That does not indicate an inflationary spiral.

The honorable member for Hindmarsh referred to hire purchase. The fact that we can have hire-purchase borrowings at the current level and still have an increase in savings bank deposits indicates that the condition of the nation is good. The people have more washing machines and refrigerators. Construction of houses has increased, and the people have all the other things which constitute a higher standard of living. The Opposition can talk about statistics and percentages, but every married couple going into a house to-day has it well furnished, with carpets on the floor. A few years later they have a motor car, because the Australian motor car industry enables them to start life on a better basis than was possible at any previous stage in our history. All this is indicative of higher standards. The Labour Party has been completely wrong in its forecasts. It has looked into the crystal ball and tried to prophesy the future, but with singular lack of success.

Mr. Daly.—What about sales of bicycles?

Mr. OPPERMANN.—The honorable member for Grayndler asks about bicycle sales. My reply is that that is one of the measuring sticks of the higher standard of living. Sales of bicycles have fallen off as sales of motor cars, motor scooters and other forms of transport have risen. During this Government's ten years of office, we have had violent fluctuations of income. Had the position not been handled with courage and foresight by the Government, what the Opposition predicted could have happened. Assuredly, it would have happened if the Labour Party had been in office and put into operation its ideas on economics and finance. The economy would have been wrecked.

Every time action was taken by the Government to balance these fluctuations and changes in the national income, the Opposition predicted immediate disaster. Yet this era, as a result of the Government's financial restraint and control of imports, has proved to be the most prosperous in the history of this country. If, in the words of the Deputy Leader of the Opposition, our troubles were of our own making, then surely our present prosperity must be regarded as of our own creation. Topically enough, the quotation that appeared on yesterday's date pad was—

Chance never helps those who do not help themselves.

This Government has helped this country to its present state. During the period I have mentioned, our population has increased from under 8,000,000 to over 10,000,000 people. That has called for a tremendous effort in handling and guidance. We have also in that period of time attracted more than £700,000,000 of foreign capital from overseas sources. Everybody knows that money outside a country—money which is available for investment—has a sensitivity to the state of the country into which it may come. The existing conditions in that country are carefully watched and checked so as to provide a guide to the conditions which might apply in the future. The fact that more than £700,000,000 worth of overseas capital has come to this country is quite an objective compliment to the state of affairs in Australia that has existed during these years.

We have retained the goodwill of the International Bank for Reconstruction and Development, and we have raised dollar loans amounting to £317,000,000 which are not given lightly.

Our secondary industries—this is important to the Labour Party on the other side of the chamber—have been developed. Surely if their policy and outlook and platform made an appeal to the ordinary working man, honorable members opposite would be in office here to-day. I find that there are at present in existence in this country 53,200 factories producing goods worth £4,710,000,000 this year, and we have come to be the world's eighth trading nation.

This, I say quite confidently, has been a magnificent decade—one in which, although almost £80,000,000 has been expended on

repatriation benefits, £236,600,000 on social services, £24,100,000 on pharmaceutical benefits, £12,000,000 on migration, and £192,800,000 on defence, the Government has also met the demands of water conservation by projects such as the Snowy Mountains scheme. Through State instrumentalities, 50,000 miles of macadamized roads have been constructed, and hospitals and schools have been built. All this, mark you, in spite of the tremendous handicaps consequent on our country being approximately the size of the United States and our population being about the same as that of Greater London! No other country in the world with such a small population in relation to its area enjoys such a high standard of living as we enjoy. But we must continue to face frontiers in the areas that have not been fully developed. In an expanding community, this must always be the case.

The last decade has been a period of tremendous financial, industrial and commercial activity. There are people who want the benefit of all these things but they do not want to bear the expense associated with obtaining them. They want the things that cannot be obtained without an infusion of money. Members of the Opposition must realize that a higher standard of living cannot be obtained without work. They have criticized the take-overs and mergers that have occurred during the period that the population of this country has risen from fewer than 8,000,000 people to more than 10,000,000 people. The speeches that have been delivered by honorable members opposite make it evident that they think that success is something to be deplored. I cannot believe that they really think along those lines. Such developments are merely a reflection of expansion of enterprise and individuality; they do not represent monopolies. Let us look at the history of take-overs. The increased efficiency that accompanies them enables prices to be reduced. Has there been any less competition because the Myer Emporium Limited, Cox Brothers (Australia) Limited, Waltons-Sears Limited, Patersons Proprietary Limited, Reid Murrays Limited, Electronic Industries Limited, and Pye Holdings have become involved in such business deals? Of course not! In fact, added capital and larger premises have demanded a higher turnover, with consequent better

prices and better services to the public and brighter prospects for the employees.

The last ten years have been an era such as we have never before known in Australia. This is the era for big men. It provides a test for executives, and offers opportunities for men who are efficient, untiring and diligent. This decade has shown the calibre of Australians and has revealed their status. The Ansetts, Richardsons, Myers, Warners, Kormans and Beaurepairens deserve our admiration. We might criticize them for various reasons, but they have contributed enormously to our prosperity by their business acumen, courage and enterprise. They are men who commenced on a shoestring, as Opposition members could have done, and were once workers on the line. They command our admiration. We know of their early beginnings. They have shown by their results what a land of opportunity this is.

Honorable members opposite, when talking about the big profits that have been made by companies and individuals, should study the income tax figures. First, companies are required to pay tax, and secondly, dividends are taxable in the hands of the shareholders. Our taxation system takes care very effectively of high profits and still leaves room for incentive. the honorable member for Melbourne has indicated that he acknowledges this. Did he not recently open an £8,000 community centre at Clayton that was donated by a Mr. Bill Viney who, eight years ago, was an unemployed builder's labourer, but has since built 1,000 houses and has orders for another 500 houses? This success story is symbolic of Labour's inability to grasp the fact that hundreds of thousands of Australian workers who listened avidly ten years ago to stories of capitalism grinding down workers, are to-day employers, executives and capitalists, and are providing examples which other workers wish to follow. The whole application and outlook of Australia is shaped in that way, and so long as the old guard of Labour keeps trotting out this socialist bogey and persists in its criticism of profits honorable members opposite will remain where they are for years to come.

The honorable member for Grayndler (Mr. Daly) dealt very comprehensively with

General Motors-Holden's Limited—to a degree that his colleagues had not done—in an endeavour to offset the fact that that company was commenced during the régime of a Labour government.

Mr. Ward.—That is right.

Mr. OPPERMAN.—Labour made the conditions.

Mr. Ward.—No, we did not make them. You are mistaken.

Mr. OPPERMAN.—The honorable member also mentioned the Ford Motor Company of Australia Proprietary Limited. If ever there was an example of what a great company can do for a city, it is the example of the Ford Motor Company at Geelong. General Motors have established their premises in Melbourne, and the full effect of that establishment is not readily apparent because its employees live in the many suburbs. But in Geelong the Ford organization has a direct and beneficial effect upon the economy. At one stage it was thought in Corio that the whole show might be going to Broadmeadows. Let me tell honorable members that there was immediately a set back to local housing, commerce and confidence. You cannot impress the Geelong people with talk about profits going overseas. That is only incidental to the amount of work, the amount of spending, the amount of wages and their effect on the local community and the prosperity in and around it. If more overseas firms like General Motors would establish themselves or open branches in this country, it would have a great and beneficial effect on Australia, completely out of proportion to any penalties that we might pay by having to send profits overseas.

Getting away from that matter, Mr. Chairman, I should like to say a few words about postal charges. These proposals are among the features of the Budget that have caused some discussion, principally because they have not been properly understood. I am quite sure that as time goes on they will be understood. The subject of postal charges touches a reminiscent chord so far as I am concerned, because any one who has been associated with that tremendous undertaking, the Postal Department, realizes that there is something about it that he can never forget.

To-night I heard one honorable member speak of the profits made by the Post Office prior to 1945. Let me point out that those profits were made, to a great extent, because the average wage paid in the postal service was not as great as the average wage paid outside. In return for some security, for three weeks annual leave and for long service leave after twenty years of service, postal employees were prepared to take a lower rate of pay than people working outside. A telegraph messenger pedalled his bicycle around for 15s. a week. He worked for 48 hours a week, with no pay for ordinary overtime, and he worked on Saturday afternoons for a rate of pay which would not have been acceptable by people outside. Do you honorable members on the Labour side want a return to these conditions? We could have cheaper rates on that basis. But they are asking for all possible amenities and all modern conditions for postal workers, whilst at the same time they ask for cheaper rates. I can remember Percy Cerutty, the great trainer of Australian athletes to-day, pedalling his bicycle as a linesman, with a big bag of tools on the back of the machine. The overhead on the motorized side of the Postal Department's activities has risen from about £65,000 a year in those days to £4,600,000 a year to-day. A brick building for a post office cost £208 a square in those days, but the present cost is £548 a square for a prefabricated building. So it goes on. These factors have to be considered when we are talking about charges for postal services to-day.

I know that it was with great regret that the Government found it necessary to increase postal charges, but when one is confronted with the facts that I have outlined one realizes that something must be done. Heavy losses are currently being incurred on most types of non-letter class mail, including publications, patterns, samples and merchandise, printed matter, registered articles and parcels. Even with the proposed increases, there will still be big losses on the carriage of that class of mail. Confronted with these facts, one can comprehend that in this day and age the Treasurer and the Cabinet reluctantly had to decide to increase charges. I say again that they did so reluctantly. I know that it was with the greatest reluctance that they came to the decision to alter the rates.

Now, Mr. Chairman, I should like to say a few words about immigration. The proposal to increase the rate of intake of immigrants to 125,000 a year is something which, on my experience of immigrants in my electorate, appeals to me greatly. I know that there is some opposition to new people coming into this country. Very often they do not become assimilated rapidly. They tend to remain in their own groups, and sometimes they are difficult for us to understand. I have always maintained that the younger generation is the one which will provide more for this country. The older people come here with their trades and their skills, but the new generation of immigrants will be real Australians. In the Corio electorate, where we have some 10,000 new Australians, we find that the dux of the form, the head prefect, the scholarship winner or the winner of an award for distinguished work and outstanding sporting achievements is very often the child of new Australians. It is recognized that after a few months in school most of these children become so thoroughly Australian that only their names distinguish them from the native born children.

Having said that, Mr. Chairman, I should like to make a suggestion to the Minister for Immigration. I suggest that the Department of Immigration follow the example of the Repatriation Department, whose officers visit Geelong to give specialized advice to people who have dealings with the department or cases being dealt with by the department. It was felt originally that this practice would not be found to be justified, but experience showed that it was a valuable aspect of the department's work. Sometimes when I am away from the electorate I am worried because urgent immigration matters have to wait to be cleared with the central offices of the department. I have a letter here concerning the work of the officers from the Repatriation Department. It is said that they work in Geelong long after the time each day when they would normally expect to finish, which must make them very late in returning to Melbourne. It would be a very good gesture on the part of the Department of Immigration if officers of that department could visit areas where there are numbers

of immigrants with problems, in the same way as officers of the Repatriation Department go to places outside Melbourne to help people with their repatriation problems.

As the last speaker in this Budget debate, may I say that I feel that the Government and the Treasurer have presented a budget which, despite initial criticism, will be recognized eventually by the Australian people as being in the best interests of this country, just as other budgets of this Government have been recognized.

Mr. STEWART (Lang) [10.50].—Mr. Chairman—

Motion (by Mr. Harold Holt) put—

That the question be now put.

(The Chairman—Mr. G. J. Bowden.)

Ayes 60
Noes 33
<hr/>	
Majority 27
<hr/>	

AYES.

Adermann, C. F.
Allan, Ian
Anderson, C. G. W.
Anthony, J. D.
Aston, W. J.
Bandit, H. N. C.
Barnes, C. E.
Barwick, Sir Garfield
Brimblecombe, W. J.
Browne, P. G.
Buchanan, A. A.
Bury, L. H. E.
Cameron, Dr. Donald
Cash,
Chaney, E. D.
Chesby, F. C.
Cleaver, R.
Cramer, J. O.
Davidson, C. W.
Davis, F. J.
Dean, R. L.
Downer, A. R.
Drury, E. N.
Erwin, G. D.
Fairhall, A.
Falkinder, C. W. J.
Forbes, A. J.
Fox, E. M.
Fraser, Malcolm
Freeth, G.
Halbert, H. V.

Tellers:
Opperman, H. F.
Turnbull, W. G.

NOES.

Bryant, G. M.
Cairns, J. F.
Cameron, Clyde
Clarey, P. J.
Clark, J. J.
Clay, L. D.
Cope, J. F.
Costa, D. E.
Courtney, F.
Crean, F.
Daly, F. M.
Evatt, Dr. H. V.
Fraser, Allan
Freeth, G.
Halbert, H. V.

Tellers:
Duthie, G. W. A.
Stewart, F. E.

Kent Hughes, Sir Wilfrid	Curtin, D. J.
Wheeler, W. C.	Haylen, L. C.
Fairbairn, D. E.	Barnard, L. H.
Haworth, W. C.	Davies, R.
Joske, P. E.	Fulton, W. J.
Kelly, C. R.	Galvin, P.
Murray, J.	Sexton, J. C. L.
Failes, L. J.	Riordan, W. J. F.
Drummond, D. H.	Lawson, George
Wentworth, W. C.	Beazley, K. E.
Page, Sir Earle	Calwell, A. A.

Question so resolved in the affirmative.

Question put—

That the item proposed to be reduced (Dr. Evatt's amendment) be so reduced.

The committee divided.

(The Chairman—Mr. G. J. Bowden.)

Ayes	33
Noes	60
<hr/>		<hr/>	
Majority	27
<hr/>		<hr/>	

AYES.

Bryant, G. M.
Cairns, J. F.
Cameron, Clyde
Clarey, P. J.
Clark, J. J.
Clay, L. D.
Cope, J. F.
Costa, D. E.
Courtney, F.
Crean, F.
Daly, F. M.
Evatt, Dr. H. V.
Fraser, Allan
Griffiths, C. E.
Harrison, E. James
Johnson, L. R.
Jones, C. K.

Kearney, V. D.
Luchetti, A. S.
Makin, N. J. O.
McIvor, H. J.
Minogue, D.
O'Connor, W. P.
Peters, E. W.
Pollard, R. T.
Reynolds, L. J.
Russell, E. H. D.
Thompson, A. V.
Uren, T.
Ward, E. J.
Whitlam, E. G.
Tellers:
Duthie, G. W. A.
Stewart, F. E.

NOES.

Adermann, C. F.
Allan, Ian
Anderson, C. G. W.
Anthony, J. D.
Aston, W. J.
Bandit, H. N. C.
Barnes, C. E.
Barwick, Sir Garfield
Brimblecombe, W. J.
Browne, P. G.
Buchanan, A. A.
Bury, L. H. E.
Cameron, Dr. Donald
Cash, E. D.
Chaney, F. C.
Chesby, A. A.
Cleaver, R.
Cramer, J. O.
Davidson, C. W.
Davis, F. J.
Dean, R. L.
Downer, A. R.
Drury, E. N.
Erwin, G. D.
Fairhall, A.
Falkinder, C. W. J.
Forbes, A. J.
Fox, E. M.
Fraser, Malcolm
Freeth, G.
Halbert, H. V.

Tellers:
Opperman, H. F.
Turnbull, W. G.

PAIRS.

Curtin, D. J.	Kent Hughes, Sir Wilfrid
Haylen, L. C.	Wheeler, W. C.
Barnard, L. H.	Fairbairn, D. E.
Davies, R.	Haworth, W. C.
Fulton, W. J.	Joske, P. E.
Galvin, P.	Kelly, C. R.
Sexton, J. C. L.	Murray, J.
Riordan, W. J. F.	Failes, L. J.
Lawson, George	Drummond, D. H.
Beazley, K. E.	Wentworth, W. C.
Caiwell, A. A.	Page, Sir Earle

Question so resolved in the negative.

Amendment negatived.

(The general debate being concluded)—

First item agreed to.

Progress reported.

FOREIGN AFFAIRS COMMITTEE.

Message received from the Senate intimating that it had agreed to the following resolutions:—

(1) That Senators Pearson and Vincent be discharged from attendance on the Joint Committee on Foreign Affairs.

(2) That Senators Buttfield, McCallum and Scott be members of the Joint Committee on Foreign Affairs.

(3) That, until such time as the vacancies for members of the Senate on the committee are filled by members of the Opposition, Senator Mattner be a member of the committee.

ADJOURNMENT.

Administration of Territories—Repatriation —Unemployment Benefits.

Motion (by Mr. Harold Holt) proposed—

That the House do now adjourn.

Mr. DALY (Grayndler) [11.4].—Mr. Speaker, I wish to speak about a matter that has caused great concern and has been reported in the press at some length. I refer to certain allegations made by a Government supporter against a senior Minister of the Government. I have before me a report in to-day's Melbourne "Sun" under the heading "Relieve Hasluck of Office Urges M.H.R.". The honorable member concerned is the honorable member for Bowman (Mr. McColm) who yesterday in this place made certain disturbing allegations against the competence and the

administration of the Minister for Territories (Mr. Hasluck). According to the press report the honorable member said—

. . . . the Minister's period of usefulness as Minister for Territories has come to an end.

An almost complete lack of good public relations between the department, the Minister and the people has caused this position.

Those are very grave and disturbing allegations by a Government supporter against a senior Minister in the Government. Not only has the honorable member for Bowman attacked the Minister, but he has also attacked the Minister's Parliamentary Secretary, the honorable member for Calare (Mr. Howse), who has been the public relations consultant on this matter. In addition to the statement made by the honorable member for Bowman, the honorable member for Mitchell (Mr. Wheeler) accused the Minister of calling certain people in the Territory of Papua and New Guinea locusts. The Minister's exchanges with the honorable member for Mitchell during the course of the latter's speech were very disturbing to both the Minister and honorable members generally. I see that the Prime Minister (Mr. Menzies) is in the House. The Minister for Territories evidently does not intend to defend himself, or perhaps he accepts the charges as true. The Prime Minister has made no statement on them, and the honorable member for Bowman and the honorable member for Mitchell have not withdrawn their allegations. Judging by the sour look on the face of the honorable member for Bowman as I am speaking, I think that he will rise to his feet when I have finished my speech and confirm the fact that he thinks the Minister has outlived his usefulness.

In fairness to the people of this country, and particularly to the people in the Territory, something should be done about the allegations that have been made. The Minister should stand aside until such time as an investigation can establish whether the charges made by the honorable members can be substantiated. As I have said, the allegations also refer to the Minister's Parliamentary Secretary, the honorable member for Calare. He has held the position of Parliamentary Secretary to the

Minister for many years. We have come to know him in this Parliament as a man of integrity, but nobody is defending him now—he has not even spoken for himself. If his silence does nothing else it lends substance to the charges that have been made, and they require explanation.

The Minister is receiving a big salary. I do not complain about that; but if he is not a competent Minister, if he has lost the confidence of the people affected by his administration and if he no longer has the confidence of the rank and file of Government supporters, there can be no excuse for his retention in the Ministry without some investigation being made.

I have not had any personal differences with the Minister as he does not come much within my ambit, but I do feel that in some matters regarding his administration he seems to overstep the mark. One of his most recent actions has been to interfere in the Northern Territory matrimonial affairs of a native girl and a man named Daly. I would have thought that this subject of Daly, Gladys, Arthur and Mr. Ward was well outside the scope of the Minister. Quite frankly I am somewhat disturbed about this matter. I intended to ask the Minister specifically to state that I was not the Daly involved in this matter. I know that my colleague, the honorable member for East Sydney (Mr. Ward) is disturbed because some people may think that he is the Ward in the case.

I mention this matter because it shows that somewhere along the line the Minister may be going off the beam. After all, it is taking things too far when, in the middle of a debate on matrimonial legislation designed to maintain the family unit, the Minister is keeping lovers in the Northern Territory apart. In other words, the allegations concerning the Minister's administration of his department evidently have some substance in them and the Minister should be asked to explain his attitude and to state what foundation there is for the charges that have been made.

I mention this matter in passing, probably somewhat humorously, but nonetheless with a certain degree of conviction that the Minister has overstepped the mark in many respects in the Northern Territory. He has

not exactly inspired us with confidence in him by his handling of a matter as technical as a love affair. Surely, the persons concerned have certain human rights. Therefore, I ask the Prime Minister, who is in the chamber, to take some action in relation to the matter and to institute some sort of inquiry.

I do not wish to speak at greater length on this subject, because I note that other honorable members are anxious to discuss it. No doubt my colleague from East Sydney would like to discuss it, because he is involved personally. I should like to hear the honorable member for Bowman and the honorable member for Mitchell, who evidently have evidence to offer against the Minister, state their case. When all is said and done, the Minister has been charged by his own colleagues with being incompetent and not fit to carry out the work for which he has been chosen by the Prime Minister. Surely the Minister should be obliged to stand down until his administration is investigated and a full inquiry is made into the very grave and disturbing charges which have been levelled against him by very reputable supporters of the Government. I think we are entitled to have an answer to those charges. I ask the Prime Minister to note my comments, particularly in relation to matters affecting the Northern Territory, and, above all else, to exonerate me from any association with the Minister in a matrimonial event that occurred in the Territory. I ask that my remarks be noted, that some evidence be furnished to the Parliament in support of the charges made, and that a full investigation be held into the Minister's administration so that justice shall be done to all.

Mr. WARD (East Sydney) [11.12].—I had not intended to say anything about the very interesting topic to which the honorable member for Grayndler (Mr. Daly) has directed attention. I commend him for probing into it, but I cannot go the whole way with him in what he has had to say. I think he said that the Minister for Territories (Mr. Hasluck) had outlived his usefulness. I have yet to see evidence that he was ever useful at any time. I also disagree with the effort of the honorable member for Grayndler to involve the Prime

Minister (Mr. Menzies) in this episode, because I think it will be agreed that the great white father has enough troubles of his own.

I think there is another explanation of the criticism of the Minister for Territories. I have no more regard for his capacity than I have for that of some other members of the Cabinet, but I understand that the trouble in the Northern Territory at the moment is that, whilst the Minister has to a large extent got away from the policy of the previous Labour Government, he has not been going fast enough for big business. They want action. They want greater results from the big businessman's Government that now occupies the treasury bench. We know that in this Parliament there are paid lobbyists—people who represent certain interests. Apparently those interests have decided that the Minister for Territories must be removed from his present portfolio or dismissed from the Cabinet altogether so that they may be able to deal with some one who will be more favorably disposed towards them and who will accelerate the implementation of the policy that this Government is following in the Territories. I think that what is required in regard to the Territories is not so much an investigation of some small episode but a royal commission into what has been happening. If a royal commission were appointed, I think the people of Australia would be rather surprised by what was revealed, and I am afraid that some members on the Government side—those jackals who howl—would not get the complete clearance from all allegations that I was given. Honorable members opposite may laugh, but I point out that I invited the appointment of a royal commission and that I went before it. I got a complete clearance from a judge who was appointed by a Liberal government and was not a Labour appointee.

When allegations were made against a certain honorable member opposite, he asked for the matter to be referred to the Privileges Committee believing that he would be able to create the impression that he had been completely exonerated. I was told by some honorable members on this side of the House who fell for this gimmick

that he was getting around with a big plaster on his neck. They were told, "He has undergone a very serious operation. Don't continue your criticism of him." But as soon as he believed the matter was out of the way and there was no further talk about it, he had a miraculous recovery and the plaster was quickly removed from his neck. It will be seen that, if we had the time at our disposal to delve into these matters, we could probably make things rather uncomfortable for some honorable members on the Government side. One of these nights when I feel disposed to do it and I have a little more time, I shall pay some attention to those matters.

My real purpose in rising was to refer to a most ridiculous decision that was arrived at by a repatriation tribunal. In my opinion, the decision equals in stupidity only one other decision which was brought to my notice some years ago, to which I referred in this House and in relation to which I gave particulars to the appropriate Minister. In that case the ex-serviceman concerned, whose claim had been rejected first by the Repatriation Board and then by the Repatriation Commission, went before an entitlement appeal tribunal. He was the worst case of shell shock that I have ever seen. The authorities refused to recognize his condition as being a war caused disability. Eventually the appeal tribunal decided that he was suffering from shell shock but that it was not due to war service. Where does one get shell shock other than at a war? One of my colleagues nearly suggests that he may have been a member of the Egg Board! Honorable members opposite are always priding themselves on how many of them have a medal to wear on their coats as an emblem of service, but they do not do very much about cases such as the one I have mentioned.

I am interested in an unfortunate man who is suffering from a heart complaint and who has lost a great deal of time at his work. On many occasions he has collapsed and has had to be taken to hospital for treatment, but he has been unable to get the Repatriation Department to recognize his condition as being due to war service. He appealed to the entitlement appeal tribunal. I shall read the decision of the tribunal and

I ask any honorable member to state whether this man won his appeal or has lost it. The tribunal said—

The appeal in respect of cardiovascular disease has been allowed. This decision does not confer any entitlement or other benefit, nor does it mean that the existence of any cardiovascular disease has been established. It merely indicates that the Repatriation Commission has not proved, beyond doubt, to the satisfaction of the tribunal, that you are not suffering from any incapacity from any cardiovascular disease.

This ex-serviceman asked me, "Where do I go from here? What comes next? My appeal has been allowed and I am losing time at work, but I cannot get any benefit. I have not even had it established to the satisfaction of the department that I am suffering from the disease at all." Unfortunately, this ex-serviceman collapsed again only a few days ago and was taken to hospital. He got a medical certificate, the original of which I have seen, from a Dr. Cook of 51 Elizabeth Bay-road, Elizabeth Bay, Sydney, which stated that he was under treatment for cardiovascular disease. In spite of that and even though his appeal was allowed, he has been unable to establish to the satisfaction of the department that he should get appropriate treatment and a pension. I think that is a most ridiculous situation.

In the few moments that remain, let me refer to an anomaly in regard to the sickness and unemployment benefit. Let us consider the case of a man who meets with an industrial accident in relation to which the question of compensation is disputed, and who is declared to be partially fit for work or, to put it in another way, is fit for only light work. Because the compensation doctor decides that he is fit for light work—even though his own doctor declares him to be completely incapacitated—and because he cannot take any work then offering he is not eligible for the unemployment benefit. Since he is not totally incapacitated, but is declared to be fit for light work, he cannot get even the sickness benefit. Some of these compensation cases are fought over a period of many months, and, as a consequence, some men, especially those who are married and have dependants find themselves in most distressed circumstances.

I hope that the Minister for Social Services (Mr. Robertson) will examine this anomaly. It is an anomaly, because I imagine that if a man is incapacitated, whether by an industrial accident or sickness, he is qualified to receive some Commonwealth benefit. If he is not entitled to the sickness benefit, he ought to be paid the unemployment benefit. If he is not eligible for the unemployment benefit, he ought to get the sickness benefit. Everybody knows that these men are not asking for anything to which they would not normally be entitled in the view of every reasonable citizen. If lump-sum compensation is granted eventually, the Department of Social Services always recoups itself for the money that has been advanced. As I have said, many men who are married and have dependants find themselves in very distressing circumstances while they are waiting for their cases to be heard.

One of these cases was brought to me by the compensation officer of the Labour Council of New South Wales. I have not sufficient time to give the details to the House this evening, but I shall supply them to the Minister. I hope that he will take action to give relief in this individual case and also to the other people who are at present suffering unnecessarily because they are denied these Commonwealth social service benefits.

Mr. SPEAKER (Hon. John McLeay).—Order! The honorable member's time has expired.

Question resolved in the affirmative.

House adjourned at 11.22 p.m.

ANSWERS TO QUESTIONS.

The following answers to questions were circulated:—

Industrial Arbitration.

Mr. Reynolds asked the Minister for Labour and National Service, upon notice—

1. Is it a fact that an application which was made to the Conciliation and Arbitration Commission on 14th June, 1957, on behalf of the professional officers of the Commonwealth Public Service for a new assessment of professional engineers' salaries, is still unheard?
2. Has consideration been finalized of the question of appointing at least one additional judge to the Bench to obviate any further delay in this and similar cases?

Mr. McMahon.—The answers to the honorable member's questions are as follows:—

1. The application by the Professional Officers Association was filed in June, 1957, with the Public Service Arbitrator and was later, at the request of the association, referred to the Conciliation and Arbitration Commission. As I have pointed out previously, the claims not only of this association, but of a number of other associations in the "white collar" and professional fields, are now before the Commission at the instance of the associations themselves and the President has done all in his power to find a means of expediting proceedings. Several attempts he made to cut corners were rejected by the claimant associations. The present position of the applications is that at a hearing before the president of the commission, in mid-July, certain proposals were put forward by the Australian Council of Trade Unions and the "white collar" and professional associations namely that claims affecting the metal trades, aircraft industry and bank officials' awards would be heard and claims of the professional and "white collar" workers would be temporarily set aside. The President has listed the first-mentioned claims for 25th August. It is possible that a separate Bench will be constituted to carry forward the part-heard claims of the professional engineers: some aspects of their case are presently before the High Court.

2. As the honorable member is no doubt aware, the appointment of an additional Deputy President of the Conciliation and Arbitration Commission was announced last week.

2.—

Commonwealth Industrial Court.

Mr. Ward asked the Minister for Labour and National Service, upon notice—

1. How many (a) registered trade unions and (b) employers' organizations have been charged, convicted and fined for contempt of court offences since the Government took office in 1949?

2. What was the name of the organization concerned, the nature of the charge and the penalty imposed in each case?

3. How many (a) trade union and (b) employers' organization officials have been charged, gaoled, or fined for similar offences during the same period?

4. What was the name of the official, the name of the organization to which he belonged, the nature of the charges and the penalty imposed in each case?

Mr. McMahon.—The answers to the honorable member's questions are as follows:—

1. (a) Since December, 1949, eleven trade unions registered under the provisions of the Commonwealth Conciliation and Arbitration Act have been charged, convicted and fined under section 111 (formerly section 29A) of that act for contempt of the Commonwealth Industrial Court arising from failure to comply with an order of that court made under section 109 (formerly section 29). (b) Nil.

Name of Organization.	Nature of Charge.	Penalty.
Federated Ironworkers' Association of Australia	Breach of order made under s. 29 of Conciliation and Arbitration Act on 1st July, 1954 after various trades unions had imposed stoppages of work, bans on overtime, &c., on several firms	£ 100
Blacksmiths' Society of Australia ..	Breach of order made under s. 29 on 23rd March, 1955 after the union had been involved in a stoppage of work at Mort's Dock and Engineering Co. Ltd.	500
Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia	Breach of order made under s. 29 on 1st July, 1954 after various metal trades unions had imposed stoppages of work, bans on overtime, &c., on several firms	150
Waterside Workers' Federation of Australia	Two breaches of orders made under s. 29 on 1st July, 1954 after various metal trades unions had imposed stoppages of work, bans on overtime, &c., on several firms	150 and 200
Amalgamated Engineering Union (Australian Section)	Breach of order made under s. 29 on 8th May, 1952 following a refusal to comply with award provisions concerning the working of overtime	500
	Two breaches of order made under s. 29 on 1st July, 1954 after various metal trades unions had imposed stoppages of work, bans on overtime, &c., on several firms	150 and 450

Name of Organization.	Nature of Charge.	Penalty.
Amalgamated Engineering Union (Australian Section)—continued.	Breach of order made under s. 29 on 10th August, 1954 following a stoppage of work by fitters employed by the Commissioner for Government Transport, New South Wales Two breaches of order made under s. 29 on 11th November, 1954 following a stoppage of work by certain motor mechanics employed by the Ford Motor Co. of Aust: Pty. Ltd. Breach of order made under s. 29 on 29th April, 1955 following a stoppage of work at Thirlwell & McKenzie Engineering Ltd. Breach of order made under s. 109 on 1st March, 1957 following bans on certain repairs in connexion with a demarcation dispute at the Leichhardt Bus Depot of the Commissioner for Government Transport, New South Wales	£ 250 500 and 500 250 50
Boilermakers' Society of Australia ..	Breach of order made under s. 29 on 3rd August, 1954 following overtime bans imposed by employees of the Commissioner for Railways, New South Wales Two breaches of order made under s. 29 on 19th February, 1958 following stoppage of work of employees A. E. Goodwin Ltd. on the Shell Refining Project, Clyde	500 50 and 100
Seamen's Union of Australia ..	Three breaches of order made under s. 109 of the Act on 4th April, 1957 following a refusal to accept engagement for m.v. "Kumalla" as it had been brought to Australia from United Kingdom by a non-Australian crew	200, 300 and 400
Australasian Coal and Shale Employees' Federation	Breach of order made under s. 109 on 17th May, 1957 following a stoppage of work over the working of a shift at the Elrington mine	50
Federated Gas Employees' Industrial Union	Ten breaches of order made under s. 109 on 11th November, 1958 following refusal to work when methods officer present	Ten fines each of £50
Australian Air Pilots' Association ..	Four breaches of orders made under s. 109 on 19th November, 1958 following threat of a stoppage if airline operators sought to have the question of salaries referred to the Full Bench of the Commission pursuant to s. 34 of the Act	Four fines each of £500
Australian Tramway and Motor Omnibus Employees Association	Breach of order made under s. 109 on 20th July, 1959 after the union had placed bans on the introduction of Sunday one-man bus services on certain suburban routes	100

NOTE.—In 1950 the Commonwealth Court of Conciliation and Arbitration ordered the Amalgamated Engineering Union (Australian Section), the Australasian Society of Engineers, the Boilermakers' Society of Australia, the Federated Ironworkers' Association of Australia and the Sheet Metal Working, Agricultural, Implement and Stovemaking Industrial Union of Australia, and in 1955 the Boilermakers' Society of Australia to pay fines under s. 29A of the Act. The High Court subsequently prohibited further proceedings on these orders.

3. (a) One has been convicted for contempt of court and gaoled. (b) Nil.

4.—

Name of Official and Organization and Date of Conviction.	Nature of Charge.	Penalty.
W. J. Smith, A. G. Watson, J. R. Andrews, K. J. Brennan, Australian Tramway and Motor Omnibus Employees' Association, 21st December, 1949	Act calculated to deter witnesses from presenting honest and frank evidence (i.e., despatch of a demand that a witness retract certain evidence given to the Court)	No penalty imposed
E. C. Roach, Waterside Workers' Federation of Australia, 1st March, 1951	Publication of a circular and of an article and cartoon in the 13th January issue of the "Maritime Worker"	Twelve months' imprisonment on each charge, sentenced to be served concurrently

Postal Department.

Mr. E. James Harrison asked the Postmaster-General, upon notice—

1. What facilities in the way of making social service payments, distributing income tax forms, collecting war service home remittances, &c., are provided by the Post Office for other departments?
2. Can he indicate in respect of each State what is the manhour content per week represented by each of the public facilities provided by his department outside the normal business associated with the Post Office?
3. What amounts are allowed to his department by outside departments for the services rendered?

Mr. Davidson.—The answers to the honorable member's questions are as follows:—

1. The Post Office provides the following facilities on behalf of other departments:—(a) Payment of age and invalid pensions, war pensions, widows' pensions, child endowment, Naval, Military, and Air Force allotments; (b) collection of war service homes and repatriation payments, customs duty on postal articles; (c) sale of Commonwealth taxation stamps, beer duty stamps, State duty stamps; (d) Commonwealth savings bank transactions.

2. Particulars of the manhour content represented by each individual facility are not readily available as generally these activities are undertaken by postal counter and other staffs concurrently with their normal postal duties. However, including allowance for the time of non-official Post Office staff, the approximate total manhours spent each week on all work performed for all other departments in respect of each State is as follows:—New South Wales, 15,086; Victoria, 12,853; Queensland, 7,427; South Australia, 4,101; Western Australia, 5,670; Tasmania, 1,985.

3. The department receives commission from each other department concerned, based in some instances on the number of transactions and in

others on the total values handled. For the year 1957-58 the total value of these transactions was £253,000,000 and the commission earned amounted to £1,150,107.

Telephone Services.

Mr. Costa asked the Postmaster-General, upon notice—

How many telephones, for which applications have been made, are awaiting connexion to exchanges at (a) Bankstown, (b) Hurstville, (c) Peakhurst, and (d) Revesby?

Mr. Davidson.—The answer to the honorable member's question is as follows:—

- (a) 802; (b) 179; (c) 266; (d) 963.

Tariff Board.

Mr. Ward asked the Minister for Trade, upon notice—

1. Has his attention been drawn to allegations made on oath by Mr. A. Date, a former member of the Tariff Board, that in 1956 and 1957 members of the Tariff Board were guilty of suppressing evidence, violating the rule of law, altering the minutes of Tariff Board meetings and other improper practices?

2. Can he state whether Mr. Date has forwarded communications to the Governor-General containing highly critical references to the integrity and capacity of the Minister for Trade?

3. If so, and in view of the serious nature of these allegations made by a former highly paid servant of the Government, does he propose to take any action in the matter; if not, will he explain his reasons for not doing so?

Mr. McEwen.—The answer to the honorable member's questions are as follows:—

1. Yes. Since Mr. Date was appointed to the Tariff Board early in 1954 he has addressed more than 260 letters and telegrams of complaint and

protest to His Excellency the Governor-General, the right honorable the Prime Minister, Mr. Speaker, Ministers, members of Parliament, permanent heads and officers of various departments.

2. I have received through the Official Secretary to His Excellency the Governor-General a communication addressed to His Excellency by Mr. Date. I have been informed that Mr. Date has also given copies to the Right Honorable H. V. Evatt, Q.C., Leader of the Opposition, the member for Yarra and the press.

3. I do not propose any action based on this communication. There has been most careful consideration of Mr. Date's complaints and requests and appropriate action has been taken from time to time.

Mr. Cairns asked the Minister for Trade, upon notice—

1. When Messrs. Date and Ely retired from the Tariff Board did they each receive exactly the same treatment from the Superannuation Board in respect of payments made to them?

2. If not, in what way did the treatment differ and what was the reason for the difference?

Mr. McEwen.—The answers to the honorable members' questions are as follows:—

1. No.

2. The two cases were quite different. Mr. Date was contributing to the Superannuation Fund under the Superannuation Act and sections 25 and 40 of that act applied in his case. He has not attained the age of 60 years.

Mr. Ely was a contributor to the Provident Account under the Superannuation Act and section 60^y of the act was applied. Mr. Ely had attained the age of 65 years at the time of cessation of duty.

Office Accommodation.

Mr. Ward asked the Attorney-General, upon notice—

1. What was the cost of providing new office space for himself and his staff in Sydney?

2. What was the cost of furnishing these offices?

3. What is the (a) area of the space provided and (b) number and designation of the persons occupying these offices?

Sir Garfield Barwick.—The answer to the honorable member's questions is as follows:—

1, 2 and 3. The Commonwealth Bank required the premises in Martin-place previously occupied by the Deputy Crown Solicitor. Consequently, portion of Phillip House, Phillip-street, has been remodelled to accommodate the Deputy Crown Solicitor and his staff. The removal of the Deputy Crown Solicitor to Phillip House made it highly desirable to provide offices for the Attorney-General and for the Solicitor-General in Phillip House in close proximity to the Library of the Deputy Crown Solicitor. Office accommodation has, therefore, been provided in Phillip House

for the Law Officers and for three members of the personal staff of the Attorney-General, namely, private secretary, assistant private secretary and a typist. For this purpose a further portion of Phillip House was remodelled. The total space for the purpose of housing the Attorney-General, the Solicitor-General and the three members of the Attorney's staff is 1,060 square feet; the total cost of the alterations (including electrical installations, additional ventilation, toilet accommodation and passages and renovation of adjoining corridors) is £4,642; and the cost of furniture, furnishings and fittings (including shelving) is £1,970.

Colombo Plan.

Mr. Swartz asked the Minister for Supply, upon notice—

1. Have arrangements been concluded for the supply of 600 diesel-driven centrifugal pumps to Burma?

2. Are these pumps being provided under the Colombo Plan?

3. Has the contract been approved for manufacture of the pumps by the Toowoomba Foundry Proprietary Limited?

Mr. Hulme.—It is correct that a contract has been let to the Toowoomba Foundry Proprietary Limited for the supply of 600 diesel pumps to Burma under the Colombo Plan.

"Himalaya" at Captain Cook Dock.

Mr. Costa asked the Minister representing the Minister for Shipping and Transport, upon notice—

1. Is the Minister able to state the cost of repairing the "Himalaya" at the Captain Cook Dock, Garden Island?

2. Is he also able to state whether the P. and O. Company will be reimbursed for the cost of repairs?

Mr. Hulme.—The Minister for Shipping and Transport has advised that he is unable to state the cost of repairing the "Himalaya" at the Captain Cook Dock, Garden Island, which would be a matter between the P. and O. Company and Department of the Navy. He is also unable to state whether the P. and O. Company will be reimbursed for the cost of repairs. His department's concern in the matter is limited to ensuring that the "Himalaya", as a passenger vessel, complies with the safety provisions of the Navigation Act and for this purpose the repairs will be subject to inspection by departmental surveyors. The arrangement for the use of the Captain Cook Dock is a

matter for the representatives of the owners and the Minister for the Navy to whom the question has been referred.

Ministerial Visits Overseas.

Mr. Ward asked the Prime Minister, upon notice—

1. What Commonwealth Ministers made overseas visits, and what number of visits was made by each, from and including the year 1949-50?

2. What was the cost in each instance, including expenditure incurred by all persons who were members of the ministerial party or who went overseas on work associated with the ministerial visit?

3. In computing the cost of these tours, is it the practice to include expenditure upon (a) fares, (b) maintenance, (c) travelling or living away from home allowances and (d) cost of entertainment?

Mr. Menzies.—The answer to the honorable member's questions is as follows:—

1, 2 and 3. I direct the honorable member's attention to my replies to similar questions by him and which he will find in the "Hansards" of

17th February, 1953 and 31st May, 1955. I see no reason to add to what I have already said on the matter.

Royal Australian Air Force.

Mr. Ward asked the Minister for Air, upon notice—

1. Has the Commonwealth been requested to consider re-equipping the Royal Australian Air Force with Northrop T.38 all-weather fighter aircraft with a ground speed of 1,520 miles per hour which could be produced in Australia with existing equipment?

2. If so, what decision has been made in respect of this proposition?

Mr. Osborne.—The answer to the honorable member's questions is as follows:—

The Northrop T.38 aircraft is a supersonic two-seater trainer under trial for the United States Air Force. The manufacturing company has developed a supersonic fighter known as the N.156, from the basic design of the T.38. The prototype of the N.156 made its first flight on 30th July, 1959. It is one of several aircraft the makers of which are seeking orders from the Royal Australian Air Force. A sales team from the Northrop company recently visited Australia for this purpose.