GOVERNOR-GENERAL.

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

SEVENTH MENZIES GOVERNMENT.

(As Reconstituted 22nd December, 1961.)

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

(The above Ministers constitute the Cabinet.)

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

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

TWENTY-FOURTH PARLIAMENT—FIRST SESSION: FOURTH PERIOD.

Speaker—The Honorable Sir John McLeay, K.C.M.G., M.M.
Leader of the House—The Right Honorable Harold Edward Holt.
Chairman of Committees—Philip Ernest Luceck.


Leader of the Opposition—The Honorable Arthur Augustus Calwell.
Deputy Leader of the Opposition—Edward Gough Whitlam, Q.C.
Leader of the Australian Country Party—The Right Honorable John McEwen.
Deputy Leader of the Australian Country Party—The Honorable William Davidson, O.B.E.

Adermann, Hon. Charles Frederick
Allan, Archibald Ian
Anthony, John Douglas
Armitage, John Lindsay
Barnard, Lance Herbert
Barnes, Charles Edward
Barwick, Hon. Sir Garfield Edward John, Q.C.
Bate, Henry Jefferson
Beaton, Noel Lawrence
Beazley, Kim Edward
(2) Benson, Samuel James, R.D.
(1) Bird, Alan Charles
Brimblecombe, Wilfred John
Bryant, Gordon Munro
Buchanan, Alexander Andrew
Bury, Hon. Leslie Harry Ernest
Cairns, James Ford
Calwell, Hon. Sir Garfield Edward John, Q.C.
Cameron, Clyde Robert
Cameron, Donald James
Chaney, Frederick Charles, A.F.C.
Chipp, Donald Leslie
Clark, Joseph James
Clay, Lionel Daniel
Cleaver, Richard
Cockle, John Simon
Collard, Frederick Walter
Comber, Jack
Cope, James Francis
Costa, Dominic Eric
Courtney, Frank
Coutts, Wilfred Charles
Cramer, Hon. John Oscar
Crean, Frank
Cross, Manfred Douglas
Curtin, Daniel James
Daly, Frederick Michael
Davidson, Hon. Charles William, O.B.E.
Davis, Ronald
Davis, Frank John
Dean, Roger Levinge
(6) Devine, Leonard Thomas
Downer, Hon. Alexander Russell
Drummond, Hon. David Henry
Drury, Edward Nigel
Duthie, Gilbert William Arthur
Einfeld, Sydney David
England, John Armstrong, E.D.
Erwin, George Dudley
Failes, Laurence John
Fairbairn, Hon. David Eric, D.F.C.
Fairhall, Hon. Allen
Falkinder, Charles William Jackson, D.S.O., D.F.C.
Forbes, Alexander James, M.C.
Fox, Edmund Maxwell Cameron
Fraser, Allan Duncan

Fisher (Q.)
Gwydir (N.S.W.)
Richmond (N.S.W.)
Mitchell (N.S.W.)
Bass (T.)
McPherson (Q.)
Parramatta (N.S.W.)
Macarthur (N.S.W.)
Bendigo (V.)
Fremantle (W.A.)
Batman (V.)

Maranoa (Q.)
Wills (V.)
McMillan (V.)

Yarra (V.)
Melbourne (V.)
Hindmarsh (S.A.)

Lilley (Q.)
Perth (W.A.)
Higinbotham (V.)
Darling (N.S.W.)
St. George (N.S.W.)
Swan (W.A.)
Warringah (N.S.W.)
Kalgoorlie (W.A.)

Bowman (Q.)
Watson (N.S.W.)

Banks (N.S.W.)
Darebin (V.)
Griffith (Q.)

Bennelong (N.S.W.)
Melbourne Ports (V.)
Brisbane (Q.)
Kingsford-Smith (N.S.W.)
Grayndler (N.S.W.)

Dawson (Q.)
Braddon (T.)
Deakin (V.)

Robertson (N.S.W.)
East Sydney (N.S.W.)
Angas (S.A.)
New England (N.S.W.)
Ryan (Q.)

Wilmot (T.)
Phillip (N.S.W.)

Calare (N.S.W.)
Ballarat (V.)

Lawson (N.S.W.)
Parr (N.S.W.)

Paterson (N.S.W.)
Franklin, T.

Barker (S.A.)

Henty (V.)

Eden-Monaro (N.S.W.)
THE MEMBERS OF THE HOUSE OF REPRESENTATIVES—continued.

Fraser, James Reay
Fraser, John Malcolm
Freeth, Hon. Gordon
Fuller, Arthur Neberding
Fulton, William John
Galvin, Patrick
Gray, George Henry
Griffiths, Charles Edward
Hansen, Brendan Percival
Harding, Ernest William
Harrison, Eli James
Hasluck, Hon. Paul Meernaa Caedwalla
Haworth, Hon. William Crawford
Hayden, William George
Haylen, Leslie Clement
Holt, Rt. Hon. Harold Edward
Holten, Rendle McNeilage
Howson, Peter
Jack, William Mathers
James, Albert William
Jess, John David
Johnson, Leslie Royston
Jones, Charles Keith
Kearney, Victor Dennis
Kelly, Charles Robert
Kent Hughes, Hon. Sir Wilfrid Selwyn, K.B.E., M.V.O., M.C., E.D.
Killen, Denis James
King, Robert Shannon
Leslie, Hugh Alan
Lindsay, Robert William Ludovic
Luchetti, Anthony Sylvester
Luccock, Philip Ernest
Mackinnon, Ewen Daniel
Main, Hon. Norman John Oswald
McEwen, Rt. Hon. John
McGuren, Francis William
McIvor, Hector James
McLeay, Hon. Sir John, K.C.M.G., M.M.
McMahon, Hon. William
McNeil, Neil
Minogue, Daniel
Monaghan, James Edward
(3) Mortimer, Jack
Nelson, John Norman
Nixon, Peter James
O'Brien, Reginald Charles
O'Connor, William Paul
Opperman, Hon. Hubert Ferdinand, O.B.E.
Peters, Edward William
Pollard, Hon. Reginald Thomas
Reynolds, Leonard James
Riordan, Hon. William James Frederick
Robertson, Hon. Hugh Stevenson
(3) Russell, Edgar Hughes Deg
Sexton, Joseph Clement Leonard
Sweeney, Billy Mackie
Stewart, Francis Eugene
Stokes, Philip William Clifford, E.D.
Swartz, Hon. Reginald William Colin, M.B.E., E.D.
Thompson, Albert Victor
Townley, Hon. Athol Gordon
Turnbull, Winton George
Turner, Henry Basil
Uren, Thomas
(4) Ward, Hon. Edward John
Webb, Charles Harry
Wentworth, William Charles
Whitlam, Edward Gough, Q.C.
Whittorn, Raymond Harold
Wilson, Keith Cameron

(A.C.T.)
Wannon (V.)
Forrest (W.A.)
Hume (N.S.W.)
Leichhardt (Q.)
Kingston (S.A.)
Capricornia (Q.)
Shortland (N.S.W.)
Wide Bay (Q.)
Herbert (Q.)
Blaxland (N.S.W.)
Curtin (W.A.)
Isaacs (V.)
Oxley (Q.)
Parkes (N.S.W.)
Higgins (V.)
Indi (V.)
Fawkner (V.)
North Sydney (N.S.W.)
Hunter (N.S.W.)
La Trobe (V.)
Hughes (N.S.W.)
Newcastle (N.S.W.)
Cunningham (N.S.W.)
Wakefield (N.S.W.)
Chisholm (V.)
Moreton (Q.)
Wimmera (V.)
Moore (W.A.)
Flinders (V.)
Macquarie (N.S.W.)
Lyne (N.S.W.)
Corangamite (V.)
Bony hon (S.A.)
Murray (V.)
Cowper (N.S.W.)
Gellibrand (V.)
Boothby (S.A.)
Lowe (N.S.W.)
Canning (W.A.)
Kooyong (V.)
West Sydney (N.S.W.)
Evans (N.S.W.)
Grey (S.A.)
(N.T.)
Gippsland (V.)
Petrie (Q.)
Dalley (N.S.W.)
Corio (V.)
Scullin (V.)
Lalor (V.)
Barton (N.S.W.)
Kennedy (Q.)
Riverina (N.S.W.)
Grey (S.A.)
Adelaide (S.A.)
Bruce (V.)
Lang (N.S.W.)
Maribyrnong (V.)
Darling Downs (Q.)
Port Adelaide (S.A.)
Denison (T.)
Mallee (V.)
Bradfield (N.S.W.)
Reid (N.S.W.)
East Sydney (N.S.W.)
Stirling (W.A.)
Macquarie (N.S.W.)
Werriwa (N.S.W.)
Balclaya (V.)
Sturt (S.A.)

THE COMMITTEES OF THE SESSION.

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

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

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

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

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

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

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

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

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

HOUSE OF REPRESENTATIVES.

GRIEVANCES OF YIRRKAL ABORIGINALS, ARNHEM LAND RESERVE.—Mr. Dean (Chairman), Mr. Barnes, Mr. Beazley, Mr. Bryant, Mr. Chipp, Mr. Kelly, Mr. Nelson.

HOUSE OF REPRESENTATIVES ACCOMMODATION.—Mr. Bury (Chairman), Mr. Duthie (Deputy Chairman), Mr. Costa, Mr. Coutts, Mr. Failes, Mr. Fox, Mr. Wentworth.

PRIVILEGES.—Mr. Clark, Mr. Cleaver, Mr. Drury, Mr. Allan Fraser, Mr. Galvin, Mr. Killen, Mr. Peters, Mr. Snedden and Mr. Turnbull.

STANDING ORDERS.—Mr. Speaker (Chairman), The Prime Minister, The Chairman of Committees, The Leader of the House, the Deputy Leader of the Opposition, Mr. Clark, Mr. Drury, Mr. Allan Fraser, Mr. E. James Harrison, Mr. Makin and Mr. McEwen.
PARLIAMENTARY DEPARTMENTS

SENATE.

Clerk.—R. H. C. Loof, C.B.E.
Clerk-Assistant.—J. R. Odgers.
Second Clerk-Assistant.—R. E. Bullock.
Usher of the Black Rod.—K. O. Bradshaw.

HOUSE OF REPRESENTATIVES.

Clerk.—A. G. Turner.
Clerk-Assistant.—N. J. Parkes, O.B.E.
Second Clerk-Assistant.—J. A. Pettifer.
Third Clerk Assistant.—D. M. Blake.
Serjeant-at-Arms.—A. R. Browning.

PARLIAMENTARY REPORTING STAFF.

Second Reporter.—A. K. Healy.
Third Reporter.—W. J. Bridgman.

LIBRARY.

Librarian.—H. L. White, C.B.E.
Assistant Librarian.—L. C. Key.

JOINT HOUSE.

Secretary.—W. I. Emerton.
THE ACTS OF THE SESSION.

(FIRST SESSION: FOURTH PERIOD.)

Air Accidents (Commonwealth Liability) Act 1963 (Act No. 74 of 1963)—
An Act to provide for the payment of Damages by the Commonwealth and Authorities of the Commonwealth in respect of the Death of, or Personal Injury to, certain persons travelling as Passengers in Aircraft.

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

Appropriation Act 1963–64 (Act No. 59 of 1963)—
An Act to authorize the issue and application, out of the Consolidated Revenue Fund, of a sum for the service of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-four, and to appropriate that sum.

Appropriation (Works and Services) Act 1963–64 (Act No. 60 of 1963)—
An Act to authorize the issue and application, out of the Consolidated Revenue Fund, of a sum for the service of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-four, for the purposes of Additions, New Works and other Services involving Capital Expenditure, and to appropriate that sum.

Blowing Water Storage Works Agreement Act 1963 (Act No. 95 of 1963)—
An Act relating to an Agreement between the Commonwealth and the State of New South Wales with respect to Water Storage Works at Blowing.

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

Canned Fruit Excise Act 1963 (Act No. 92 of 1963)—
An Act relating to Excise on Canned Fruit.

Canned Fruits Export Charges Act 1963 (Act No. 90 of 1963)—
An Act to amend the Canned Fruits Export Charges Act 1926–1952.

Canned Fruits Export Marketing Act 1963 (Act No. 89 of 1963)—
An Act relating to the Export of Canned Fruits, and for purposes connected therewith.

Chowilla Reservoir Agreement Act 1963 (Act No. 100 of 1963)—
An Act relating to an Agreement between the Commonwealth and the State of New South Wales with respect to the construction of a Reservoir at Chowilla.

Commonwealth Banks Act 1963 (Act No. 57 of 1963)—
An Act to increase the Capital of the Commonwealth Development Bank of Australia by the sum of Five million pounds.

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

Crimes (Aircraft) Act 1963 (Act No. 64 of 1963)—
An Act to make provision with respect to Crimes committed on board certain Aircraft, and for other purposes.

Currency Act 1963 (Act No. 67 of 1963)—
An Act relating to Currency, Coinage and Legal Tender.

Customs Act 1963 (Act No. 48 of 1963)—
An Act to amend the Law relating to the Customs.

Customs Tariff (No. 2) 1963 (Act No. 37 of 1963)—
An Act relating to Duties of Customs.

Customs Tariff (No. 3) 1963 (Act No. 42 of 1963)—
An Act relating to Duties of Customs.

Customs Tariff (Canada Preference) (No. 2) 1963 (Act No. 38 of 1963)—
An Act to amend the Customs Tariff (Canada Preference) 1960–1962, as amended by the Customs Tariff (Canada Preference) 1963.

Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1963 (Act No. 40 of 1963)—
An Act to amend the Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1960–1962.

Customs Tariff (New Zealand Preference) (No. 2) 1963 (Act No. 39 of 1963)—
An Act to amend the Customs Tariff (New Zealand Preference) 1933–1962, as amended by the Customs Tariff (New Zealand Preference) (No. 1) 1963.

Customs Tariff (New Zealand Preference) (No. 3) 1963 (Act No. 43 of 1963)—
An Act to amend the Customs Tariff (New Zealand Preference) 1933–1962, as amended by the Customs Tariff (New Zealand Preference) (No. 1) 1963 and by the Customs Tariff (New Zealand Preference) (No. 2) 1963.

Customs Tariff Validation Act 1963 (Act No. 94 of 1963)—
An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
Dairy Produce Export Control Act 1963 (Act No. 79 of 1963)—
An Act to amend the Dairy Produce Export Control Act 1924-1962.

Dairy Produce Research and Sales Promotion Act 1963 (Act No. 80 of 1963)—
An Act to amend the Dairy Produce Research and Sales Promotion Act 1958.

Defence Forces Retirement Benefits Act 1963 (Act No. 103 of 1963)—

Defence (Visiting Forces) Act 1963 (Act No. 81 of 1963)—
An Act to make provision with respect to Naval, Military and Air Forces of other countries visiting Australia, and for other purposes.

Disabled Persons Accommodation Act 1963 (Act No. 63 of 1963)—
An Act to provide for Assistance by the Commonwealth towards the provision of Residential Accommodation for certain Disabled Persons.

Estate Duty Assessment Act 1963 (Act No. 72 of 1963)—
An Act to amend the Estate Duty Assessment Act 1914-1962.

Excise Act 1963 (Act No. 49 of 1963)—
An Act to amend the Law relating to Excise.

Excise Tariff 1963 (Act No. 41 of 1963)—
An Act relating to Duties of Excise.

Excise Tariff (No. 2) 1963 (Act No. 91 of 1963)—
An Act relating to Duties of Excise.

Gift Duty Assessment Act 1963 (Act No. 73 of 1963)—
An Act to amend the Gift Duty Assessment Act 1941-1957.

Income Tax and Social Services Contribution Assessment Act (No. 2) 1963 (Act No. 69 of 1963)—
An Act relating to Income Tax.

Income Tax and Social Services Contribution Act 1963 (Act No. 70 of 1963)—
An Act to impose upon income a Tax by the name of Income Tax and Social Services Contribution.

Income Tax (International Agreements) Act 1963 (Act No. 71 of 1963)—

International Development Association (Additional Contribution) Act 1963 (Act No. 66 of 1963)—
An Act to approve the payment by Australia of an Additional Contribution to the International Development Association.

International Development Association Act 1963 (Act No. 51 of 1963)—

International Finance Corporation Act 1963 (Act No. 52 of 1963)—

International Monetary Agreements Act 1963 (Act No. 53 of 1963)—
An Act to amend section eleven of the International Monetary Agreements Act 1947.

International Organizations (Privileges and Immunities) Act 1963 (Act No. 50 of 1963)—
An Act relating to the Privileges and Immunities of certain International Organizations and of persons connected therewith, and for other purposes.

Loan Act 1963 (Act No. 65 of 1963)—
An Act to Authorize the Raising and Expending of a sum for Defence Purposes.

Loan (Housing) Act (No. 2) 1963 (Act No. 56 of 1963)—
An Act to Authorize the Raising and Expending of a sum not exceeding Forty-nine million eight hundred and fifty thousand pounds for the purposes of Housing.

Loan (War Service Land Settlement) Act 1963 (Act No. 55 of 1963)—
An Act to authorize the raising and expending of a sum not exceeding Four million two hundred and twenty-five thousand pounds for a Defence Purpose, namely Financial Assistance to the States of South Australia, Western Australia and Tasmania in connexion with War Service Land Settlement.

Menindee Lakes Storage Agreement Act 1963 (Act No. 99 of 1963)—
An Act to ratify and approve an Agreement between the Prime Minister of the Commonwealth and the Premiers of the States of New South Wales, Victoria and South Australia with respect to Waters of the Darling River stored at Menindee.

National Health Act 1963 (Act No. 77 of 1963)—
An Act to amend the provisions of the National Health Act 1953-1962 relating to the Special Accounts of Hospital Benefits Organizations.

Norfolk Island Act 1963 (Act No. 101 of 1963)—
An Act to amend the Norfolk Island Act 1957.

Overseas Telecommunications Act 1963 (Act No. 85 of 1963)—
An Act to amend the Overseas Telecommunications Act 1946-1958.

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THE ACTS OF THE SESSION—continued.

Phosphate Fertilizers Bounty Act 1963 (Act No. 78 of 1963)—

An Act to provide for the payment of Bounty on the Production of certain Phosphate Fertilizers.

Raw Cotton Bounty Act 1963 (Act No. 86 of 1963)—

An Act to provide for the Payment of Bounty on the Production of certain Raw Cotton sold for use in Australia and for other purposes.

Repatriation Act 1963 (Act No. 47 of 1963)—


River Murray Waters Act 1963 (Act No. 98 of 1963)—

An Act to ratify and approve an Agreement for the further variation of the Agreement entered into between the Prime Minister of the Commonwealth and the Premiers of the States of New South Wales, Victoria and South Australia, respecting the River Murray and other Waters, and for other purposes.

Sales Tax Assessment Act (No. 5) 1963 (Act No. 45 of 1963)—

An Act to amend the Sales Tax Assessment Act (No. 5) 1930–1953.

Sales Tax (Exemptions and Classifications) Act 1963 (Act No. 44 of 1963)—


Service and Execution of Process Act 1963 (Act No. 35 of 1963)—


Snowy Mountains Hydro-electric Authority Act 1963 (Act No. 96 of 1963)—

An Act to extend further the Period of Office of the Commissioner constituting the Snowy Mountains Hydro-electric Authority.

Social Services Act 1963 (Act No. 46 of 1963)—


States Grants (Additional Assistance) Act (No. 2) 1963 (Act No. 36 of 1963)—

An Act to provide for the payment of certain sums to the States by way of Additional Financial Assistance.

States Grants (Special Assistance) Act 1963 (Act No. 76 of 1963)—

An Act to grant Financial Assistance to the States of Western Australia and Tasmania.

States Grants (Universities) Act (No. 2) 1963 (Act No. 75 of 1963)—


Stevedoring Industry Act 1963 (Act No. 58 of 1963)—

An Act to suspend the making of Declarations under section fifty-two A of the Stevedoring Industry Act 1956–1962 and to permit the payment of Attendance Money to certain Waterside Workers.

Submarine Cables and Pipelines Protection Act 1963 (Act No. 61 of 1963)—

An Act relating to the Protection of Submarine Cables and Pipelines beneath the High Seas.

Superannuation Act 1963 (Act No. 102 of 1963)—

An Act relating to Superannuation.

Universities (Financial Assistance) Act 1963 (Act No. 68 of 1963)—

An Act to make provision for the grant of Financial Assistance to the States in connexion with Universities.

Vinyl Resin Bounty Act 1963 (Act No. 88 of 1963)—

An Act to provide for the Payment of Bounty on the Production of certain Resins used or sold for use in Australia.

Western Australia (Northern Development) Agreement Act 1963 (Act No. 87 of 1963)—

An Act relating to an Agreement between the Commonwealth and the State of Western Australia in relation to the Development of the Northern part of that State.

Wheat Export Charge Act 1963 (Act No. 84 of 1963)—

An Act to impose a Charge on Wheat and Wheat Products exported from the Commonwealth.

Wheat Industry Stabilization Act 1963 (Act No. 83 of 1963)—

An Act relating to the Stabilization of the Wheat Industry.

Wine Overseas Marketing Act 1963 (Act No. 62 of 1963)—


World Health Organization Act 1963 (Act No. 54 of 1963)—

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Tuesday, 20th August, 1963.

Mr. SPEAKER (Hon. Sir John McLeay) took the chair at 2.30 p.m., and read prayers.

PETITIONS.

Disarmament and Nuclear Tests.

Mr. DRURY presented a petition from certain electors of the Commonwealth praying that the Government (1) support the United Nations resolution for a nuclear test ban treaty, (2) ensure that foreign bases are not permitted on Australian soil, and (3) in response to the call of the United Nations, declare Australia’s willingness to enter into an agreement not to manufacture, test, station or acquire nuclear weapons.

A similar petition was presented by Mr. Barnes.

Petitions severally received:

Social Services.

Mr. DON CAMERON presented a petition from certain electors of the Commonwealth praying that the Government ease the financial position of age, invalid and widow pensioners by providing (1) a pension rate equivalent to half the basic wage and subject to future basic wage adjustments, and (2) an allocation of additional finance to enable the State Housing Commission to build low-rental houses and units for pensioners and elderly people.

Petition received.

Aborigines.

Mr. EINFELD presented a petition from certain citizens of the Commonwealth praying that the Government remove section 127, and the words discriminating against aborigines in section 51, of the Commonwealth Constitution, by the holding of a referendum at an early date.

Petition received.

SERVICE UNIFORMS.

Mr. McGUREN.—My question is directed to the Minister for the Army. Is the Army engaging professional models to represent it at a service exhibition in Brisbane this week in which Royal Australian Navy and Royal Australian Air Force girls are participating? Does the Minister consider that Army girls are not suitable to grace their uniform? Are models entitled to wear the Queen’s uniform? Is the Minister so un gallant as to suggest that girls serving with the Queen’s colours in the Army are not glamorous enough to publicize their Army corps? Are they not all splendid types of Australian girls? Is the Minister trying to create the impression that only finalists in the Miss Australia contest are eligible to wear a uniform of the Australian Army?

Mr. Cramer.—I have read in the press some criticism of the decision in this matter. Let me say at once that I am very proud indeed, as I am sure the Australian people are, of the girls in the Women’s Royal Australian Army Corps and in the Army nursing corps. There is no ban of any shape or form on their modelling their uniforms in appropriate circumstances. The decision, which relates to a purely local matter, is a decision of the General Officer Commanding, Northern Command. I, personally, do not know, nor do I understand, just what is involved in his decision in relation to this matter, but I would be loath to interfere with a decision that the General Officer Commanding has made. However, I can assure the honorable member that there is no reflection whatever upon our girls in the Army.

NATURALIZATION.

Mr. Cleaver.—I address a question to the Minister for Immigration. Will the honorable gentleman inform the House of the vital principles relating to his announced campaign to stimulate applications for naturalization? Will he assure the House that there will be no element of coercion in this scheme?

Mr. Downer.—As I have said repeatedly, the last thing that this Government would ever want to do would be to compel persons qualified for naturalization to accept Australian citizenship. We are very keen indeed to ensure that individual decisions made in relation to this matter are voluntarily arrived at by the settlers themselves, after they have realized the great advantages of Australian citizenship. What I am trying to do now is to bring the advantages of Australian citizenship to the
notice of the many persons who are qualified, awakening in them a real interest in the advantages of becoming fully-fledged members of the Australian community. I am very hopeful that the campaign that I initiated, on behalf of the Government, last night will be fruitful.

TELEVISION.

Mr. STEWART.—My question is addressed to the Postmaster-General. Is it not a fact that when the Australian Broadcasting Control Board, in August, 1960, reported on the issue of commercial television licences in Newcastle, it recommended that there should be either one licence, which should be granted to a local independent company not associated with a metropolitan station, or that, if the Government would permit any association with a metropolitan station, there should be two commercial licences in Newcastle? Also, is it not a fact that the Government decided that there should be only one licence in Newcastle, on the basis that the licensee was in no way associated with a metropolitan station? Further, is it not a fact that the Government has now approved of shareholding changes whereby Sir Frank Packer's Consolidated Press Limited of Sydney, which already controls metropolitan commercial stations in Melbourne and Sydney, is to have a substantial interest in the Newcastle station, and that News Limited, Adelaide, which controls stations in Adelaide and Wollongong—

Mr. SPEAKER.—Order! I think the honorable member is making his question far too long.

Mr. STEWART.—I ask the Postmaster-General whether these transactions have been approved in the face of the Control Board's recommendation and the Government's own declared policy. Is it not a fact that the Government's so-called television policy is now in tatters and that it is prepared to overturn the Control Board and go to any lengths to please its friend, Sir Frank Packer of the Sydney "Daily Telegraph"?

Mr. DAVIDSON.—The question directed to me by the honorable member for Lang was obviously very strongly tainted with political propaganda which is ill-based. The honorable member recounted some of the things we have provided for from time to time, quite rightly. The reply to his question will be found in a statement I made on this matter within the last day or two, in which I said that the Government was having a look at this matter, and that when it had made a complete survey of recent trends it would decide whether any further amendment to the legislation in respect of policy, which has not been changed, is necessary. When that survey has been made I shall be prepared to discuss the matter, but not while it is still a matter of Government policy.

TELEPHONE SERVICES.

Mr. TURNER.—My question also is directed to the Postmaster-General. Is it a fact that in New South Wales there are more than 20,000 outstanding applications for telephone services, compared with a little more than half that number in Victoria, a few hundred in Queensland and relatively small numbers in the other States? Will the honorable gentleman say what steps are being taken to overcome this lag in New South Wales?

Mr. DAVIDSON.—It is correct, as I announced some time ago, that there is a considerable number of outstanding applications, particularly in the metropolitan areas of Sydney and Melbourne. That situation arises from the amazing development in those areas. First of all, there is the amazing development in industries which are being established as a result of the success of this Government's policies.

Mr. Calwell.—Mr. Bolte would not agree with that.

Mr. DAVIDSON.—If you look up the figures you will see that it is quite correct. The Postal Department is well aware of the situation that has been developing. It is constantly doing its best to remedy the situation. So is the Government. When I tell honorable members that in the last few months the increase in applications for new telephones in these areas, in comparison with a similar period last year, has been more than 12 per cent., they will see that it is a big task that we are facing. If those people who want to look into this
matter study the Budget presented last Tuesday by the Treasurer, they will find
that this year the Government has pro-
vided over £6,000,000 more for capital
works and equipment than it did last year.
Each year the amount provided has in-
creased. That is what the Government is
doing in order to deal with this problem,
which I agree with the honorable mem-
ber for Bradfield is very serious.

DECIMAL CURRENCY.
Mr. GALVIN.—I direct a question to the
Prime Minister. Is it correct that because of
widespread public criticism the Govern-
ment is considering changing the name
"royal" for the major unit under decimal
currency? If that is correct, will the right
honorable gentleman consider holding a
public competition to find a suitable name
as was done when the design for the
Australian national flag was chosen?

Sir ROBERT MENZIES.—As to the first
part of the question, we are always giving
the best of attention to problems of this
kind. As to the second part of it, perish
the thought!

NEW STATES.
Mr. DRUMMOND.—Has the attention of
the Prime Minister been directed to the
fact that a petition was presented to Her
Majesty the Queen in England, asking for
constitutional redress to enable the New
England area, as defined by the Nicholas
royal commission, to receive statehood
within the Commonwealth of Australia,
emphasizing the fact that every device per-
mitted under the Constitution had been
tried within the State of New South Wales,
and asking that the Commonwealth Govern-
ment be requested to provide for a referen-
dum on the subject of an amendment of the
Constitution? I ask the right honorable
gentleman whether, following such presen-
tation, the petition was transmitted to His
Excellency the Governor-General and the
New State Movement was advised that the
petition would be referred to the Queen's
Ministers in Australia. Has that petition
been received by the Government? Has it
yet received the attention of the Govern-
ment and has consideration been given to
the message that it contains?

Sir ROBERT MENZIES.—I will be very
glad to look into the facts of this matter. I
do not profess to be able to answer off-hand
but I will advise the honorable member.

SALES TAX.
Mr. LUCHETTI.—I ask the Prime
Minister to take immediate action to ensure
that the benefits from the removal of sales
tax on foodstuffs are passed on to the
consumers. Will the right honorable
gentleman give leadership in this matter of
food prices by first taking effective measures
to protect public interests in Commonwealth
Territories and by co-operating with the
States in ensuring that sales tax remissions
are passed on to the people?

Sir ROBERT MENZIES.—I appreciate
the honorable member's interest but this is
clearly a matter of policy and therefore I
cannot give an answer at this stage.

INDONESIA.
Sir WILFRID KENT HUGHES.—My
question is directed to the Minister for
External Affairs. Has the Minister received
a complete copy of the statement made by
the Indonesian ambassador on his return
to Australia on 15th August? If, as
reported, this statement contains comments
on a recent statement made by the Prime
Minister and another unfavorable comment
concerning Malaya's prestige as a nation,
will he discuss, or has he discussed, with
the ambassador the accepted practices of
diplomacy amongst civilized nations?

Sir GARFIELD BARWICK.—I have not
seen the full text of what was said by the
Indonesian ambassador on his return to
Australia. I have no doubt that a good
deal of what he said was in response to
questions put to him, perhaps at the airport
or, perhaps, later on. I did see portion of
a television interview, but I must confess
that I have not read or seen anything that
would lead me to think that there had been
a breach of what the honorable member
calls the accepted principles of diplomacy.
However, as the honorable member has
called my attention to the statement specific-
ally, I will look at the complete text of it.

NORTHERN TERRITORY.
Mr. NELSON.—My question is
addressed to the Minister for Air. Can the
Minister say whether the Government intends to proceed with plans for the rehabilitation of the Tindale air strip at Katherine in the Northern Territory so that it will be suitable for use by the Royal Australian Air Force as a major base? The question is asked because there are reports current to the effect that the project may not proceed.

Mr. FAIRBAIRN.—This is a question of policy and it is before the Government at the present moment. Any announcement will come from the Government in due course.

NEW PARLIAMENT HOUSE.

Mr. TURNER.—Mr. Speaker, my question is addressed to you. Have you, Sir, seen a press statement by Sir William Holford, the noted town planner consulted by the Government regarding the development of Canberra, to the effect that steps should be taken now to consider the kind of accommodation required in a new Parliament House? Would you, Sir, refer to a speech precisely on this subject made by me in this House within the past two or three years—a speech of purest ray serene—and consult the Government on the appointment of a select committee broadly representative of the legislature, as well as of the Executive, to make proposals on a matter peculiarly affecting the efficiency as well as the convenience of the Parliament?

Mr. SPEAKER.—I will have a look at the question raised by the honorable member but I want to say that I shall make every endeavour to keep within my rights.

Sir ROBERT MENZIES.—As this subject has been raised and as it affects all honorable members, may I, by leave, indicate that at a very early date I hope to be in a position to put a proposition to honorable members in relation to this very matter?

Mr. Calwell.—Do you mean a new Parliament House?

Sir ROBERT MENZIES.—In relation to what we first need; that is a complete investigation by competent people of what is needed in a new Parliament House. This is quite a complicated problem. I do not want to make a statement about it now, but I expect in the next week or two to be able to put forward a proposal which I think will meet with the approval of all honorable members.

Mr. CALWELL.—I direct a question to the Prime Minister. It relates to the subject of the previous question. Quite a number of members of this Parliament are not yet convinced that the establishment of a new Parliament House is either desirable or necessary. If a new structure is to be erected it ought to be built where the then Prince of Wales laid the foundation stone. Will the Prime Minister consider, before he makes the statement he has mentioned, including in it the matter of the suitability of accommodation of members of the Parliament pending the erection of a new Parliament House, because this is a pressing problem for all honorable members? Will he consider, for instance, the erection of an executive wing, as recommended, I think, by the Joint House Committee? This recommendation was rejected some time ago. Had it been proceeded with at that time, it would have relieved the accommodation problem of private members of this Parliament.

Sir ROBERT MENZIES.—I can assure my honorable friend that all these matters have been and still are under active examination.

WHEAT.

Mr. TURNBULL.—I direct a question to the Minister for Primary Industry. As it is expected that in the near future the Minister will announce the terms of proposed legislation for continued stabilization of the wheat industry, can he assure the House that, whatever the terms of the new legislation, the paramountly important first payment on wheat deliveries will remain at the same figure as in recent years? If he is not able to give this assurance at this stage, will he regard my suggestion as of urgent importance to the industry?

Mr. ADERMANN.—I appreciate the importance of a substantial first advance payment to wheat-growers, but of course it is not within my province to give an assurance that the same standard of payment will be made year after year. As in the past, I will have no lack of sympathy in the future in regard to this matter.
BUDGET 1963-64.

Mr. ARMITAGE.—I ask the Prime Minister a question concerning a Budget leakage. Is he aware that a report published in a newspaper known as the "South Pacific Post" in Papua and New Guinea on 9th August, 1963, stated that those who claimed to be well informed on the subject of the forthcoming Commonwealth Budget for 1963-64 indicated that the Commonwealth grant to Papua and New Guinea would be £25,200,000? As the Budget was not brought down by the Treasurer until Tuesday, 13th August, 1963, and the grant to the Administration of Papua and New Guinea, as indicated on page 7 of the printed copy of the Treasurer’s Budget speech, was £25,200,000, does he not agree that it would appear that there has been a leak of the details of the Budget? Therefore, would he initiate an immediate inquiry to ascertain the source of this inspired leak and take appropriate action against the person or persons concerned, no matter how highly placed or otherwise they might be?

Sir ROBERT MENZIES.—I have not seen this report. I do not happen to be a reader of this particular journal. I could imagine a dozen and one ways in which territorial estimates, in the course of preparation, become known to a great number of people. It has been known in the past that some people talk, and it is very difficult to discover who they are. I frequently wish I could discover who they are. But the honorable member must have in mind that the newspaper press in Australia has a great habit of anticipating the Budget and publishing, with all the voice of authority, what is going to be contained in the Budget, at a time when the publication can do nothing but harm. These are purely speculative exercises. I suppose that mostly they are conducted on the basis that if you forecast 30 items you have a fair chance of being right about one.

AUSTRALIANS TRAVELLING OVERSEAS.

Mr. CLEAVER.—I preface my question, which is addressed to the Minister for External Affairs, by reminding him of the emergency situations which at times affect Australians who are travelling in countries where Australian embassies or consulates have been established. He will recall my concern about the unfortunate death by accident in Italy of a young couple from Western Australia who were on their honeymoon. Unfortunately official advice of the tragedy was not received for some sixteen days. Will the Minister advise the House of what assistance or service Australian representatives are expected to give in special circumstances of this kind?

Sir GARFIELD BARWICK.—In the incident which the honorable member called to my attention a young couple were fatally injured and news of the event did not reach our embassy for many days. No doubt our officers do their utmost to assist travelling Australians in relation to events which come to their notice, but I think it is asking much to request that they should seek information which normally would only come to them directly following the event, through officials of the nation to which they are accredited. If the honorable gentleman or any other honorable gentleman knows of any difficulties of this kind, he may call them to my attention specifically.

DEPARTMENTAL STATIONERY.

Mr. DALY.—I ask the Minister for the Army whether it is a fact that recently he distributed to the electors of Bennelong, with his compliments, printed notes headed "Department of the Army", in envelopes which bore the coat of arms of the Minister for the Army, and that enclosed with the notes was a Liberal propaganda pamphlet entitled "Peace through Security", authorized by Mr. Willoughby, the federal secretary of the Liberal Party, which attacked Labour’s defence policy. If so, will the Minister state whether he or the Liberal Party reimbursed the Department of the Army for the cost of the postage and of the envelopes and stationery used? If this has not been done, will he state whether it is now the accepted practice for him to use his departmental staff and office for the distribution of Liberal Party propaganda?

Mr. Cramer.—I want to make it perfectly clear that the rigid policy in my office is that any political matter such as that referred to shall be paid for by me out of my own pocket. In this particular case, as on all other such occasions, the postage
was paid for out of my pocket. Unfortunately, on this one occasion I was absent in Queensland, my regular secretary was absent from the office, and a temporary girl was there. This girl picked up some departmental slips, which were in the office, and sent them out. It was quite wrong for that to be done; I do not agree with it. It is not the habit for such matters to be handled in this way from my office. Anything that is of a political nature is always paid for by me.

BROADCASTING.

Sir WILFRID KENT HUGHES.—My question is directed to the Postmaster-General. If the Australian Broadcasting Commission has no objection to Indonesians employed by Radio Australia running a nationalistic propaganda centre in their spare time—I am not questioning their right to do so—why did the commission’s news room dismiss an Australian journalist because he visited Asia in his ordinary holidays and arranged interviews, even though he did not pose as a representative of the A.B.C.? If the Minister does not know about the case, will he look into it?

Mr. DAVIDSON.—Just as I have done on many previous occasions in relation to other matters, I am quite prepared to have a further look at the case mentioned by the honorable member. I do know a little about this matter because the honorable member sent me a letter, which I received only a day or so ago, in which he made reference to it. I confess that I do not quite understand why this man was put off the staff of the Australian Broadcasting Commission. All I know is that he was a temporary employee. It will be appreciated that the Australian Broadcasting Commission does not have to consult the Minister before it dispenses with the services of a temporary employee. I will have another look at this matter.

OVERSEAS INVESTMENT IN AUSTRALIA.

Mr. UREN.—I direct my question to the Treasurer and preface it by directing his attention to a statement made by the Minister for Trade, who at the time was Acting Prime Minister, when he addressed a New South Wales Country Party conference at Orange recently. He said—

Where overseas investment merely buys out a well-established going concern—perhaps a flour mill—perhaps a co-operative dairy company—I am troubled to see a substitution of overseas ownership for an old-established Australian ownership, with nothing new to add to the economy.

Is the Treasurer aware also that Mr. Warren McDonald, Chairman of the Commonwealth Banking Corporation, said that Australia did not want portfolio foreign investment, that it was of no use to the Australian economy, and that it was hot money and could be withdrawn at any given time? The other day in this House the Minister for Trade expressed the same view. Is the Treasurer aware that the type of foreign investment mentioned by both the Minister for Trade and Mr. McDonald, particularly from the United Kingdom and North America, receives special taxation concessions under the double taxation agreement we have with those countries to the same extent as foreign capital that is brought into this country to establish essential basic industries?

Mr. SPEAKER.—Order! The honorable member is now endeavouring to make a speech. I ask him to frame his question.

Mr. UREN.—Does the Treasurer intend to investigate the warnings and charges by these two distinguished gentlemen and rectify Rafferty’s rules arrangement that exists in this country at present?

Mr. HAROLD HOLT.—Last Thursday, the House had a debate on this topic. At that time I expressed the general views of the Government, and my colleague, the Minister for Trade, made his own contribution. As I recall the position, the honorable member for Reid had originally been listed as one of the limited team of speakers from the Opposition side, but obviously, in order to advantage the honorable member for Yarra as a candidate for election to the Labour executive, he retired and made way for his friend. Now, apparently in the guise of putting a question, he is trying to give us the benefit of the notes he prepared for a speech on that occasion. All I can say is that question-time is not a suitable occasion for a debate. I suggest that the honorable member study closely what I said in
the course of my speech; he will find quite clearly expressed in it the general views of this Government.

**Wool.**

Mr. **TURNBULL.**—My question is addressed to the Minister for Primary Industry. Has the Minister seen a press article in which Sir William Gunn is reported as having been willing to bet a wool-grower at one of his meetings £100 that a poll of growers would be held regarding a proposed wool marketing plan? Does this mean that a poll will be held, or only that Sir William was prepared to take a sporting risk?

Mr. **ADERMANN.**—It has always been my clear understanding, and this has been emphasized by the major organizations in the wool-growing industry, that if there is any marketing proposal to be determined it will be submitted to a poll of the wool-growers of Australia.

**Lighthouse Supply Vessels.**

Mr. **HANSEN.**—My question is directed to the Minister for Shipping and Transport. I refer him to tenders first called some twelve months ago for the building of two lighthouse supply vessels, and ask: Have successful tenderers or tenders been decided, are they likely to be announced in the immediate future, or have plans to build these vessels been deferred?

Mr. **OPPERMAN.**—The plans have not been deferred. I hope to make an announcement in the next couple of days concerning the successful tenderer.

**Dried Vine Fruits.**

Mr. **TURNBULL.**—I direct a question to the Minister for Trade. In view of the fact that the Australian dried vine fruits industry wishes to increase the markets for its excellent products will the Minister say whether the recently amended Japanese Trade Agreement contains any provision for the sale of Australian dried vine fruits?

Mr. **McEWEN.**—Yes, there is such a provision but it is not an explicit provision. When the first trade agreement with Japan was negotiated restrictions applied to the importation into Japan of dried vine fruits. The agreement contained a clause which established a quota of, I think, £100,000 worth of these products a year, although I think much more than that amount was in fact sold. The new agreement provides that certain items of trade which have been, in the Japanese customs jargon, liberalized—that is, exempted from import licensing—will not again be the subject of import licensing except for balance of payments reasons. Dried vine fruits come within that category. The position therefore is that except for the situation in which Japan is obliged to impose import restrictions because of balance of payments problems, our dried vine fruits have unrestricted access to the Japanese markets. The problem has now become one of salesmanship. Sales rose from nil prior to the agreement to 8,000,000 lb. per annum under the agreement.

**South Viet Nam.**

Mr. **WHITLAM.**—I ask the Minister for External Affairs a question. In view of the obvious concern of the United States Administration and Congress and of the Pope over recent events in South Viet Nam, is the Australian Government reviewing its attitude towards the Diem Government or letting its views be known to that Government? Does not the Australian Government feel that it has a particular interest in the behaviour of the Diem Government in view of the fact that Australia is contributing Army instructors in support of that Government?

Sir **GARFIELD BARWICK.**—Naturally the Government has been following very closely events in South Viet Nam. I have been in communication with the Government of South Viet Nam through its Foreign Minister and have expressed certain views to that Government. We are watching Australia's interests in the light of recent activities in South Viet Nam.

**Rural Interests.**

Mr. **DRUMMOND.**—I ask the Treasurer whether his attention has been directed to press reports claiming that certain provisions announced in the Budget will have the effect of markedly improving the incomes of members of the rural community. Has the right honorable gentleman's attention been directed to the latest report of the Rural
Reconstruction Board of New South Wales which states that the most important requirement of members of the rural community, whose incomes have for some time past been declining compared with those of other sections, is long-term mortgages to enable long-term developmental work to be undertaken? If his attention has been directed to that report, which is the work of many very able members of the community, will he inform the House what progress has been made to provide long-term mortgages for rural purposes since the initial steps were taken? Will the Minister advise the House how far the plan has been developed and whether it will be extended to the point desired by the Rural Reconstruction Board?

Mr. HAROLD HOLT.—The honorable member has referred to reports that the Budget contains provisions which will improve the incomes of those engaged in rural production. I am sure that will be a consequence of the useful measures incorporated in the Budget. That, however, is not its primary intention. The primary intention of these provisions was to improve productivity on the land in the interests of Australia as a whole. It is a good thing that while the Budget works to the national advantage there will be these quite direct benefits to the rural community as well.

I am, of course, familiar with the general problem to which the honorable gentleman referred of the need for loans to be available for long-term rural development. I have not seen the particular passage in the report of the Rural Reconstruction Board and I should be very glad if he would bring it to my notice so that I can study it. However, he will be aware that, through the financial provision made to the Commonwealth Development Bank, and through the arrangements made with the trading banks under the term lending fund, there has been some improvement in the range of availability of funds for rural development purposes. I shall be glad to study with the honorable gentleman any other possibilities which he may feel are worth pursuing.

IMMIGRATION.

Mr. BENSON.—What plans has the Minister for Immigration to find employment for the 135,000 immigrants who are expected to come to Australia under the plans announced by the Treasurer in his recent Budget speech? Is the Minister aware that the latest known number of unemployed, as published by government sources, is 78,000?

Mr. DOWNER.—The Government has always related its immigration intake to the capacity of the economy to employ those who come here. In fixing the target for this year we had this factor very much in mind. I point out to the honorable gentleman that, of a contemplated net settler intake of approximately 100,000, only about one-half will be actual workers. The remainder will be in the varying categories of dependants who, I need hardly remind honorable members, will become consumers immediately they arrive in Australia. Of this worker intake we estimate that not less than 78 per cent. will be either skilled or semi-skilled workers. It is scarcely necessary to tell my honorable friend that the crying need of industry all over Australia is for an increasing number of workers in this category. Therefore, I think—I hope the House will agree with me—that the Government, in fixing this total, is entirely right in its confidence that the people coming here will be readily placed in employment and will fulfil a real need in the Australian economy.

PETITION.

Mr. CLEAVER.—My question to the Minister for Territories relates to the most interesting petition presented to the House last week from some of the natives of Yirrkala. Has the Minister been able to establish the status of the natives who appended their signature to that petition?

Mr. HASLUCK.—In answering this question and in deference to you, Mr. Speaker, I should like it to be understood that I am not questioning in any way the propriety of the presentation of this petition nor the right of the people who signed it to do so. But I have made some inquiries regarding the twelve persons whose signatures appear at the foot of the petition. I have been informed that among the people of Yirrkala there are between 400 and 500 persons who are formed into about thirteen different tribal groups. Only six of the thirteen tribal groups are represented by the
signatories, and only one of the signatories occupies any sort of position which might entitle him to speak on behalf of one of the tribal groups. That particular signatory is the brother of the head of his group. Of all the signatories, none was over the age of 30 years, and I think that honorable members, including the honorable member for the Northern Territory, who presented the petition, will recognize that in aboriginal society the older men and the older women are the ones who exercise influence and the young men are regarded very much as juniors until they attain a position of leadership.

Mr. Bryant.—I rise to order, Mr. Speaker. Is it in order for the Minister to question the validity of a petition presented to this House?

Mr. Speaker.—Order! The Minister is quite in order. He is answering a question. The honorable member will resume his seat.

Mr. Hasluck.—I am answering a question and I am not questioning the propriety of the presentation of the petition. I am trying to establish, for the information of honorable members, in answer to one honorable member, the status and the standing of the twelve signatories to this petition. I say again that there were twelve signatories representing six of the thirteen tribal groups. There was none over the age of 30 years. Two of them were eighteen years of age. Three of them were young women in their early twenties. Because of those established facts, one could not regard this petition as having been signed by twelve persons who were in a position to speak on behalf of the whole of the people of Yirrkala.

PERSONAL EXPLANATION.

Mr. Pollard.—I wish to make a personal explanation, Mr. Speaker.

Mr. Speaker.—Has the honorable member been misrepresented?

Mr. Pollard.—No; I misrepresented the Prime Minister. Last Thursday night, during a discussion in the Parliament on the urgent need of the Australian dried fruits industry for some form of financial assistance, I stated that the honorable member for Bendigo and I had sent a telegram to the Prime Minister and that despite the fact that a week had elapsed since then we had received no acknowledgement, in fact, not even a squeak from the right honorable gentleman. I discovered, on returning to my office in my electorate on Friday last, that the right honorable gentleman had addressed to me a letter dated 12th August which apparently reached my office on the day I left for Canberra. Consequently my statement, although made in good faith, was not correct.

WINE OVERSEAS MARKETING BILL 1963.

Bill presented by Mr. Adermann, and read a first time.

Second Reading.

Mr. Adermann (Fisher—Minister for Primary Industry) [3.19].—I move—

That the bill be now read a second time.

The sole purpose of this small machinery bill is to amend the legislation constituting the Australian Wine Board to take account of a change in the name of the central wine-makers' organization whose State components are responsible for providing the proprietary winemakers' representation on the board.

The Australian Wine Board is established under the provisions of the Wine Overseas Marketing Act 1929-1961 to organize the export trade in Australian wine and brandy and to promote sales of these products both at home and overseas. The board includes in its membership five representatives of proprietary and privately-owned winemaking interests—South Australia two, Victoria and Western Australia one each and New South Wales and Queensland one combined—who are appointed to office on the nomination of the relevant State associations affiliated with the Federal Viticultural Council of Australia. This system of appointment has been provided for since the inception of the board in 1929. The membership also comprises two representatives of co-operative winemaking interests appointed on the nomination of Co-operative Winemakers Associations, three representatives of grape-growers appointed on the nomination of the Federal Grapegrowers Council and one representative of the Commonwealth.

Some time ago the State wine and brandy producing associations affiliated with the
Federal Viticultural Council of Australia changed their respective names to bring them more into line and thus to avoid confusion which was being created within the industry. At the same time the parent body, the Federal Viticultural Council, altered its designation to the Federal Wine and Brandy Producers Council of Australia Incorporated. The alteration has been approved by the Registrar of Companies in South Australia. It therefore has become legally necessary to amend section 5 of the act to substitute the new name of the council for the old.

The Federal Wine and Brandy Producers Council of Australia Incorporated, formerly the Federal Viticultural Council of Australia, is the central organization of winemaking interests, both proprietary and cooperative, and the State associations affiliated with it continue to represent substantially the winemaking industry. The members comprising the State associations provide over 85 per cent. of wine and brandy production in Australia. The proprietary companies represented in the State associations account for 80 per cent. of the wine and brandy produced by all proprietary companies. I am pleased to say that the central body and its State sections are working in close harmony with the main grape-grower organizations in the overall interests of both sections of the industry. I commend the bill to honorable members.

Debate (on motion by Mr. Pollard) adjourned.

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

International Organizations (Privileges and Immunities) Bill 1963.

International Development Association Bill 1963.


International Monetary Agreements Bill 1963.


Second Readings.

Debate resumed from 8th May (vide page 1164), on motion by Sir Garfield Barwick—

That the bills now be read a second time.

Mr. WHITLAM (Werriwa) [3.24].—A bill titled International Organizations (Privileges and Immunities) Bill raises mixed feelings on my side of the House. The Labour Party seeks to promote international organizations, but it also seeks to reduce privileges and immunities. We will support the bill, and the ceiling and ambit fixed by the bill for the privileges and immunities it covers, because we believe that Australia, more than most countries, stands to gain from the extension of law and order in the world and from the extension of international legislation and jurisdiction. International organizations such as those envisaged by this bill were, like governments, designed originally to secure law and order, and little more, but are now increasingly dedicated to social justice and economic development. In future, such organizations will be charged with preserving the peace, supervising disarmament, equalizing the standard of living and stabilizing the terms of trade. Thus, they will be carrying out those functions which governments have successively come to perform with their police forces, their welfare services and their economic agencies. The anomalous position arises that governments, particularly those in the English-speaking world, are abdicating their privileges and immunities and are equating their rights with those enjoyed by ordinary citizens and corporations. There is, on the other hand, a counter-trend under which governments are extending privileges and immunities to representatives of other governments within their jurisdiction and also to organizations formed by them, jointly with other governments.

The Australian Constitution makes quite rudimentary provision for the subject-matter of legislation such as this. It is instructive to contrast the sections of our Constitution dealing with those matters, with those in the American Constitution. A great deal of change has taken place in six decades, and particularly in the last two decades. There need be no doubt, I imagine, that the High Court would invalidate any legislation which we passed in this field under conventions and other less formal arrangements with other countries.

Australia has been party to three principal general conventions on diplomatic privileges and immunities. The first is the
General Convention on the Privileges and Immunities of the United Nations, which was adopted by the General Assembly of the United Nations on 13th February, 1946. Australia acceded to that convention on 24th March, 1949. The document appears as a schedule to the International Organizations (Privileges and Immunities) Act 1948. The second convention is that on the privileges and immunities of the specialized agencies, which was adopted by the General Assembly on 21st November, 1947. Australia, however, did not accede to it until fifteen years later, on 20th November, 1962. The Government then proceeded to give effect to the convention by regulations made on 23rd November and gazetted on 26th November. It is to be assumed that the Government brought that convention into effect to coincide with the Fifth Asian Regional Conference of the International Labour Organization, which commenced in Melbourne on 26th November of last year. An unusual feature is that the convention appears as a schedule, not to an act, but to regulations. I do not recall another case of an international treaty appearing merely as a schedule to regulations.

The third convention is the Vienna Convention on Diplomatic Relations, done on 18th April, 1961. Australia signed it on 30th March, 1962. The Minister for External Affairs (Sir Garfield Barwick) has not yet tabled this convention along with treaties which it is proposed that the Government should ratify, or to which it is proposed that the Government should accede. The convention is not yet ratified.

Apart from the provisions made by the International conventions I have quoted, there is a general statute of this Parliament, the Diplomatic Immunities Act 1952. In addition, the Parliament has made specific provisions in approving various international agreements setting up various international organizations. For instance, immunities and privileges have been conferred on the International Development Association, the International Finance Corporation, the World Health Organization and the International Labour Organization by acts containing those titles. Privileges and immunities have been conferred on the International Monetary Fund and the International Bank for Reconstruction and Development under the International Monetary Agreements Act, and on the International Civil Aviation Organization under the Air Navigation Act. At one stage—it may still be the case—the International Wheat Council had legal capacity pursuant to an agreement approved by this Parliament, but not immunities or privileges in the general diplomatic sense. As the Minister stated in his second-reading speech, some specific fiscal immunities, amounting to very considerable privileges, are conferred by section 23 of the Income Tax and Social Services Contribution Assessment Act and by items 373 (a) and 373 (b) of the Customs Tariff Act. He might also have mentioned that immunities and privileges are conferred by items under the Excise Tariff Act and, in respect of articles imported or cleared from bond, under the sales tax acts.

Finally, there are considerable privileges and immunities in respect of rates in the various States, and also in the Australian Capital Territory. In the Australian Capital Territory diplomats and their suites are immune from the general rate and the lighting rate, but not from the rate for electricity consumption or the sewerage rate. The States, in general, have been quite generous to consuls and consulates within their jurisdiction. In fact, it seems that State governments in Australia give more immunities and privileges to consulates than do any sovereign States elsewhere.

This act will codify in one place the privileges and immunities which can be extended to various organizations. It will be a flexible act in that the particular organizations, offices, conferences and representatives can be gazetted. It will be a just act in that the privileges may be withdrawn from the representatives of countries which do not accord reciprocal treatment to Australian representatives.

In Australia we have not yet extended—but it is to be expected that we shall now extend—privileges and immunities to several organizations of which Australia is a member. The Intergovernmental Committee for European Migration and the South East Asia Treaty Organization were given juridical personality and legal capacity in May last year, but no other privileges. No status, privileges or immunities have been granted to organizations operating under the Colombo Plan and the Anzus and Antarctic Treaties.
I come now to the practical application of acts and regulations such as the bill we are considering and the regulations we shall be making under it. There have been relatively few cases in Australia where diplomatic privilege has been pleaded but they are cases which show the every-day application of this privilege. In 1956, an optician sued the West German Ambassador in the Supreme Court of New South Wales. In 1959, an electrician sued the Austrian Chargé d’Affaires in a court of petty sessions in the Australian Capital Territory. In both those cases diplomatic immunity was successfully pleaded.

In 1962 in a court of petty sessions in Canberra a landlord sued the Second Secretary of the West German Embassy. He pleaded, but later waived, his immunity. Also in 1962, the wife of a Russian diplomatist died in the Canberra Community Hospital. The Ambassador refused to waive diplomatic immunity and thereupon the coroner abandoned the inquest.

Sir Garfield Barwick.—That is not quite right. The coroner saw the body and closed the inquest.

Mr. WHITLAM.—I was relying on newspaper reports at the time.

Sir Garfield Barwick.—I had personal knowledge of the matter.

Mr. WHITLAM.—I thank you for the information. The final case in which, I believe, diplomatic immunity was pleaded was in a court of petty sessions when a man claimed to be immune from the obligation to undertake national service on the ground that he was the temporary honorary Australian representative of the Republic of South Moluccas. The Minister for External Affairs presumably was not prepared to certify that he was entitled to diplomatic immunity. He was fined for failing to undertake his national service.

This is a two-way traffic. There have been a couple of cases in which Australian diplomatists have pleaded diplomatic immunity. In 1949, the City of New Rochelle prosecuted the Third Secretary of the Australian mission to the United Nations on a charge of exceeding the speed limit. He successfully pleaded his immunity. Last year, the nineteen-year-old son of our Trade Commissioner in Southern Rhodesia refused to give evidence at an inquest into the death of a passenger in the motor car he was driving. No steps were taken to compel him to give evidence thereafter and the State did not proceed with the culpable homicide charge that had been laid against him.

The consequences of diplomatic immunity have been mentioned not infrequently in this House, because Canberra is the place where most diplomats live and have their offices. This immunity extends not only to their premises, residences and archives, but also to their wives, their dependent children—in fact, it seems, to their teenage children who may no longer be dependent—and to all the employees in their missions.

On 8th December, 1960, when the second of the acts being repealed appeared as a bill before this House, I spoke on this subject. I wish to refer briefly to the submissions I made then concerning steps which I believe would overcome the sense of grievance and injustice which is felt by quite a number of people in Australia, particularly in Canberra, regarding diplomats, and also in many of the State capitals regarding consuls. The first suggestion I made was that the Australian Capital Territory Motor Traffic Ordinance should be amended to provide that the nominal defendant could be sued by a person bereaved or injured by an uninsured, unidentifed or diplomatic motor vehicle. The other suggestion was that the Australian Capital Territory Workmen’s Compensation Ordinance should be amended to allow embassy employees to make claims upon and prove claims against the nominal insurer in the same way as workmen can make such claims where their employer is not insured or is not fully insured. I know there could be other cases, such as suits for wages. There was a case in Victoria during the last month in which diplomatic immunity was pleaded. No ruling was given on the matter; the case was settled. It is not so easy to see how the legislature could anticipate such matters. On the last occasion when the matter was before the House I suggested that it might at least be possible to deal with it under the social service legislation by means of payment, say, of special benefits to persons who had been unable to secure their wages. I know
there is a difficulty in this respect in that a person suing for wages might not have had the requisite length of residence in Australia to qualify for all social service benefits. At all events, I feel that this bill should not go through on this occasion, any more than on the previous occasion, without attention being directed to the consequences which may flow to Australian citizens and to guests within our shores because of diplomatic immunity. In most cases in which there can be no litigation because diplomatic immunity is pleaded the difficulty could in fact be overcome by simple amendments of the Australian Capital Territory ordinances, and those ordinances could be the model for amendments of State acts. I feel that the grievance which many Australians have concerning diplomatists and consuls would then be removed. We support the bill.

Mr. SNEDDEN (Bruce) [3.42].—This legislation quite clearly arises principally because of the advent in the last two decades of a proliferation of international organizations. In the post-war years we have seen the development of a bewildering array of international organizations which are characterized by a series of letters. For instance, there is W.H.O., or the World Health Organization; F.A.O., or the Food and Agricultural Organization; and U.N.E.S.C.O., or the United Nations Educational, Social and Cultural Organization. Those are among the better-known ones, but if we look beyond the array of better-known names we find a great many lesser-known international organizations. I have no doubt that, generally speaking, this is something to which we have not contributed willingly. I think there is a self-generative process at work in international organizations, whereby a person who accedes to a high office and a high-sounding title tends to gather around him a bigger and more amenable staff, to issue more and more publications and to try to make as big an impact as possible on the public mind. Ultimately, the stage is reached where somebody who is arguing on a particular point says, “W357 organization is in support of this, and because it is an international organization it must be right”.

There is a tendency to substitute the second-hand opinions of international organizations for a sound investigation by people within the countries concerned. I do not want it to be taken, from what I have said, that I am falling into what I regard as the fault of characterizing all international organizations by reference to some of them. But just as one ought not to characterize all international organizations by the poor ones, we should not fall into the equal fault of characterizing them by the good ones, such as F.A.O. and W.H.O. to name only two. I think perhaps one of the most obvious things associated with the international organization craze—as one might almost call it—is the evolution of a new type of international sophisticate who, generally speaking, is paid in a free currency, pays no income tax, gets his whisky free of customs duty and regards himself as occupying a privileged situation in not just a community but in the world. I think the legislation has become necessary because of his relation to that class of diplomat who is described in the definitions clauses of the bill as “an envoy”. The envoy has an immunity which has been built up over the centuries. It is a well-known immunity. True, in many cases it finds statutory expression but there has been a traditional immunity associated with the diplomat.

This particular piece of legislation arises out of that modern day phenomenon, the international organization, and those people from a variety of different countries who make up the staffs of such organizations. The bill extends privilege to the organization as such and also to officers occupying defined positions within the organization. When one examines the bill, that which immediately comes to one’s attention is the ministerial discretion which is inherent in the legislation. This discretion relates to which organizations will have immunity, which offices of the organizations will have immunity and, of the immunities that are available—putting them at their highest point as the legislation does—which ones will be extended to which organizations and to which officers.

I am no supporter of ministerial discretion, but in this case I see quite clearly that it is necessary that there be such discretion because of the very-complexity of the structure to which the bill applies—international
organizations and their individual staff members. But the point about privilege which is contained in this bill is that it is on varying levels—depending on prescription by the Minister—as to the organization, and on varying levels as to individuals who make up the organization.

In his second-reading speech, the Minister for External Affairs pointed out that privilege is necessary to the functioning of an international organization. I think he used the words "functional privilege". I fully support the proposal that there should be privilege and immunities insofar as these are necessary for an international organization to carry out its proper functions. I suppose that in some ways, one can regard these immunities as a corollary of parliamentary privilege. Despite the view that is put sometimes now that parliamentary privilege means not paying for meals in the dining room, the parliamentary privilege we speak of here is something entirely different. Parliamentary privileges and immunities are necessary in order that the Parliament may function, but the argument that the privileges and immunities which are accorded to international organizations and their officers are a corollary of Parliamentary privilege cannot be carried very far. The international officer to whom the relevant portions of the schedules of the bill are applied by ministerial declaration will pay no income tax, customs duty or sales tax and will, to some extent, have immunity from suit. One asks the question: Do these financial exemptions in reality constitute immunities necessary for carrying out the functions of the organization? I am afraid that I do not see that they are necessary.

I was impressed by what the Deputy Leader of the Opposition (Mr. Whitlam) said in the early stages of his speech. He referred to the curious situation that, at a time when governments are forgoing their own immunities and equating themselves to private individuals, we find it necessary to extend immunity and privilege to an ever-widening area of persons on the assumption that these concessions are required for the appropriate functioning of international organizations. I think it is the very nature of these financial exemptions which goes towards building up this class of international sophisticates who form the staffs of the international organizations to which I have referred.

People are constantly saying of international organizations that the salaries are good and, what is more, that they are free of income tax. The expression often added is, "And there is no tax on the grog". I do not know that these concessions necessarily contribute to a better functioning of the international organization concerned. I cannot see it myself.

The schedules to the first of the bills—and I think this is a very good feature of the legislation—fix the upper limits of the immunities and privileges which will be extended, but they need not necessarily all be extended by the Minister in the exercise of his discretion. I was interested to note that in the Minister's second-reading speech, he referred to a resolution of the International Labour Organization in International Labour Organization Official Bulletin Volume 27, No. 2, page 199. I would have thought that the International Labour Organization was a body as interested as any organization might be, because it very definitely is an international organization. It is true that it is one of the oldest and certainly one of the most highly respected international organizations, but I think there might be a little special pleading involved.

In the latter portion of the bill, relating to the International Court of Justice, there is also mention of a recommendation which was passed in the General Assembly of the United Nations on 11th December, 1946. But that also is by way of being an international organization and the staff of such an international organization is an interested party. Passing beyond the principal reason for the legislation, we come to the subsidiary reasons which are to be found in clause 7 of the bill. The clause reads—

(1.) Where—  
(a) an international conference is, or is to be, held in Australia or in a Territory of the Commonwealth; or  
(b) a mission is, or is to be, sent by a country other than Australia to Australia or to a Territory of the Commonwealth,  
and it appears to the Minister that the provisions of this Act other than this section do not, or may not, apply in relation to that conference or mission . . . . the Minister may, by notice
published in the Gazette, declare the conference or mission, as the case may be, to be a conference or mission to which this section applies.

That will be the case when he is satisfied that the other provisions of the legislation do not cover the situation. Where the executive itself, the government of the country, is directly concerned, there is no references to schedules, and no reference to the question of how much of the privileges and immunities contained in the schedules will apply. Here there is a substantive provision as to the level of the immunity and the privilege. This, of course, demonstrates the difference between international organizations and the staff of those organizations. There is no recourse to ministerial discretion in those cases. This clause is, perhaps, the strongest and most desirable part of the entire bill. Without giving any offence to Irishmen, I should say that it would be a logical extension of the other portions of the bill, notwithstanding the fact that I believe it to be the most desirable part of the entire legislation.

Another subsidiary purpose of the bill is to be found in clause 9 which states that regulations may confer privileges and immunities upon judges and officers of the International Court of Justice. Nobody will regard me as being biased or prejudiced in favour of lawyers when I say that quite clearly the International Court of Justice should possess some immunity and privilege, preferably the degree of immunity and privilege which will be conveyed by this bill.

Before dealing with what I regard as another subsidiary matter, I should like to refer to clause 8, which provides for the withdrawal of privileges and immunities of representatives of countries not according reciprocal treatment. This is the sort of discretion which must be retained by the Minister administering this type of legislation, which will extend privilege and immunity to persons who normally would not be entitled to it—certainly not on any traditional ground.

Another clause which interests me is clause 10 which states—

The regulations may make provision for or in relation to the waiver of any privileges or immunities to which an international organization or a person is entitled by virtue of this Act or the regulations.

This question occurs to my mind: What sort of provision is it to be? The regulations, surely, would not provide that on the happening of a specific event the immunity or privilege will be taken to have been waived. I wonder, then, whether the regulations will merely prescribe the machinery of the waiver. I am interested in this question because the Attorney-General made a point emphatically on waiver of immunity and privilege.

Clause 11 provides for the Minister to give certificates as to whether a person is or was at any time or in respect of any period entitled to any privileges or immunities. That is obviously a very sound method of determining something which could cause difficulty. That it could cause difficulty is clear from clause 3, sub-clause (4.), which reads—

For the purposes of this Act—

(a) an alternate or deputy of, or substitute for, a representative of a country; and

(b) an adviser to, or expert assisting, such a representative, shall each be deemed to be a member of the official staff of the representative.

Such a definition is very wide. The matter of fact would be very difficult of determination if it came before a court. To put it beyond doubt, the provision for a certificate of the Attorney-General is most desirable.

I expect that there is unlikely to be any committee stage or, at least, any long committee stage, in relation to this bill. I therefore take this opportunity of referring to the fact that the second, third, fourth and fifth schedules to the bill are in two parts. Part I. of the Second Schedule relates to the privileges and immunities of a high officer of an international organization. It prescribes the like privileges and immunities as are accorded to an envoy. Part II. of the Second Schedule relates to the immunities of a former high officer of an international organization and prescribes immunity from suit and from other legal process in respect of acts and things done in his capacity as such an officer.

Paragraph 1 of Part I. of the Fourth Schedule relates to the immunity from suit and from other legal process of an officer,
other than a high officer, of an international organization. Part II. of the schedule relates to the immunities of a former officer, other than a high officer, of an international organization. It prescribes immunity from suit and from other legal process in respect of acts and things done in his capacity as such an officer. I wonder why it has been necessary to provide two parts to the schedules. I should have thought that if a person had immunity in relation to acts done while he was an officer, that immunity would carry on, even though he no longer occupied the office. If immunities are to be given to a former officer, this would appear to operate as an ex post facto consideration after the act has been done and a person, perhaps, departs. He will be granted immunity from a cause of action which arose when he occupied the office.

The Deputy Leader of the Opposition raised the question: How is a person who suffers by the act of some one who possesses immunity to fare? It is of little value to the person who suffers to receive advice later that he ought to have avoided being knocked over by a diplomatic car. I do not know how this problem is resolved, but because the problem is current the extension of immunity concerns me very greatly. The proposal now is to extend immunity to a wide field of people who traditionally are not granted it. I am aware that the proposed immunity from legal processes will be granted in respect of acts and things done in a person’s capacity as a representative of another country. I think that, quite clearly, such a person is capable of having a motor car accident which would be the result of an act or thing done in his capacity as a representative of another country.

I come now to clause 12, which seems to me to complete the construction of the edifice which is dedicated to international organizations. This clause will impose penalties on persons who use the names or seals, or anything of that nature, of international organizations without the consent in writing of the Minister. For an offence to be committed the act must relate to an international organization to which this measure applies. I appreciate that. I do not argue that, if you accept the basic premise of the bill that immunities and privileges ought to be extended, you should go the rest of the way and complete the turn of the wheel by protecting the organizations concerned against unauthorized use of their initials, seals or emblems by provisions such as those contained in clause 12. I must confess that I have in my mind in relation to this clause lingering questions of the same sort that I have in my mind in relation to some kinds of international organizations, as I mentioned at the outset.

Sir GARFIELD BARWICK (Parramatta—Minister for External Affairs and Attorney-General) [4.8].—In reply.—Mr. Deputy Speaker, may I respond briefly to something just said by the honorable member for Bruce (Mr. Snedden). First of all, in a minor key, he called attention to the immunity provided for in Part II. of the Fourth Schedule, which is exactly the same and is expressed in the same language as the first immunity in Part I. of the same schedule. This form contained in the Fourth Schedule is dictated rather by the course that the draftsman took in the earlier schedules.

Mr. Snedden.—If I may interrupt, let me say that I appreciate that. I was merely asking for an explanation of Part II. of the Fourth Schedule.

Sir GARFIELD BARWICK.—It begins with the Second Schedule. What is in Part II. of the Second Schedule is of much less circumstance than what is in Part I. of that schedule, because the privileges and immunities in Part I. are not limited to official acts, whereas those in Part II. are, because that part contains the words “in respect of acts and things done in his capacity as such an officer”. The wording of Part II. of the Second Schedule is carried down into the subsequent schedules in the same form.

May I now refer to matters raised first by the Deputy Leader of the Opposition (Mr. Whitlam) and then by the honorable member for Bruce. In this country particularly, one has some misgivings about whether the immunities and privileges are all really necessary to enable diplomats or diplomatic officials to carry out their particular functions without impediment. I think I should point out to the House that there seems to me to be a new attitude abroad internationally towards privileges and immunities generally. The conference held in 1961 out of which emerged the
Vienna Convention on Diplomatic Relations passed a resolution to the effect that the immunities of diplomatic personnel should be waived in respect of civil claims "when this can be done without impeding the performance of the functions of the mission". Indeed, the resolution provides that the sending state should use its best endeavours to bring about a just settlement of a claim. I have had occasion to bring this resolution to the attention of diplomatic missions in Australia in cases in which I have ascertained that a claim to immunity is likely or might be made. When I have called attention to the resolution my action has been effective and such a claim has not been made and a civil action has been settled. I think this is quite a potent circumstance. There is a change in general attitude. This was the reason for my using the expression "functional immunities" in relation to immunities necessary for the purposes of a function. Cases that you cannot dispose of in this fashion will always crop up, but a good part of the field is thus covered in practice.

Lastly, the honorable member for Bruce called attention to the structure of the bill, which provides an upper ceiling for the regulations and leaves a certain amount of room for ministerial discretion. I think that the honorable member rightly perceived that this is necessary if you are, as it were, to fit the degree of immunity to the occasion. Otherwise, you would have a far too rigid and inflexible scheme. The Government thinks that this is a very useful way in which to enable the immunity or the privilege to be no more than is necessary to the function performed by a diplomatic official or a member of the diplomatic staff, as the case may be.

Question resolved in the affirmative.

Bills read a second time.

Leave granted for third readings to be moved forthwith.

Bills (on motion by Sir Garfield Barwick) read a third time.

SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) BILL 1963.

Second Reading.

Debate resumed from 13th August (vide page 62), on motion by Mr. Harold Holt—

That the bill be now read a second time.

Mr. CREAN (Melbourne Ports) [4.14].—Mr. Deputy Speaker, this is one of the measures associated with the Budget. It provides for certain remissions of sales tax that are to be made by the Government. I regard this procedure of dealing with a measure such as this before the Budget has been approved as in many respects not quite correct. Sales tax remissions, adjustments to social services and other matters are ancillary to the Budget and the validating legislation should not be considered until the Budget has been approved. However, in the first week of a sessional period a parliament has not much other business and the Government has therefore deemed it expedient to proceed with this bill now. In the last financial year, the sales tax was responsible for raising about £156,000,000, and the yield forecast for this year, despite exemptions that it is estimated will cost £10,000,000 or £11,000,000, is £155,600,000. Even with the exemptions granted by this bill, the aggregate of sales tax collections in this financial year will be much the same as previously.

The items that are to be exempted from the tax have given rise to a large number of representations by honorable members over several years. It has taken the Government a considerable time to yield to the requests that have been made. Broadly speaking, it is contemplated that the sales tax on certain foodstuffs, now imposed at the rate of 12½ per cent., shall no longer be applied. Those foodstuffs are listed in the bill and also are shown in summary form in a document that was circulated by the Treasurer (Mr. Harold Holt) when he made his second-reading speech on the bill. The two concessions that are of major significance to Australian households are the removal of the 12½ per cent. sales tax from biscuits and from ice cream. However, the tax at that rate is to continue to apply to confectionery and soft drinks. Why the Government did not go the whole of the way on this occasion may be explained to us later. It has been difficult for the Government to justify the imposition for many years of a sales tax on biscuits and ice cream, and it is hard to understand why, now that the tax is to be removed from those articles, the Government does not intend to remove it from
confectionery and soft drinks, or beverages of a non-alcoholic nature.

Mr. Fuller.—Why not remove the tax from lollies?

Mr. CREAN.—That is the question I am asking. Why not take the tax off lollies as well as off biscuits? Perhaps some spokesman for the Government will defend the retention of the tax on confectionery. Perhaps the honorable member for Swan (Mr. Cleaver) will be able to justify the retention of a sales tax of 12½ per cent. on non-alcoholic beverages. I noticed that mention was made in the press to-day of beverages with social evils attached to them. I doubt whether anybody would put soft drinks in that category.

Mr. Wilson.—Are they luxuries?

Mr. CREAN.—I have young children and so have many other members of this House. Children want lollies and soft drinks just as much as some people want other articles. I doubt whether a lolly could be classified as a luxury.

Mr. Wilson.—Is it a necessity? This involves a principle of taxation.

Mr. CREAN.—If the honorable member tries to draw a line between a necessity and a luxury, he will find that he is on shifting ground. In view of the amount of money collected by the sales tax on these items and having regard to the vexation and social injustice involved, the Government should go further than it has done. It should remove the tax from all such items.

Mr. Wilson.—Do you know how many millions of pounds are involved?

Mr. CREAN.—I ask the honorable member whether he knows. I think the amount involved would be no more, and probably somewhat less, than the amount of the concession contemplated by this bill. The relevant figures are published in some detail each year by the Commissioner of Taxation. The last report available is that for the year ending in June, 1961. In that year the sales tax was responsible for the collection of about £170,000,000. Sales tax at the rate of 8½ per cent. was imposed on goods to the value of £190,000,000, so about £16,000,000 was collected in that category. Sales tax at the rate of 10 per cent. was imposed on goods to the value of £66,000,000, so that the collection in that category amounted to £7,000,000. In the 12½ per cent. category—the one we are contemplating at present—total sales during that year amounted to £470,000,000, so that the tax yielded about £60,000,000. Apparently annual sales of goods to the value of approximately £100,000,000 are being removed from the operation of the 12½ per cent. tax, because it was said that in a full year the loss to revenue would be about £11,500,000. I doubt whether the total annual sale of confectionery and soft drinks in Australia has been of the order of £100,000,000. I think the amount would be somewhat less than that. If I had thought I would meet this sort of resistance from Government supporters, I would have looked up the figures in respect of confectionery and soft drinks, and perhaps I could have given an estimate of what going the whole hog would have involved.

I do not regard confectionery and soft drinks as luxuries. When the sales tax was imposed on them many years ago, probably in the war years, there was no doubt good reason for regarding them as luxuries, and a tax on them prevented resources from being tied up in the industries manufacturing them. Now, however, in view of the economic climate in Australia and the standard of living that Australian families enjoy, I doubt whether anybody could seriously attempt to justify the continuance of a sales tax on soft drinks and lollies.

The honorable member for Mallee (Mr. Turnbull) asked in this House for many years why a sales tax should be imposed on certain dried fruits when they were components of a baker's product. Honorable members will appreciate the bookkeeping difficulty that the small suburban baker has been faced with in recent years because his meat pies have not been subject to sales tax, whilst his fruit pies and other articles have been. In some cases, the sales tax had been paid before an article reached him. A baker who manufactured cakes had to keep his takings for various items separate, so that at the end of the day he could work out what sales tax he had to pay on goods he had manufactured and sold during the day. If he sold confectionery, which also was subject to sales
tax, of course he did not have to do that sort of thing, because he was not the last wholesaler of those goods; the tax had been paid by him when he bought the product.

At least the removal of the tax on foodstuffs will relieve small bakers of a considerable amount of paper work. If people consulted, as some people in this House do from time to time, the listings in the Taxation Statistics issued by the Commissioner of Taxation of people who have evaded or defrauded in connexion with taxation, they would be surprised to see how many pastrycooks have been prosecuted in connexion with sales tax, having simply been caught up in this very perplexing bookkeeping procedure. In many cases there has been no attempt on their part to defraud. They are busy people. Frequently they have only one-man or two-man businesses, and they are not primarily bookkeepers at all. But they have had to do this vexatious kind of work at the end of the day and quite often they have made mistakes. Then the representative of the Commissioner of Taxation has come along and, deducing from the quantities of flour used that the tax paid should have been somewhat greater, has occasionally hauled these unfortunate people before the court. At least that kind of practice will cease as a consequence of the removal of the tax on foodstuffs as set out in this measure.

I think that, as a Parliament, we should sometimes look at the sales tax and ask ourselves, "Is there any need in 1963 to continue the imposition of sales tax in the same form in which it was in operation in 1943, during the war period?" There may be justification for retaining sales tax on items such as motor cars, which might come within the category of luxuries. After all, I suppose, people can do without motor cars. They can probably do without soft drinks and many other things. Nevertheless if a government wants to raise revenue to meet its commitments, there are many more equitable ways of doing so than by resorting to taxes like the sales tax.

The Labour Party hopes that some day all sales taxes will be removed. Again I say some day. I am not suggesting that if a Labour government were to come to office soon—and I hope it will be soon—it would remove all sales taxes immediately. Sometimes rather cheap points are scored by speculating about what would happen in such circumstances. Nevertheless, I suggest that in respect of some items subject to sales tax at present it would be inequitable to continue the imposition of that tax.

We offer no objection to the removal of the tax on the foodstuff items listed in this measure. All we ask is why the Government has waited until 1963 to take this step. Why did it not do so in 1962 or 1961 or earlier? Well, I suppose, as one of the newspapers has said, we can be thankful for small mercies. At least the Government is beginning somewhere. It is removing the tax from biscuits, and apparently it has also included, somewhere in the schedule of items from which the tax will be removed, horseshoe nails. What will be the public reaction these days to the removal of the tax on horseshoe nails, or what will be the likely effect on the economy, I could not say, but at least it is not difficult to see that some benefit will flow to the community from the removal of the tax on biscuits. A pound of biscuits costs anything from 2s. to 4s., depending on the nature of the biscuit itself, and a tax of 12½ per cent. is quite considerable. It represents a charge of from 4d. to 6d. per lb. In a family budget this sort of thing is quite significant, and we can only ask why it has taken until 1963 for the idea to seep through to the Government that some benefit would result from the remission of the tax on these goods. I hope that next year, or perhaps later in this financial year, the Government will have second thoughts and say, "We have looked at the position very closely and we think the tax ought to come off confectionery and soft drinks as well as other foodstuffs."

One could well ask why sales tax remains on many other items. There is still a tax, for instance, on furniture. On the last occasion on which that tax was reviewed the Government reduced it from 12½ per cent. to 2½ per cent. We asked ourselves why it could not have gone the whole hog. Apparently the Government believes that if a person dealing in furniture still has to contend with a tax of 2½ per cent., he at least must continue to fill in forms with regard to sales, and if at a later time the Government feels it necessary, for some reason best known to itself, to re-impose
the tax at the higher rate, it will be much easier to arrange it when some tax has continued to be paid than if the tax had been abolished altogether. I think this is rather narrow thinking on the part of the Government. It should not regard the sales tax as something in the nature of a yo-yo to be rolled up or let down to suit the Government's own time and convenience.

We on this side of the House believe that there should be no tax on household items at all, whether they be foodstuffs, ordinary furnishings or such items as washing machines and television sets, which are a necessary part of modern life. Perhaps there is some justification for the tax on goods of a luxury kind, although I, for one, am hesitant in 1963 about giving a definition of what is a luxury and what is not. Perhaps some other honorable members will be a bit more courageous than I am and will specify what is a luxury and what is not. All I suggest is that even now there are still some items subject to sales tax which are not in the category of luxuries, and that the Government should give very serious consideration to the removal of the tax in respect of such items.

The Government has made a beginning. It is remitting about £11,000,000 out of total receipts from this tax of £155,000,000. About one-fourteenth, or 7 per cent., of the total is being remitted by this legislation. But this does not represent a very considerable inroad into the heavy burden of the sales tax. It remains a heavy burden. After all, this is a tax yielding about £150,000,000, and after income tax and customs and excise it ranks as the third biggest source of revenue. When first introduced it was regarded mainly as an emergency measure. Later on it came to be used occasionally, to some extent, as a social device. It was used in this way by the present Government, with rather disastrous effects, within recent years to try to regulate the motor vehicle industry. The tax was jacked up and certain other measures were taken, and the consequences were disastrous for the whole of the Australian economy. In fact the economy has not yet even fully recovered from those measures that were taken three or four years ago. But the actions of the Government at that time at least showed that taxes can be used for other than revenue purposes. I am not quibbling with that as a necessary social principle. Nevertheless, we ought to scrutinize this matter a great deal more extensively than we do. Probably we could have much less irksome machinery than we have at present and still raise £70,000,000 or £80,000,000 in sales tax revenue.

At present, in a technical sense — this is borne out by one of the items in the list issued by the Treasurer — there is a sales tax on everything unless it is specifically exempted by the sales tax provisions. That is why we have this very extensive network of laws. There are about nine sets of laws to cover all the categories of goods. If an article is not exempted specifically, it is subject to tax. One of the goods mentioned in the list as certainly being free from tax now is distilled water or filtered water. Apparently there was no sales tax on ordinary household water and it was never intended that there should be. But because people had to be clever and define other sorts of water, such as mineral water, toilet water and manufactured beverages, the position apparently was that, as distilled water and filtered water were not specified anywhere, there was some doubt about whether or not tax ought to be levied on them. It was never the intention that it should be levied on them. One of the purposes of these amendments is to put beyond doubt the position in respect of one or two items which, apparently, were never intended to be taxed: but which, because of laxity of definition, perhaps, it was suggested might be regarded as being within the tax net.

There is a similar sort of position in regard to silver-plated ware. The Government does not believe that silver-plated goods of a kind ordinarily used for household purposes, should bear tax at a heavy rate. So, the Government is reducing the tax — on the yo-yo principle — from 12½ to 2½ per cent. However, the Government thinks that artificial jewellery and ornamentations that are silver-plated should continue to bear tax at what might be called the luxury rate. At least a distinction is made there. From time to time we look at these matters in order to give clarity
to the law and sometimes to take out of the net something that no longer is regarded as a luxury.

We on this side of the House welcome this first timid step that has been taken by the Government to remove sales tax from foodstuffs. We believe that the step ought to have been firmer and ought to have gone further. We say that the Government should have gone all the way and removed the tax from confectionery and soft drinks or non-alcoholic beverages. So, Mr. Deputy Speaker, we commend the legislation as a small first step along the road towards lessening considerably, in the next few years, the total impact of sales tax on the community.

Mr. WILSON (Sturt) [4.39].—Mr. Deputy Speaker, this is one of the finest bills to come before this House in the last 30 years. It recognizes the principles that taxation should be levied according to ability to pay and that it should not be levied on the essentials of life. Sales tax was introduced in 1930 by the Scullin Labour Government. It has been carried on since that time, in varying degrees of severity, by one government after another. It stands to the credit of the present Government that it has recognized the essential principle that a tax on foodstuffs is bad. Such a tax is bad because it is regressive. It is not levied according to a person's ability to pay; on the contrary, it taxes larger families to a greater extent than it taxes smaller families.

I believe it is generally recognized throughout the world now that taxation should be levied on the basis of two principles. The first is that direct taxation should be levied, as it is in Australia to-day, according to ability to pay, with a graduated scale so that the higher the income the higher the rate; and the second is that consumption goods should be taxed only if they are not essentials of life. All governments have taxed such items as intoxicating liquor, cigarettes and other non-essential items.

I agree with the honorable member for Melbourne Ports (Mr. Crean) that the use of the word "luxury" is unfortunate because one man's necessity might be another man's luxury. But I believe we can say that there is a definite distinction between the essentials and the non-essentials of life. We all will agree that people must have food, and therefore that food as such should not be taxed. However, non-essential things in the food line, such as intoxicating liquor and cigarettes—which I enjoy very much—are proper subjects for taxation. It is very pleasing to note that in this legislation the Government is recognizing those principles of taxation.

Another matter which stands to the credit of the Menzies Government is the manner in which it has stabilized costs in Australia. Australia has the finest record of all the countries of the world in cost stability. A table published recently by the International Monetary Fund, showing the price rises that have taken place in various countries, pays a glowing tribute to the policies carried out by the Menzies Government. The table shows that between December, 1960, and December, 1962, prices rose as follows:—In Japan by 14 per cent.; in Italy by 10 per cent.; in France by 9 per cent.; in Great Britain by 7 per cent.; in Germany by 6 per cent.; and in Australia by 1 per cent. Australia has a magnificent record of achievement in price stability.

Since December, 1962, because of the decision in the margins case, there have been certain inflationary pressures. The bill now before the House will have the effect of counteracting to a certain extent the inflationary pressures that have been generated as a result of the margins decision. Therefore, I believe that it is another step by the Menzies Government in the direction of price and cost stability. I believe that the Australian public now realizes the importance of price and cost stability. We have enjoyed it for two years and we realize that the battle against inflation was worth winning. Australia has won the battle and it is up to us now to see that the fruits of the victory are not lost. The bill will help to maintain price stability.

It is not necessary for me to point out to the House the evils of inflation. It is generally known that price rises rob the worker of his wages and deprive the people on fixed incomes of a portion of their living. Price rises place the primary and export industries in a most unfair position when they try to compete with overseas producers.
It is vitally important for Australia to maintain the situation of cost and price stability that has been achieved during the last two years. Therefore, I welcome the bill because it is another step in this direction. Statements in the press have already shown that biscuits and such commodities will be 3d. a lb. or more cheaper. Biscuits are an essential foodstuff. They go into the lunch packet of almost every worker and every school boy. Every citizen is interested in cakes and biscuits. These are essential items that contribute to the cost of living. If we stabilize or reduce the cost of living, we gain strength in our battle against the forces of inflation.

The honorable member for Melbourne Ports, without his usual research on the subject, suggested that this relaxation of sales tax should be extended to confectionery. Of course, every one in this House would like all taxes to be removed if that were a sensible and practical proposition. But we know that taxes must be imposed to enable us to carry on the essential services of the community. Recognizing the necessity for taxes, surely the right approach is to see which commodities can stand a tax without increasing the cost of living and which commodities cannot stand a tax without increasing such costs.

The honorable member for Melbourne Ports mentioned confectionery. Although we all like confectionery, does any one in this House say that confectionery is a necessity? The amount of revenue involved in the sales tax on confectionery is £4,900,000—approximately £5,000,000. If we have an additional £5,000,000 to spend, I suggest that we spend it in ways that will render far greater service to the community than would the abolition of sales tax on confectionery. I would not be opposed to the abolition of this tax if justice could be done to other sections of the community and if the need for its abolition were as great as the needs in other directions are. I think the honorable member for Melbourne Ports would agree that, if he were the Treasurer and had an extra £5,000,000 to spend, he would find avenues in which to spend it that would render far greater service and benefit to the community than the abolition of sales tax on confectionery.

We need a balanced approach. It is very easy to say, "What you have done in abolishing sales tax on foodstuffs is very good but surely you could also abolish the tax on confectionery and other goods". I do not say that it would be wrong to abolish the tax on confectionery but I do say that any one with a balanced judgment would realize that there are many needs in this community that should be met before we abolish this tax.

The honorable member for Melbourne Ports pointed out that the sales tax on meat pies, for example, was abolished many years ago but the sales tax on fruit pies was retained. That has been an anomaly and this bill will now correct it. We do not have to say what kind of pie we are buying to find out whether it bears sales tax. The bill clears up other embarrassing anomalies. For example, dried fruits, as such, were exempt but if they were put in a bun they became taxable. That has been another anomaly. The dried fruits industry, which is a struggling industry and an industry that was established largely by returned soldiers, has been pointing out, very properly, for a long time that its products became taxable once they were included in a cake or a bun. The bill removes all those anomalies and now makes foodstuffs, other than confectionery, entirely exempt from sales tax.

The honorable member for Melbourne Ports suggested that there should be no tax on household commodities. I think most of us would like to see that situation come about as soon as the economic position of the country permits. But I think even the honorable member for Melbourne Ports would remove the tax on household furniture and necessities used in the household before he would remove the tax on confectionery or cordials. So I say that the bill is in line with all the best accepted principles of taxation. The bill will carry out the Government's policy of price stability because it will reduce the cost of foodstuffs, thereby reducing the cost of living, and that will act as a brake on the pressure of the increases that have resulted from the margins case and the granting of three weeks annual leave. I believe that every member of the House should wholeheartedly support the bill. It was pleasant to note that, even with the mild criticism of the honorable member for Melbourne Ports, the Australian Labour Party will support it.
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I should now like to deal in more detail with some of the items that are affected by the bill. The total exemptions now cover biscuits, including chocolate-coated biscuits, cakes, pastry, puddings, desserts, ice cream, ice cream mixes, cones, cups, wafers, imported canned fish, maizena, cornflour, arrowroot, blanc mange powder, junket tablets, custard powder, jelly crystals, spices, flavouring essences, candied peel, pepper, salt, curry powder, gravy salts and gravy mixtures. I think some honorable members were not aware that these commodities were subject to sales tax, although most or them have been so subject since the tax was introduced in 1930. It is pleasing now to note that for the first time since then all these foodstuffs are to be exempt from the tax.

The bill will clear up a number of other anomalies. For example, paper bags and wrappings generally have been exempt from sales tax for a considerable time. In the last few years, however, polythene bags and metallic foil bags and wrappings, which are commonly used in connexion with a great number of commodities, including primary products, have been subject to sales tax. The Treasurer (Mr. Harold Holt) has taken this opportunity to exempt polythene film products and metallic foil and paper bags and wrappings, and wrapping materials of that nature, from the tax. Similarly, containers used in the marketing of non-alcoholic beverages are being exempted. The honorable member for Melbourne Ports will realize that manufacturers of those beverages will now have the benefit of the exemption of certain classes of containers from sales tax.

The bill also deals with a number of household goods and if the honorable member for Melbourne Ports examines the later portions of it he will notice that adhesives used in the attachment of wooden floorings in buildings are to be exempted. The measure also exempts fork-lift trucks, which are widely used in industry and on the waterfront, taxation on which has been reflected in costs. Goods purchased by national safety councils and road safety councils are to be exempted. The bill removes a great number of anomalies and enacts many reforms which will aid industry in one way or another.

Additional exemptions are being granted in respect of tractors. This will help the primary producers, because although a tractor itself has been exempt there have been certain marginal cases where the exemption did not apply. Certain base metal materials used in building construction are to be exempt. For some reason or other silver-plated ware has in the past been singled out for specially severe taxation. At one time it was placed in the highest possible sales tax category. The fact that silver is produced in Australia and that silver-plated ware is manufactured here seems to have been overlooked. It is very difficult to understand why this ware should have been singled out for specially harsh treatment in the past. We know that many branches of industry connected with silver-plated ware were reduced almost to the verge of bankruptcy because they could not compete after having had such a high sales tax loaded on to them. I think it was last year, or the year before, that sales tax on this ware was reduced substantially to 12½ per cent. The rate is now being reduced to 2½ per cent. Those engaged in the industry will have the lowest possible rate of sales tax imposed on their products. Sales tax on certain floor rugs and mats is being reduced to 2½ per cent. The tax on receiving sets used by telecommunications services is being reduced.

By means of this bill the Government is also closing the door to certain types of tax evasion. Certain tax benefits are given, or are intended to be given, in relation to goods manufactured on Norfolk Island. In the past some clever people have evaded taxation by exporting goods to Norfolk Island and then bringing them back into Australia free of sales tax under the provisions of the Act. This measure shuts the door on that method of tax evasion. The bill contains a similar provision in relation to motor cars shipped to Singapore and then brought back to Australia in order to obtain sales tax exemption.

So, in addition to benefiting the family man and the primary producer, the bill will prevent tax evasion by shutting the door to clever people who have evaded, or tried to evade, paying their proper share of taxation. The annual loss of revenue to the Treasury as result of the bill is estimated at £11,500,000. That sum will go
into the pockets of the consuming public. The family man will benefit most from the measure because it is he who purchases the greatest quantity of foodstuffs, but all sections of the community will benefit. I think the legislation will receive unanimous support throughout Australia, and it was pleasing to note the announcement by retailers, grocers and people of that kind that, as the result of the legislation, cakes and biscuits will be reduced in price. There is evidence throughout Australia that this tax reduction will be passed on to the public, thereby providing price stability and helping to check inflation.

Mr. DALY (Grayndler) [5.3].—The honorable member for Sturt (Mr. Wilson) showed great enthusiasm for the measure. His statement that the bill meets with general agreement may be true, to a great extent, but he was talking little more than utter rot when he said, in effect: “This is a signal that we have won the battle against inflation. This is another great victory for the Government in maintaining stability in the nation.” Did you ever hear such rot? This bill is a belated move to give to the people who for years under this Government have been denied justice a measure of relief from ills to which they should never have been subjected. There is general agreement with the measure but, like most of this Government’s legislation on issues of this nature, it does not go far enough. It is just a belated recognition by the Government of the mistakes it has made in imposing taxes of this kind. The Government is now trying to win popularity at the point of the political gun, so to speak, because legislation of this kind is introduced only in the most extreme circumstances. As the honorable member for Lang (Mr. Stewart) has just suggested to me, one wonders whether the thought of an impending election or the fact that the Government has a majority of only one had anything to do with this proposal. Those are the only reasons why the Treasurer (Mr. Harold Holt) could possibly have made a complete change of front since last year, when no indication was given that a measure of this kind would be introduced.

As the honorable member for Melbourne Ports (Mr. Crean) has asked, is the Government really making any concessions to the people of Australia? Let us look at the situation. In 1949-50, the last year of office of the Chifley Labour Government and the year in which this Government assumed office, a sum of £42,400,000 was collected from the Australian people in sales tax. In the present financial year the Government is budgeting for the collection of £155,600,000. In other words, there will have been an increase of £113,000,000 in sales tax collections, despite a reduction of about £9,000,000 in one category for this year. The Government is perpetrating a super-confidence trick. That is characteristic of this Government. This confidence trick is being put over the Australian people in an effort to convince them that they are being given the benefit of a reduction.

As the honorable member for Melbourne Ports has pointed out, although the Government proposes to reduce sales tax in one category by £9,000,000 this year, it will collect only £1,000,000 less than it collected last year. This is part of the stimulus that is being given by the Government, according to the honorable member for Sturt, to maintain stability! According to him, it is another step towards winning the battle against inflation. Nothing is further from the truth. The honorable member for Sturt is pulling his own leg or he is a party to a confidence trick that is being perpetrated against the Australian people in relation to the sales tax, just as in relation to social services, the means test and other matters. This is just a put-over that the Government is introducing at the last moment, in view of the possibility of an election, to win acclaim from the populace.

Other members of the Australian Labour Party and I believe that the sales tax is a most iniquitous tax. The pensioner pays as much sales tax as does the millionaire; the wealthy pay as much as the poor. It is the most unjust of all forms of taxation. The tax on some foodstuffs is now being removed belatedly. But it is not being removed from all foodstuffs. As I have indicated, over the years the pensioners have been paying just as much as the wealthy supporters of the Government. Instead of giving people in the lower income groups and pensioners the benefit of a reduction of sales tax, the Government has continued to impose it on them in order to
save people in the higher income group from paying higher income taxation, which they could well afford to pay. In other words, pensioners and those in the lower income group have subsidized the Government's taxation policy which has been designed to give relief to people in the higher income group.

The Australian Labour Party, when in office, was moving steadily towards the complete abolition of the sales tax. That remains the policy of Labour. When Labour was defeated in 1949 the base rate of the sales tax was 8½ per cent. This Government, which was elected to office on a tax reduction policy, particularly in relation to sales tax, immediately increased the base rate to 12½ per cent. and raised the maximum rate to 33½ per cent. from 25 per cent. The same government now claims that this measure is another step towards stability. I repeat that it is another shocking example of the confidence tricks that have been perpetrated against the Australian people since this Government assumed office. Let me summarize the record of this Government in relation to sales tax. It proposes to collect £113,000,000 more this year than was collected in 1949-50 when Labour was in office. It has increased the base rate by approximately 50 per cent. since Labour was defeated in 1949. It has reimposed certain forms of indirect taxation and has lifted the amount of indirect tax paid by every taxpayer to an inequitable level. When we hear such pious sentiments as those that have been expressed by the honorable member for Sturt and others, is it any wonder that we rise with great indignation and point out not only to the members concerned but also to the people generally that this Government's tax reduction policy is merely a confidence trick? Every time the Government reduces rates of taxation it collects more tax.

I have the greatest sympathy with those who work in the Taxation Branch under Liberal Governments. They have to unravel a tangled web when taxation concessions are given. Let us see what the Government proposes to do now; it is worth looking at. I do not know how these men find the point at which a reduction shall not be given. It boils down to their having to do the same as is done in relation to the means test for social service benefits; to remove an anomaly they have to eliminate the charge altogether. The Government would have done well to have exempted all foodstuffs in order to prevent many appeals. Great deliberation will be needed before decisions can be made.

The new exemptions will apply to goods such as biscuits, including chocolate-coated biscuits, cakes, pastry, puddings, desserts, and mixtures from which such goods are made. The efforts of a very lively toy public servant will be needed to work out the goods which come within that category. The exemptions apply also to ice cream, including chocolate-coated ice cream. That is a real concession to stability! Also included are ice cream mixes and cones. One would indeed get into a difficulty if the ice cream itself did not attract sales tax but the cone did. The exemptions include ice cream cups and wafers. The Government has gone the whole hog in relation to ice cream! Also in this category are imported canned fish, cornflour, arrowroot, blanc mange powder, custard powder, jelly crystals, spices, flavouring essences, candied peel, pepper, salt, curry powder, gravy salts, gravy mixtures, imported nuts and imported dried fruits. Any member of the department concerned with the sales tax ought to be able to start a grocer's shop and be a specialist in this field; he could work out the items that will be excluded and those which will be included.

But now we find an amazing state of affairs. Confectionery which will remain taxable at the rate of 12½ per cent. includes chocolate-coated nuts. Chocolate-coated ice cream is to be exempt, but chocolate-coated nuts are to cost an extra couple of pence because stability demands it, and because the Government would otherwise have to impose higher taxation on people in the higher income group. This category also includes popcorn—something which all children like. The children will have to pay a tax of 12½ per cent. on that. Also included are confectionery novelties, which cover a wide range. Why are they not to be put outside the scope of this provision? Also taxable will be crystallized fruits, crystallized or preserved ginger and cake decorations and frills. Departmental officers must be labouring day and night at tremendous cost to work out what items
should attract a tax of 12½ per cent. and what items should be exempt. Saline powders and concentrates which are used in the making of beverages or cordials, and which have hitherto been subject to tax, will remain taxable. That proposal must have required a lot of thought. The Treasurer, when up at Bingil Bay, must have given a lot of thought to that particular part of his proposals!

As I said earlier, the honorable member for Sturt said that these measures will bring great stability to the economy and will help the Government to win the battle against inflation. Let us see just what relief has been given in this battle against inflation. You, Mr. Deputy Speaker, will appreciate what I am about to say. The bill provides that no sales tax shall be paid on horse-shoes and horse-shoe nails. What a contribution that will be towards stabilizing the economy! I suppose this is another instance in which the Treasurer has bowed to the will of the Australian Country Party. In other words, the Government has said, "We must remove the sales tax from horse-shoes and horse-shoe nails, because the people who buy these things vote for us". To use the words of the honorable member for Sturt, this too will be a major measure in restoring stability to the economy! Is it any wonder that 80,000 people in Australia are out of work? I do not intend to go through the whole list. A man would have to have the wisdom of Solomon to work out what will be taxable and what will not. How those responsible arrived at the result and what representations were made I do not know. To exempt most foodstuffs from the sales tax but to retain the tax on cordials is almost impossible to understand. Nothing is used so extensively by all sections of the community, particularly those in the lower income group, as cordial. What justification is there for not including cordials in the sales tax exemptions? Why is this important item of our diet not included? I believe it is another case where the Government just could not make up its mind. It boils down to this: If it is good enough to exempt horse-shoes and horse-shoe nails from sales tax, surely it is good enough to take sales tax from items such as cordials, which are used by countless thousands of Australians and paid for out of very low wage envelopes in this country.

There are various other matters. Why, for instance, should people—I refer particularly to the poorer families—pay sales tax on confectionery and items like that? They are the poor man's luxury, certainly, but why should they carry the huge impost of sales tax that is made by this Government at the present time? I cannot escape the conviction that the impositions on the items I have mentioned, particularly those that affect the low income group, are put there merely in order to relieve this Government of the responsibility of imposing on the people in the higher income group taxation in accordance with what they should be able to pay, and what it should be demanded that they pay. I cannot help thinking that the Government, in deciding no longer to impose sales tax on foodstuffs is acting very belatedly. I cannot for the life of me understand why it has continued to levy sales tax on the large number of items I have mentioned. It is difficult to know which items among them should be taxed. There are great difficulties involved.

Why has the Government not reduced the base rate of sales tax on these items? Why is the rate of 12½ per cent. still maintained? The Government has taken over practically every other section of Labour's policy, so why has it not adopted the sales tax rate of 8½ per cent. that we had in 1949? What is wrong with reducing the base rate and the maximum rate at this stage, even to a figure near the rate imposed under the Labour Government at that time? There can be no excuse, whatever the Government might say, for imposing a rate 4 per cent. higher than that applying under the Labour Government in 1949, when this form of taxation was on the way out. And this high rate is retained at a time when the Government says it is in a position to give taxation concessions.

Therefore, I should like the Treasurer to explain these matters to the Parliament. It is important that we know the real reasoning behind the imposition of the tax and the reason for the rate being higher than it was years ago. It is also important for us to know the general policy of the Liberal Party and the Country Party on sales tax. Do they always intend to tax pensioners, people who have retired on superannuation benefits, those in receipt of unemployment relief or
those with no income at all? Those persons pay exactly the same rate of sales tax as those in the very high income group. Is it the policy of this Government to maintain sales tax on foodstuffs indefinitely at the rate of $1\frac{1}{2}$ per cent., 12\(\frac{1}{2}\) per cent. or 25 per cent., and continue for all time to impose this iniquitous tax?

These are matters on which the Government might well make clear its attitude because we on this side of the Parliament believe that sales tax is the most unjust form of taxation. When all is said and done, ability to pay should be the basis on which taxation is imposed. It is not the amount of taxation imposed that is important; it is the amount left for the wage-earner after he has paid his tax. Since 1949, under this Government, every person in the community—particularly those in the low-income group—has been paying sales tax on foodstuffs at a rate at least 4 cent. higher than anything previously experienced. Therefore, I say to honorable members opposite that this belated recognition of an injustice brings no credit to the Government. It would be interesting to know why, at this particular stage, the Government is reducing sales tax, when it has refused on previous occasions to do so. I can only come to the conclusion that the action is taken because of the pressure applied by the Labour Opposition and the public at a time when the Government has a majority of only one in this House.

I do not wish to say more on this matter as other members of the Opposition have something to add on such an important question. An analysis of what is taxable to-day and what is not, how the Government arrives at its conclusions and what its intentions are for the future are matters upon which everybody demands some advice at this time. Like the honorable member for Melbourne Ports (Mr. Crean) and others, I should like to know how this Government justifies as a tax concession—something which returns only $1,000,000 less in income than it received in the previous year. I repeat that the Government has not stolen Labour's policy on sales tax for the simple reason that the rate is still well above our basic rate. Ultimately, no doubt, Labour will eliminate this type of taxation, about which we get no assurance from honorable members opposite.

It is well to repeat that this Government believes in taxing the poor, the sick, the aged, the infirm and the needy to the benefit of people in the huge income groups, the wealthy people who put this Government into office. It is well for the people to know that while I join with members of the Opposition in acknowledging that the reductions of sales tax now under consideration are at least some concession, I give the Government no credit for them because they have been forced on it.

I am anxious to see shopkeepers reduce the prices of their goods in accordance with the tax reductions. I should like to see items listed to show the price with sales tax and the price without. Generally, my experience has been that people who should get the benefit from remissions of this kind do not get it; many shopkeepers continue to sell goods at the old price but with a greater profit to themselves. Their reason, they say, is urgency of demand. This Government, in addition to reducing the rate of sales tax, has a responsibility to see that the reductions are passed on to the consumer and that those people who own shops or businesses do not gain because of what is a very rare concession from this Government.

I join with other honorable members in expressing the pleasure of people who may benefit from what is being done, but I condemn the Government for its belated recognition of the necessity to reduce this tax. Above all else, I condemn the Government for inflicting a further confidence trick on the Australian electors in the guise of relief by way of taxation reductions.

Mr. CLEAVER (Swan) [5.22].—I rise to point out that this legislation, without any shadow of doubt, stands to the credit of the Menzies Government, and I want to say with as firm a voice as possible that we have just listened to a pure piece of political humbug from the honorable member for Grayndler (Mr. Daly). What a nerve the honorable member has to refer to the excellent contribution by the honorable member for Sturt (Mr. Wilson) as pure rot. Here is a fellow who, at the last moment, stepped into this debate with the hope that he might say a few things to combat the factual material presented by my friend, the honorable member for Sturt.

Mr. L. R. Johnson.—Rubbish! He prepared his speech a week ago.
Mr. CLEAVER.—If he did so, I can give him no credit for that early preparation. I want to deal with one or two matters mentioned by the honorable member for Grayndler because any material that is broadcast at this time of the day can reach far places in the country and could be misunderstood by listeners. It is easy for the honorable member for Grayndler to say that £42,000,000 was the amount of revenue collected from sales tax under the last Labour Government so many years ago, whilst to-day it is £155,000,000, but he does not compare the relative total expenditure of the two governments. He does not take into account that even in the last eight years, during which I have had the privilege to be a member of this honorable House, there has been a doubling of the annual Commonwealth grants. He takes no cognizance of the increase in our population. All he can say is that my colleague, who used his time in a very profitable way to deliver a soundly prepared speech, was talking rot.

The honorable member for Grayndler has a glib tongue. He dealt with the Australian economy, which, to the credit of the Government, is so stable to-day and claimed that it was unstable. He made no allowance for the need for increased revenues to meet the cost of the vastly extended developmental projects at the present time. The honorable member, in his short contribution, spoke quite a lot about the rich paying the same amount of sales tax as the poor. He did not indicate that purchases of foodstuffs alone by those who are more fortunate in life raise revenue by way of sales tax far in excess of what those on a much lower income could possibly think of contributing through their buying. I do not think there is any necessity to criticize the honorable member for Grayndler more than I have already done. I simply direct attention to the fact that a person with a glib tongue, such as the honorable member has, can present to the listening public what are definitely not facts. He criticized the Government, which has no need to apologize for the introduction of this legislation.

This bill has undoubtedly been drafted in the interests of the family man. In his Budget speech the Treasurer said—I think he was generous indeed to the Opposition—that from all parts of the House representations had been made that the imposition of sales tax on foodstuffs both adds to the cost of living and discourages the consumption of foodstuffs grown by our primary producers. That was generosity indeed on the Treasurer's part. I recollect hearing in recent years voices of members of the Opposition raised here and there about the sales tax on foodstuffs but, in the interests of my colleagues on this side of the House, who for the past eight years to my knowledge have insisted that sales tax on foodstuffs should be lifted, I must point out that members of the Government Members' Taxation and Finance Committee have consistently sought the removal of this tax. When we note that this legislation will cost revenue about £11,500,000 in a full year we think particularly in terms of sales tax on foodstuffs. I am indebted to the honorable member for Sturt (Mr. Wilson) for the detail that he has presented to the House. It is not necessary for me to run through the long list of items that he mentioned. But when we talk of food and of helping the family man we must bear in mind that the basic family menu does not encompass luxuries that may be classified as non-essential food items. Many of my colleagues in this House refer to beer, for example, as a food. I do not necessarily agree with them; in fact I disagree with them. I do not think beer can be classified as a food. I think it was my friend the honorable member for Melbourne Ports (Mr. Crean) who wondered whether I would say something about one or two items that will still attract sales tax after this legislation is passed. I affirm that I am interested in aerated waters. Speaking personally, I wish that their cost to the very important section of the public which enjoys drinking them would be lowered. But I do not think I can claim that aerated waters should be classified as food if beer is not so classified. If beer, which is subject to a heavy excise duty, contributes to the revenue of the country, it is reasonable that non-essential items of food should do likewise. Of course, while considering the position of aerated waters, we must bear in mind that confectionery will still attract sales tax. Much as we would like to help young people purchase more freely the items of confectionery to which they are attracted, I do not think any of us can claim that confectionery falls within the category of an essential foodstuff. Some consideration must be given also to the nation's revenues. I have already stated that the
Introduction of this legislation will cost revenue about £11,500,000 a year and it is my understanding that if sales tax had been removed from confectionery the additional cost to revenue would have been more than £4,000,000.

A measure of this kind will bring both pleasure and displeasure to various sections of the community. For example, I am thinking of a merchant friend of mine with whom I travelled in an aircraft only last Friday. With a reasonable effort to smile he told me he had been caught with a large supply of horseshoes and horseshoe nails. That is an instance where persons may suffer losses because stocks of that kind take some time to clear. They may have to be sold at a reduced price because future supplies will be free of sales tax.

I have already referred to manufacturers of aerated waters. When we meet they may look upon me with no welcoming smile, particularly in view of my inclinations. I think also of those people who will be pleased by this legislation. I want to refer particularly to the manufacturers of biscuits. Over the years the Associated Biscuit Manufacturers have made some excellent representations to us as members of Parliament. In the last submission to me that organization pointed out that in Australia the annual per capita consumption of biscuits has remained relatively static in recent years at about 17 lb. The organization contrasted the position in Australia with the position in the United Kingdom where the average consumption is 25 lb. a year. Members of the organization have claimed that the abolition of sales tax on biscuits not only would remove an unjustly discriminatory impost but also would encourage expansion of a vital Australian industry. Those people will naturally be pleased with the Government's decision.

I think I am justified in referring to a few other points that the biscuit manufacturers have made in their submissions. They have claimed that sales tax is an unfair burden on the consumer. I am delighted to read at the conclusion of their submission that the biscuit manufacturers of this country pledge themselves to pass on to the consumers the benefits of the removal of 12½ per cent. sales tax by reducing the cost of biscuits from the factory. I hope that honorable members opposite will take note of that because I think the biscuit manufacturers will keep their word. I think that the cost of biscuits to the consuming public will reflect the removal of the sales tax. I hope, as I am sure all other honorable members hope, that the consumers now will buy more biscuits and that the ambitions of the manufacturers will be achieved.

Another honorable member who will be pleased to see this legislation brought down and who may avail himself of the opportunity to speak is my friend the honorable member for Robertson (Mr. Dean). He has strenuously advocated the cause of the orchardists. The orchardists whom he so ably represents will be delighted to know that the existing exemptions relating to non-alcoholic carbonated beverages containing not less than 5 per cent. Australian fruit juices and cordials and concentrates containing not less than 25 per cent. Australian fruit juices will remain in force. I want to emphasize this aspect because whilst we may not have been able to classify all aerated waters as essential foodstuffs, here is recognition of the value of pure fruit juices, the product of our own orchards. They will remain free of sales tax.

My friend the honorable member for Mallee (Mr. Turnbull) is, I think, hoping to contribute a few comments in this debate. I know that he will underline the importance to the Australian dried fruits industry of the removal of the anomaly that bread, into which a few raisins or other dried fruits had been dropped, was subject to sales tax. I am sure that those few words will encourage my friend from Mallee to enter into the debate.

Mr. Speaker, there is much that one could say about the importance of removing sales tax from all items of classified foodstuffs which remain in the schedule. Some people may feel some concern that parents who hold occasional parties for their children will continue to pay sales tax on confectionery and aerated waters. The honorable member for Sturt has wisely directed attention to the reduction in sales tax on certain other items. Our voice has been raised on so many occasions when anomalies of this kind deserved attention. We place on record, now, our pleasure that many of these anomalies—things which
were difficult for the people and particularly the industries concerned to understand—have now received attention.

I add my words of commendation to a further bill which has the sound basis of acknowledging the country’s economic position and the necessity to remove items which attract revenue to the extent of some millions of pounds because this year it has been found possible to do so. I commend the Government for the proposals outlined in the Budget and for this legislation which is the result of the decision to which the Government wisely came. I commend the bill and trust that others, too, will have the opportunity, now, to express their opinions.

Mr. L. R. JOHNSON (Hughes) [5.36].—The degree of virility which the Government possesses is pretty well indicated by the measure now before the House. For many years the subject of the bill has been the cause of persistent representations by Opposition members. At last, belatedly, this half-hearted measure has been introduced. Of course, we support the extent to which the Government has been prepared to settle this controversial issue but we remind the people of Australia that the imposition of sales tax on foodstuffs was inspired several decades ago during the war years. It has taken about eighteen years for this Government belatedly to face up to the very apparent need to remove sales tax on essential foodstuffs. In the eight years that I have been in this Parliament I have rarely missed an opportunity during a Budget debate to join my colleagues in hammering at the Government about this matter. Organizations, particularly those associated with foodstuffs, have been supplying us year after year with material with which to barrage the Government. Now the sales tax on some foodstuffs will be removed. The sales tax on confectionery, carbonated beverages and aerated waters will remain.

To give the impression that it is making a big financial sacrifice the Government has stated that the cost of the removal of the sales tax will be £11,500,000 in a full year and £9,000,000 for this financial year. But sales tax on food is iniquitous. Every one is prepared to concede that to-day, but its removal has been delayed year after year. The Opposition has indicted the Government repeatedly for surreptitiously sneaking up on people and taxing them when they do not know anything about it. Obviously the fair tax is the tax which relates to a person’s capacity to pay but this Government has moved away progressively from that important principle.

There is at present a great deal of concern that, although these reductions come into effect on 14th August, several bodies are not passing on the reductions to the consumers. Representatives of the trade unions and of the housewives’ associations have complained bitterly that the reduction in sales tax will mean only additional profits for the retailers—particularly some of the larger retailers. So far, not one Government supporter has exhorted these people to be honest about the matter and to pass on the benefit of the reduction in sales tax to the consumers.

I understand that in ten years, during the lifetime of this Government, revenue from sales tax has increased from £95,414,000 to £173,000,000, an increase of about £78,000,000. There is no doubt that very little has been done to correct the unfortunate effects which sales tax has produced. Compared with last year, there will be a fall in sales tax revenue this year of only £938,000. Having listened to the honorable member for Swan (Mr. Cleaver) one would have thought that the Government was handing out something of great substance instead of a miserable pitance. That is the only way to describe a reduction in sales tax collections of £983,000 in a budget of the present proportions.

To remind honorable members of the indirect tax complex which the Government has, let me cite some figures relating to customs, excise and sales tax collections—three general headings. Last year they amounted to £535,000,000 and for the current year they will amount to £554,000,000, an increase of almost £19,000,000—a staggering sum. On a per capita basis sales tax has steadily increased. In 1958-59 the Government collected £143,000,000 representing £14.4 per head of population. In 1959-60 collections totalled £164,100,000 or £16.15 per head of population. In 1960-61 the total was £173,000,000 or £16.65 per head of population. In 1961-62 it was £148,000,000 or
£14 per head of population and in 1962-63 it was £156,400,000 or £14.4 per head of population. For this financial year, collections will amount to £153,500,000. The reduction in sales tax, therefore, is negligible. It is almost impossible for the community to identify the extent of the Government's benevolent attitude which its supporters have spoken about so enthusiastically.

The honorable member for Grayndler (Mr. Daly) has mentioned some of the anomalies which exist. Let me mention the absurd situation which has prevailed for so long in relation to a number of them. We have been inundated for years with complaints that dog biscuits have been free of sales tax whereas biscuits for human consumption have been subject to it. Food for birds and animals has been free of tax whereas food generally for humans has been taxed. Flavoured ice blocks have been free of tax but ice cream has been taxed. Meat pies have been free of tax but apple and fruit pies have been subject to tax. Drinking chocolate has been free of tax but eating chocolate has been taxed. Plain peanuts have not been taxed but if you put some chocolate on them they become subject to tax. Can any one understand this kind of stupidity? Let me cite a few more examples. Ordinary household bread is free of tax but if you put some currants, sultanas or yeast into the bread it becomes subject to tax. You must remember, too, that not only currants and other fruit in bread become subject to tax. Flour and other commodities that ordinarily do not attract tax are taxed when used with currants, fruit and yeast in the manufacture of bread.

Mr. Turnbull.—You are behind the times. Bring yourself up to date.

Mr. L. R. Johnson.—It is a good thing that these are to be eliminated and it is a good thing to hear at last the voice of the Country Party through the honorable member for Mallee (Mr. Turnbull), because the sales tax on foodstuffs has had a greatly retarding effect on many primary products. We are told that the total yearly value of primary products used in foodstuffs on which sales tax is levied is £34,200,000 a year. Why has not the Country Party joined with the Labour Party over the years in pressing for the abolition of sales tax on foodstuffs? The sooner the people in the country wake up to the fact that they are not getting proper representation from the members of the Country Party the better. Why, the value of wheat which has been subjected annually to sales tax is £5,200,000! Why have we not heard from those who represent sugar-producing areas? I remind them that 178,000 tons of sugar valued at £15,400,000 is used annually in the production of foodstuffs on which sales tax has been levied. This tax is to be lifted at last, and no doubt that will give a fillip to the sugar industry. But we on this side have had no help from the members of the Country Party in our advocacy of the abolition of this iniquitous tax. The value of dairy products used in the production of taxed foodstuffs is £5,500,000 and the total value of the products of the poultry farmer used in this way is £2,200,000. Although the case has been put before the Government year after year, it has taken all this time to get any results.

I am just wondering what has inspired the Government to remove the sales tax on foodstuffs to the extent that it proposes to do by this measure. Only recently I was interested to read in the "Taxpayers' Bulletin" an article about the adoption of the indirect tax principle in the Soviet Union. Most people can make out a very good case to demonstrate that the fairest tax is the tax on income, the method under which one pays tax according to one's capacity to pay and that indirect taxes are not good taxes. We often hear honorable members on the Government side talking about the Opposition's inclination towards communism and all that kind of nonsense. It is not uncommon to hear this kind of cheap talk from the Government side, so the following excerpt from the "Taxpayers' Bulletin" is very interesting:—

**TAXES IN RUSSIA**

Income taxes are dying out in the Soviet Union, but the Australian should not conclude that the U.S.S.R. is a taxpayer's paradise.

Taxes are inescapable in the Soviet Union as elsewhere. The abolition of the income tax, proclaimed by Premier Khrushchev, is an adjustment in methods.

The article goes on to say—

On wages and salaries, income tax is going down year by year . . .
Other taxes lie hidden in the prices of everything people buy. Taxes are especially heavy on consumer goods.

It seems to me that this Government is emulating the Soviet Union's technique on taxation. It is not generally realized in this country that indirect taxes now represent 47 per cent. of the total tax yield in Australia. It is clear, therefore, that the distinguished Australian taxation technique is progressively going down the drain. At one time our idea was to finance all public services on the capacity to pay basis. This Government has abandoned to a very considerable extent this fundamental principle which is supported by everybody who knows anything about fair taxing methods, and it is steadfastly sneaking into our system a greater proportion of indirect taxation. As I have said, it appears to me that the Government is emulating the Soviet Union's taxation technique in this direction. After all, if honorable members on the Government side wish to criticize the Opposition about matters of this kind, they must be prepared to accept criticism from us.

There are many other matters which this Government ought to clean up. For instance, the sales tax on toilet preparations still causes people a great deal of difficulty. As evidence of that I need only refer to the sales tax on talcum powders, deodorants and lipstick. Who wants to tax lipstick? That is a pernicious sort of attitude for a government of the people to adopt. Some sort of latitude could be extended here, especially with relation to lipstick. Again, such things as razors and razor blades still attract sales tax. Some of these articles attract a rate as high as 25 per cent. Even in this general category of consumer items there are the same kinds of inconsistencies and anomalies. For instance, the sales tax on a cosmetics bag is 12½ per cent. while the cosmetics that one puts into the bag attract 25 per cent. sales tax. What a ridiculous situation! Again, party decorations attract 12½ per cent. sales tax while the rate charged on the lipstick worn at the party is 25 per cent.

The Opposition wants to see some common sense exercised in these matters. Has not the Government any guiding principle about these things? Babies' toys, rattles and sweets attract only 12½ per cent. sales tax while the rate payable on babies' talcum powder is 25 per cent. How can the Government reconcile that with common sense? Why do we not get some angry young men on the Government side of the House who can see that these things are wrong, who realize that there is no reasonable explanation for the Government's attitude and that these indirect taxes are completely unjustified? The people of Australia are looking for that type of man over there.

One could go on at great length dealing with this subject, but I have been told that a member of the Government wants to spend a few minutes on the matter and I am only too pleased to co-operate with him. The important thing to realize is that this time last year the total amount of tax paid per capita in Australia was £163 15s. 9d. That is a very far cry indeed from the £67 12s. 11d. which was the burden per capita in 1948-49. We all remember the low taxation policy espoused by the members of the present Government away back in the days when Labour was last in office. At that time they promised to keep taxes down. I have never advocated keeping taxes down, but members of the present Government did promise that, and the people of Australia should appreciate the extent to which they have been betrayed by this Government in this connexion.

Let me emphasize that the taxation in Australia has been increased by this Government from £67 a head when Labour was in office to £163 a head to-day. And this under a government which was pledged to keep taxes at a low level! Let the people of Australia realize in particular that during this Government's term of office there has been a tremendous movement to indirect taxation by which the little bloke is required to bear the burden to a far greater extent than hitherto. We on this side know all about these anomalies. We know how the worker froths at the mouth with indignation about all this taxation when he pays for his middy or schooner of an evening. When he pays 3s. 1d. for a bottle of beer he knows that 1s. 7d. of that 3s. 1d. represents tax on the beer he is buying! It is a common saying among workers that if you buy two bottles of beer one is for Bob Menzies, or the baron of Bingil Bay. Again, when the worker pays 3s. 3d. for a packet of cigarettes, 1s. 10d. is taken out by the Treasury as tax on his smoke, one of the few comforts he has left. Then we have the
tax on petrol and motor cars. This indirect method of taxing by the Government is loaded with all sorts of anomalies and injustices and has inflicted a great deal of hardship and unfairness on the people of this country.

Question resolved in the affirmative.

Bill read a second time.

Leave granted for third reading to be moved forthwith.

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

SALES TAX ASSESSMENT BILL (No. 5) 1963.

Second Reading.

Debate resumed from 13th August (vide page 63), on motion by Mr. Harold Holt—

That the bill be now read a second time.

Mr. Crean (Melbourne Ports) [5.54].—This is purely a technical measure designed to co-ordinate custom and procedure with relation to the collection of sales tax. The Opposition offers no hindrance to the passage of the bill.

Question resolved in the affirmative.

Bill read a second time.

Leave granted for third reading to be moved forthwith.

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

Sitting suspended from 5.55 to 8 p.m.

APPROPRIATION BILL 1963-64.

Second Reading.

(Budget Debate.)

Debate resumed from 13th August (vide page 60), on motion by Mr. Harold Holt—

That the bill be now read a second time.

Mr. Calwell (Melbourne—Leader of the Opposition) [8.0].—I move the following amendment:

That all words after "That" be omitted with a view to inserting the following words in place thereof:—"while approving of such benefits as are contained in the Budget, and particularly those for primary producers and social service beneficiaries, the House condemns the Government for its failure to make adequate provision for defence, education, housing, health, social services and northern development. The House is also of the opinion that the Government's failure to provide for full employment and for increases in the rate of child endowment which have remained stationary in respect of the second and subsequent children since 1948, is wrong and unjust. For all the foregoing reasons the House is of the opinion that the Government no longer possesses its confidence or the confidence of the nation".

My duty to-night is to fulfil the task so studiously avoided, so deliberately evaded by the Treasurer (Mr. Harold Holt) when he made his Budget speech a week ago. My duty, as I see it, is to speak for Australia. I speak as leader of the Australian Labour Party; but once again it falls to this party to provide the leadership—the call to greatness—which our people seek and which this Government, by the final act of abdication from its responsibilities represented by this bill, has once again failed to provide.

The faults of the Budget are not the faults of the Treasurer alone, though I do not intend that he should be allowed to escape the criticism he has courted, or the censure he deserves. The faults of the Budget are those of the entire Government, and are embedded in the barren philosophy for which it stands. This Budget is post-war Liberalism at the end of its tether. The leaders of post-war Liberalism sit here without a single original idea among them, without a single inspiration to light the last hours of their glory, activated only by an unquenchable thirst for office and motivated only by unconquerable conceit of their own importance. Behind them sits a listless, lifeless, a party without a policy, without genuine principles. This moribund thing called Liberalism is now the prey and plaything of pressure groups, and, in particular, of that pressure group which poses as a political party and is not—the Australian Country Party.

This Budget fails so badly in such really vital matters that it is, indeed, worthy of the Treasurer, the Government, and the party which produced it. I wish to deal first with the Treasurer. He spoke, last Tuesday, in that style of assumed confidence which has so often led the business community and the entire people of Australia astray. He was full of soothing forecasts and brave predictions. In an aside of unparalleled audacity, he presumed to chide me for having made predictions. Does he dare to match the predictions he has made over the past three years with mine? We of the Labour Party have been consistently right in our predictions, and in our diagnoses.
We have seen our remedies sneered at by the Prime Minister (Sir Robert Menzies) and belatedly adopted by the Treasurer. That, perhaps, is our consolation; but, alas, it is also Australia’s tragedy, because adoption has always come too late.

Who would dare to believe, now, in any forecasts made by this erring Treasurer? We remember the airy optimism of his Budget speech of two years ago. He spoke of the “widely stimulating effect” of his proposals then. Yet during the year 1961-62, the gross national product of Australia, which is the measure of all goods and services produced in a year, actually fell. This was only the second time there had been a fall in the real value of national output—that is the value after adjustments made for changes in prices—since national income accounting was put on to an official basis after World War II. The only other year in which this happened was in 1952-53—the year of one of the periodical “horror” budgets under the Menzies Government.

The fall in national output, and the associated rise in unemployment, would have been far greater, except that the general election of 1961 mercifully intervened. When the people had delivered their crushing verdict, the Prime Minister, having initially retreated to his tent in sullen silence like an offended Achilles, re-emerged as unblushing and pachydermatous as ever, and announced the desperate series of measures of February, 1962, aimed at correcting some of the terrible mistakes of the 1961 Budget. One would have thought that after such a humiliating reverse and the even more humiliating rebuff by the people of Australia, any self-respecting Treasurer would have retired as quickly and gracefully as possible.

But by August of last year the Treasurer had recovered his equanimity, and came forth completely convinced of the correctness of his plans and policies for Australia. He produced a budget which he claimed would redeem the Prime Minister’s election pledge of restoring full employment within twelve months of December, 1961. By January, 1963, thirteen months later, the number of registered unemployed rose to 112,000. In the twelve months up to June, 1963, he succeeded in reducing that figure by a mere 11,700. And yesterday’s figures showed that there are still 78,000 registered unemployed in Australia.

Mr. Reynolds.—Officially!

Mr. CALWELL.—That is the official figure. Of course, the real figure is much greater than that. The basis of the Treasurer’s grand strategy was—as he said with a flourish—a deficit “in an accounting sense, of £118,328,000”. We all admired at that time the confident precision with which he produced that figure—right down to the last thousand pounds. There was no vagueness about this—£118,000,000, plus £328,000. The Treasurer told us: “We are doing this”—that is budgeting for the £118,000,000 deficit—“to ensure that expansion will not falter”. Not content to leave matters there, he warmed to the theme and said: “I should also point out that the expansionary effect”—that is, of the deficit—“will be fairly heavily concentrated in the next six to eight months, which is normally the period during which the outflow of cash from the Government greatly exceeds the inflow.” We all know what happened to this grand strategy—a strategy expounded by a Treasurer who thought to dazzle the groundlings by his apparent mastery of the finer points of economic theory. It collapsed in ignominious failure, just as his 1961 Budget collapsed. The deficit disappeared. The whole budgetary policy which it represented became irrelevant within weeks of its enunciation. And the reasons why this much vaunted deficit of £118,000,000 became, instead, a surplus of £16,000,000, show why none of the forecasts of this inaccurate, incompetent, dilettante Treasurer can ever be relied upon.

The basic reason for the failure of his last Budget was that the people did not trust him, and they did not believe his forecasts. His policy contained within itself the seeds of its own destruction. The people ignored his urgings to spend their money, and they put much of it in the savings banks. The savings bank deposits rose during the year by the enormous amount of £235,000,000. These banks, in turn, invested their money, to a considerable degree, in government securities.

Even that section of the community to which the Liberal Party looks for its chief
support did not trust the Treasurer. The better-off sections of the community, and the large companies and financial institutions, were just as fearful as the little people, just as lacking in confidence in the Treasurer's forecasts; moreover, because of the sluggish state of the economy—a state induced by the Government's own policies—they could not find profitable outlets for their funds in normal business areas. So they, too, put their money into government bonds.

In addition, it became clear during the course of the year that the Government would be obliged, in contradiction of everything that the Treasurer said in his speech in this House on 29th August last year, to reduce interest rates, including the long-term bond rate. This realization set off a round of intense speculation in government bonds, culminating in the announcement last month that the long-term bond rate was going to be reduced by almost one-half of 1 per cent. So, the Treasurer's budget strategy, the strategy he wanted the people of Australia to believe was one of budgeting for a large cash deficit to give a great lift to the economy, fell to the ground. And when events forced him, in effect, to repudiate his own Budget, he had neither the courage, nor the honesty, to tell the people what had happened, or explain why his Budget was no longer relevant.

When my colleague, the honorable member for Werriwa (Mr Whitlam) who is the Deputy Leader of the Opposition, in my absence during the Budget debate last year, urged Labour's policy of reduced interest rates, the Treasurer could barely find words strong enough, scorn bitter enough to express his contempt for what he called Labour's reckless amateurism. He painted a terrifying picture of the inflationary results which would flow from an attempt to reduce the bond rate. Seven months later, Labour's reckless amateurism became considered Government policy. This Treasurer, whose favorite debating device is to pinpoint what he imagines to be shortcomings in the policies of Labour governments of 20 and 30 years ago, has consistently contradicted himself—every six months. Indeed, the reduction of interest rates, so bitterly condemned by the Treasurer last year, has been the Government's major economic policy measure in the past six months. Yet he makes barely a reference to it in his speech. Labour's general economic policy is one of high basic demand and low interest rates, with compensatory tax measures to restrain excess demand and speculation. The Liberal Party's general economic policy is one of high profits coupled with high interest rates. It is because this policy lacks a solid basis of consumer and capital demand that a Liberal economy shows such wild fluctuations between depression and orgies of speculative fervour. The Liberals attempt to restrain demand by abstract monetary policy but, in fact, merely achieve the wasteful stop-go that has been doing so much harm to our prospects for growth over the past fourteen years.

So we come to the Treasurer's latest masterpiece—the Budget now before us, the Budget of 1963-64. This Budget provides for the greatest peace-time deficit in Australia's history, however that deficit may be measured. The excess of expenditure ordinarily charged to Consolidated Revenue Fund over receipts will be £62,500,000, compared with less than £40,000,000 last year. The "cash" deficit, the concept so beloved by the Treasurer until this year, and now not even mentioned in his plans this year, will be about £58,000,000. Now he has given us a new definition of "deficit" as—

the difference between the amount which Budget outlays add to incomes and the amount by which current receipts of the Budget reduce them.

On the basis of this wonderfully succinct definition, the deficit will be £309,000,000, compared with £254,000,000 last year, and only £52,000,000 in 1960-61.

Thus, we have the spectacle of a Treasurer who poured ridicule on the Opposition's policy, in 1961, running a deficit of £100,000,000, if necessary, to restore full employment, himself proposing a deficit of more than £300,000,000 nearly three years later when, as far as he is concerned, the unemployment problem has been solved. In our view, this increase of over £200,000,000 represents the cumulative results of the disastrous policy of too little, too late which he has followed ever since he and his Government destroyed full employment and business activity in November, 1960. Had a rational policy been pursued in 1961—the policy we then
put forward—it would have meant full employment, with a continuing high level of activity, and would have avoided the need for the present deficit as a policy measure.

When the Treasurer comes to describe the present state of the economy, he puts it this way—

On the one hand, we can look back on a year of strong, continuous, widespread growth; on the other, we can look forward to possibilities at least as favorable—and in all probability more so—in the current year and perhaps beyond.

Why, then, the record deficit? It is clear that the Treasurer does not trust his own diagnosis. And I have shown why his past failures—grotesque failures—undoubtedly should have taught him not to trust himself as an economic prophet.

This Budget is quite remarkable for the trifling attention it pays to the general state of economic activity, so one has largely to guess at its aims and assumptions. In a few brief introductory paragraphs we are told how good a year we have had, and how bright the prospects are. And yet, in what is claimed to be a propitious situation, the estimated budget deficit is the greatest on record. Let me repeat: It is three times more than that contained in Labour's policy speech of two years ago, and yet that modest proposal was denounced, to quote the Prime Minister's words of the day, as "wild, impractical and inflationary". What the Prime Minister said was echoed and re-echoed by his followers.

If the Treasurer's diagnosis is correct, then he is being highly irresponsible. He is imperilling price and cost stability because he lacks the courage to raise taxes to at least match the extra expenditure he is budgeting for. Nearly all of this expenditure is highly desirable and long overdue. In other words, the Treasurer is threatening us with another period of boom and bust. Either he cannot see it, or he will not see it. Perhaps his advisers will not let him believe the truth. To be charitable to him, I do not think he understands just what is happening. As a Treasurer, he certainly leaves much to be desired in his fitness for the high office he holds. At the same time, it seems clear enough that the Government does not expect any marked improvement in the employment situation, despite the fact that it claims that the Budget should undoubtedly have a strong expansive effect.

This is, indeed, the final bankruptcy of government economic policy—a record deficit co-existing with the acceptance of from 70,000 to 100,000 unemployed as a permanent feature of the economy. It has long been evident that the Treasurer has no idea of how to cure the situation created by his panic action of 1960. He seems to think it is a mere matter of reversing his steps. Because he destroyed business confidence, now he must restore it. He made money scarce and hard to borrow; now he must make it easy, and so on. But business confidence and business spending on new investment are not mere abstractions and questions of monetary policy. Monetary policy can cause a crisis and depression, but it cannot cure such a condition. Recovery depends on a restoration of basic consumer demand. Once basic demand is revived, businessmen will build up stocks and erect new factories. Demand for new houses and new office buildings comes with basic consumer demand and not from ready availability of money to borrow.

This Budget, like its dismal array of predecessors, has done nothing to restore the purchasing power of ordinary people in the prime of life, going about their ordinary day-to-day jobs.

This, then, must be the fundamental criticism of the Budget before us: That while its record deficit contains the seeds of inflation the manner in which the concessions it provides are distributed fails to ensure the restoration of a strong basic demand. The Government believes it is being clever by stealing Labour's policy. In fact, it has perverted and distorted that policy and evaded the real issues facing the nation.

The inadequacies of this Budget and the fallacy underlying government policy is clearly indicated in its income tax policy. The grossly inequitable and discriminatory 5 per cent. rebate enacted last year is to continue. This cut was introduced on the pretence of building up demand but, as the Opposition pointed out last year, about three-quarters of the benefit goes to people with more than £24 a week. Three million people have incomes below this and they are two-thirds of all taxpayers. This cut averages 9d. a week for them. The richest
50,000 get about the same total share as the lowest 3,000,000, but their individual cut is over £100 each. The Treasurer agreed in a broad sense in a television interview in Melbourne on Sunday night, that our charge against him on this count is true.

The injustice of the so-called 5 per cent. reduction in income tax is shown even more clearly by the fact that it means a 10 per cent. increase in take-home pay, or income, after tax for the richest section of the community, as compared with the beggarly 9d. a week for the mass of the community.

The minor income tax concessions given on this Budget continue the same policy of hand-outs to those who need them least or do not need them at all. The average wage and salary earner gets about £1,200 a year. If he has a wife and two children and, say, £30 of other deductions, he pays 30s. a week income tax, or 6½ per cent. of his income. What benefit can he get from this Budget? He cannot pay even £100 a year per child in education expenses, let alone the new £150 maximum. The removal of the limit on medical expenses is unlikely to help him; how can he spend more than £150 for each person in his household on medical expenses, education or anything else?

Year by year, inflation has whittled away the value of family allowances. Year by year, people have moved into higher tax brackets and have had their effective taxes increased. Year by year, the Labour Party has demanded higher family allowances and reduced rates on lower incomes to keep the real rate, or percentage of income taken in tax, constant. And each year our claims on behalf of the little people have been rejected.

Labour, on its return to power, will reconstruct the whole schedule of income tax rates and allowances to restore equity and a fair go for lower income earners and for family wage and salary earners—that is, for the vast majority of the Australian people. This is the basis of our taxation policy and it will go hand in hand with the imposition of an overall level of taxation which will best promote the development and well-being of the whole community, without inflation.

But I must also mention the report, now more than two years old, of the Common-wealth Committee on Taxation. The Treasurer has used it as a basis for a number of his concessions, but he says nothing of that part of the report which shocked the ordinary, decent people in the community. The report revealed that by various stratagems, the income tax law was being exploited by ingenious taxpayers to the tune of £14,000,000 a year—a sum equal to over half our expenditure on the Snowy Mountains scheme.

Two years have passed. Another £28,000,000 has gone as a reward to these ingenious people. The Treasurer says nothing and does nothing. From time to time we hear that the technical problems are difficult, that work is being done, that in due course a solution may be found. The Opposition demands that this question be treated now as one of urgency and that the evasion of taxation of such a magnitude annually be stopped by the passage of effective legislation.

But what is the use of expecting this Government to deal with anything as a matter of urgency? All its proposals in this Budget, even where they are commendable, have the unmistakable air of having been patched together to meet a series of special situations and, indeed, special electoral requirements. Why is it only now that the Government has come to see the need for increased defence expenditure, for the construction of the Blowering dam, for increased spending on the empty north, on development, on social service and repatriation benefits, and for the restoration of the superphosphate subsidy?

The Treasurer dared to compare the Government’s defence record with the achievement of the Chifley Government—the successor to the Curtin Government which had guided the destinies of this nation in its darkest hour and repelled the only enemy which had ever struck at Australian shores. He referred to the £54,000,000 spent on defence in 1949-50, but he did not refer to the fact that this sum had several times its present purchasing power. Nor did he refer to the emergency created by the Korean War in 1952-53 which required his Government to increase defence expenditure rapidly after the brief period of post-war demobilization and disarmament. And, of course, he did not refer to the miserable
record of his own Government on defence since the Korean War.

In 1950-51, Australia's expenditure on defence was 2.8 per cent. of its gross national product. In 1952-53, the figure rose to 4.3 per cent. To-day, it is only 2.7 per cent., yet the Government now talks blandly about a so-called "new, revised and expanded" defence programme. Would 4.3 per cent. not be a more realistic figure to-day—or is the threat to our security less real than it was ten years ago? If the Government is right about the threat that hangs over us, its actions are in contradiction of its assumptions. If it is wrong about its assumptions, it has been acting politically to misrepresent the Labour Party, and to frighten the people unnecessarily. In either case, it has been acting on this issue as it always does—dishonestly.

But the Government does seem to have made the interesting discovery that, under its administration, Australia is defenceless; and for some reason which will be as baffling to constitutional historians as it is insulting to the intelligence of the Australian people, it is trying to blame the Opposition for its own failures on this most vital question of national survival.

The Treasurer was pleased to point out that the Chifley Government spent something less than £5,000,000 on New Guinea in its last year of office. Does he recall that in the last year before World War II., when he was a supporter of the Lyons Government, the allocation for Papua and New Guinea was only £54,000? He might also like to recall that the Chifley Government increased expenditure on Papua and New Guinea by at least 30 per cent. in each successive post-war year up to 1950, and that the Menzies Government put a stop to this unprecedented and unparalleled growth, so that in its first three years of office, the average increase was only 4 per cent. a year, despite the vast inflation that was then occurring under its distinguished auspices. Does he not recall that expenditure was again virtually pegged for the three years ending 1959-60, and that it is only in the past three years that the Government has faced up to facts and adopted a so-called crash programme to remedy its past deficiencies? Did he expect to get away with his cheap canard against Labour's record in New Guinea because the architect of all that was done then, and of almost all the good that has been done in New Guinea since then, the late honorable member for East Sydney, Mr. E. J. Ward, is no longer here to awe him into ignominious silence?

On none of the main questions affecting the daily lives and well-being of the ordinary people of Australia—questions such as housing and education, health and social services—has this Government made any attempt to see that problem as a whole; any attempt to think it through to something approaching a solution.

Education and health are treated purely as matters to be dealt with by taxation deductions, and, as I have pointed out, these concessions, while commendable in themselves, do little or nothing to assist the middle and lower income earning families and these constitute the great mass of the Australian people.

The needs of the great Australian family have been overlooked altogether. There are to be no increases in child endowment. Is the Treasurer saving an announcement on this question for a pre-election supplementary budget, or is child endowment a social service the Government would like to abolish?

The Government refuses increases in basic war pensions, pensioner medical services and pensions to married couples. The arbitrary exclusion of all married pensioner couples from the ten shillings weekly increase is unprecedented in the discrimination it enshrines. It makes the mere fact of marriage a complete bar to receiving the standard pension. This bar is to operate automatically, utterly irrespective of the means or needs of the persons concerned. In this form it is utterly unjustifiable and anomalous.

Sir, when I made my speech on the Budget two years ago, the Prime Minister accused me of having made a policy speech. If I had not stated Labour's alternative policy, I would have been attacked for making a purely destructive speech. But two months later, that policy which I enunciated on behalf of this party, and
which my distinguished adversary had derided with almost every pejorative in the language, received the overwhelming endorsement of the Australian people in the December elections. And then things began to happen.

The policy the Prime Minister had derided he began to adopt, in typical piece-meal fashion. But it has become clear that while adopting the most obvious and most popular parts of that policy, and only because of electoral necessity, the Government never really understood or sympathised with its underlying philosophy. The Prime Minister reminds me of the lady who told the celebrated Doctor Johnson that she could not understand his argument. Doctor Johnson replied: "Madam, I have supplied you with an argument; I am not obliged to provide you with an understanding."

We provided the Government with a policy admirably suited to the needs of the nation and the economy at the time: it was too much to expect that this Government would apply it effectively or in the right way at the right time.

It is now my duty to tell the House what is our policy for 1963 and beyond. No doubt it will raise the usual sneers from the Prime Minister and the Treasurer and their colleagues. But the parallel between 1961 and 1963 should end there; because the present Government, I hope, will not be given the opportunity to purloin our 1963 policy. The people of Australia have, over the past two years, had an ample lesson in the futility of allowing Labour policies to be applied by proxy.

Labour's budgetary policy, when we take office, will be designed to secure and maintain strong basic demand through higher incomes and increased benefits to the families of Australia and the wage and salary earners—that great company which forms two-thirds of our population. We will increase social services not only to secure fundamental justice for the most needy of the community, but to help generate basic demand. We will adjust the taxation structure to reverse the trend towards increasing dependence on indirect taxation. In other words, we shall ensure that the burden of taxation is more fairly shared and that those who benefit most will pay most.

We will move towards the gradual abolition of the pay-roll tax, commencing with its abolition on local government and semi-government authorities in all respects, except where they engage in trading operations. We will approach the two great problems of housing and education at the only level on which they can be effectively dealt with—the highest level—the level of this national Parliament. We will not seek refuge, as this Government does, in the protection afforded those who wish to shirk some responsibility in our outmoded nineteenth century, horse-and-buggy Constitution. We will not shelter behind the narrowest possible interpretation of the Commonwealth's responsibilities. We will accept responsibility; we will not retreat from it.

We will provide increased funds through Commonwealth-State housing arrangements so that many more houses might be built and substandard houses replaced. According to the housing authorities in New South Wales and Victoria, it will take another 75 years to clear away the slums of those cities at the present reclamation rate. We will establish a home finance commission to provide finance to construct homes and to guarantee loans from those who will lend at low interest on low deposits. We will encourage savings banks and assurance societies to lend more of their funds for housing. We will examine the federal housing authority legislation operative in the United States since 1934, and find out what provisions we can adopt in Australia.

We will provide immediate and greatly increased financial aid for education at the secondary and technical level—we will provide assistance also at the primary level—and for scientific research to meet the urgent and growing needs of the nation. We will provide scholarships to those who qualify in accordance with our conference decisions and we will hold a nation-wide inquiry into all phases of education short of university standard.

We shall take the defence of this nation from the dusty realm of three and seven year programmes which are pigeon-holed almost as soon as they are made. Australia has never had any effective defence since this Government came to power. We will
repair the deficiency. We will tell the people, openly and frankly, what defence burden they must bear. We will not pretend, as this Government does, that the national interest is served by a system of down payments on the instalment plan for weapons and equipment which may be delivered anything from one to five years hence, and which, when delivered, are obsolete or obsolescent. This pretence is one of the most obnoxious features of this Budget.

We will place the prosperity of the Australian farming community on a firm and secure basis by a system of commodity marketing schemes, subsidized where necessary, and established with the consent and operated with the co-operation of the growers. We will not ignore, as the Government seems prepared to do, the difficulties of Australia's great wool industry. This Government has never introduced one stabilization scheme in the past fourteen years and every stabilization scheme operating anywhere in Australia is the work of Labour Government, Federal and State.

We will establish in co-operation with the States of Queensland and Western Australia, a planning authority along the lines of the Snowy Mountains Authority to tackle the problem of developing our empty north. This Budget approaches this problem in a rather perfunctory fashion. It ignores the great problem of speedy development altogether. Another year has been lost, another opportunity thrown away. No attempt is made to deal with the transport problems of the nation. Again, I ask: "What will the continent be spanned by standard gauge railways?" Might I also ask when will this Government take over yet another Labour policy item and return the proceeds of the petrol tax to the States?

Above all, we will plan—plan for defence and security, plan for growth, for full employment without inflation. And, let me say, whatever form our planning machinery takes, we will make it all subject to the control of Parliament. That some form of loose planning already exists, nobody denies: but the really big decisions never come before Parliament at all, either for discussion or approval. Indeed, Parliament barely hears of them. Supporters of the Government criticize Labour's democratic policy-making machinery, but under the Menzies Government, this Parliament has become a rubber stamp for decisions already made and generally never reported.

The underlying defect of this Budget, a defect which it shares with all the budgetary measures brought down by the present Treasurer and, indeed, by his predecessor, is that it lacks a coherent plan and fails to give guidance to business, or leadership to the people. The Governor of the Reserve Bank, Dr. Coombs, said in Perth last June that Australia could have an annual growth rate of 5½ per cent, without serious inflation, without radical changes in taxation levels or saving habits, and without any radical problems in the balance of payments. Under this Government, the rate of growth has, in fact, averaged only 2 per cent, annually over the past ten years.

The Treasurer makes no attempt to answer the question of how we are to reach, or even reach towards, the target suggested by Dr. Coombs. All that he tells us, in a very roundabout way, is that the economy needs further stimulus. We certainly agree. But exactly how that stimulus is to be achieved, and what direction it should take, he will not, or cannot, tell us.

As long as there is no real planning, no direction given to the economy, we cannot be sure that the inept hand of the Treasurer will not touch off another round of speculative activity, rather than initiate a period of sound economic progress. And we fear deeply lest the Treasurer should, before long, again take fright and plunge us into yet another recession. We must plan our way out of this impasse of stop and go, of boom and slump.

The Australian people, with their energy, their initiative, their proven capacity for hard work and, where necessary, for sacrifice, are capable of responding greatly to challenge. They will respond when those who have been elected to lead them do, in fact, lead them. In this Budget, the Treasurer, and the Government, had a great opportunity to provide real, genuine leadership, to let the fresh breeze of hope and optimism flow through the nation. They have thrown away that opportunity, perhaps their last opportunity. That is why this
Budget has met with such universal disappointment; not because the ordinary people wanted tax cuts of any kind, or any sop of any sort; not because this or that pressure group got something less than its demands; but because the Government lacks the qualities of coherence and leadership which the country demands from its elected government at this critical period of our history.

We can be a great nation, Sir. We will be a great nation. But if we are to make that break-through to greatness, we must have in government those who are willing to lead. Those who have lost the will to lead have lost the right to lead. That, in the final analysis, is why this Budget fails to satisfy the full needs of the nation. That is why, in the hour of our common trial as political parties before the jury of this nation, whenever that hour may strike, this Government, which has abdicated leadership, will be rejected by the people.

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

Mr. Whitlam.—I second the amendment and reserve my right to speak later.

Mr. McMAHON (Lowe—Minister for Labour and National Service) [8.43].—Mr. Deputy Speaker, the Leader of the Opposition (Mr. Calwell), in effect, has proposed a motion of no confidence in this Government. I am authorized to say to you, Sir, on behalf of the Government that we accept the motion as such and that we accept it based on the matters which the Leader of the Opposition has put to the House—defence, education, housing, social services, northern development, and employment and child endowment, which the honorable gentleman threw in at the last moment for good measure.

The Leader of the Opposition has made so many speeches about this Budget. I have heard or read about five of them now, but I do not know which one of them is to be taken most seriously. I suppose I must take a combination of them, and particularly what he has said this evening. I should like to direct attention to what I regard as the basic policy statement in his speech this evening. It is in these terms—

Labour's budgetary policy ... will be designed to secure and maintain strong basic demand through higher incomes and increased benefits ...

I want to examine that statement, Sir, because the honorable gentleman has made a basic fallacy in his reasoning about the present Budget and its financial effects. The simple truth is that if he were to be believed and if his argument were to turn out to be correct, far from advocating an increase in expenditure, he would be criticizing the Government for the action that it has taken and would be saying that the amount to be expended as proposed in this Budget is too great and that expenditure should be reduced. The honorable gentleman has made a blunder here in confusing two different concepts. I must take up the time of the House in explaining this, because it is crucial to an understanding of his failure to substantiate his argument.

There are two concepts. Previously, we used to speak of what is called a budget deficit. That is the deficit between the complete receipts and expenditure of a government. The receipts of a government include the money that it is to receive by way of loans. But the Leader of the Opposition has confused that concept of a deficit—this financial year the deficit will be some £58,400,000, as appears in the Budget speech at page 21 of "Hansard"—with another statement which indicates that this financial year the net increase in the indebtedness of the Government on a national accounts basis will be £308,000,000. That is about £50,000,000 more than last financial year, and considerably more than in the preceding financial year. If the honorable gentleman had taken the argument that this £308,000,000 represented a stimulus, not a deficit, and therefore was inflationary, I could have understood him, because, in truth, this expenditure represents the kind of stimulus that this Budget will give—a stimulus to national development and full employment. But no! The honorable gentleman has confused these two concepts and has said that the Budget deficit will probably total about £309,000,000. That sum includes about £276,000,000, which is part of what we shall borrow on the loan market and pay to the States. That may or may not be inflationary, but probably is not. Consequently, the Leader of the Opposition has been led into error and has been led into a misunderstanding of the principles of the Budget.
Let us take what the honorable gentleman has said at its face value and assume a deficit of £309,000,000. I correct him again by saying that the Treasurer (Mr. Harold Holt) rightly said in his Budget speech, as appears at page 21 of "Hansard", that the deficit will be some £58,400,000, not £309,000,000. If we take the argument put by the Leader of the Opposition at its face value and assume that there is to be this enormous deficit, and this sum will flood into the pockets of income earners we can come to only one conclusion. We must conclude that expenditure would have to be reduced because we were already giving too great a stimulus to the economy—a stimulus that would lead to over-full employment, speculation, and all the things that were known during 1958. There is the basic error in the honorable gentleman's reasoning and in the policy that he has announced.

The second matter that I should like to deal with—I want to do so quickly—is the statement of the Leader of the Opposition relating to growth and the increase in national income. He tried to create the impression that our gross national product—I cannot quite remember over how many years—has been increasing at a slow rate. Those who have read the basic documents associated with the Budget, and particularly the statements presented by the Treasurer, will see that last financial year there was a substantial increase in our gross national income, or our gross national product. The United Kingdom authorities have stated that if they can get a growth rate of 3½ per cent. per annum they will regard it as good. The Treasurer last Tuesday evening in his Budget speech was able to announce to the nation that the rate of increase in Australia's gross national product last financial year was, not 2 per cent., not 3½ per cent.—which is regarded by the United Kingdom Government as satisfactory—but 8 per cent. and that the rate was continuing at a high level. We hope that a high rate will continue in the future although I would not expect the 8 per cent. rate to continue.

So the Leader of the Opposition again has failed to recognize the facts. First, he was in confusion about what is genuinely meant by a budget deficit and its so-called inflationary effects. Secondly, he was in confusion over the stimulatory effects of the increase of £309,000,000 in Government indebtedness in the national account. We now have his failure to recognize that last year, under the administration of the Menzies Government, our gross national product increased by 8 per cent.

Let me now turn to some of the specific matters that have been mentioned by the Leader of the Opposition. First, he dealt at some length with defence. I could not have believed that in this Parliament I would hear a spokesman for the Opposition criticize the Government on the ground that it was not expending enough on defence and was not putting enough into the defence effort. I know that you can deceive some of the people all the time, but you cannot deceive all of the people all the time. Those of us who think about these things remember that in February of this year the Labour Party conference met at the Hotel Kingston in Canberra and came within an ace of deciding that the United States of America should withdraw from the proposed base at Exmouth Gulf, although such a withdrawal would inevitably have meant the destruction of the Anzus treaty, which virtually guarantees the security of Australia.

As I have said, I could not really believe that the Opposition would criticize this Government's defence expenditure. But it has done so, and consequently I have to seek a motive. Honorable members will recall that in 1949 the amount being spent on defence annually was not £230,000,000, as it is now, but £54,000,000. Since 1949 the consumer price index has increased by less than 100 per cent. As I have said, we have to seek a motive for the Opposition's action, and the motive can be found. The Labour Party had a survey taken by an advertising agency in Sydney and that survey showed that defence had top priority with the people. Therefore, honorable gentlemen opposite have changed their tune in order to win votes. They are doing so, not because they think the Government is wrong and is not putting a big enough effort into defence, but only because an advertising agency said that defence must have top priority. That is the reason why they have decided to change their tune and to make a different approach to this problem.
I am glad to say that this Government, as the result of a six-year programme, has increased our annual defence spending to £230,000,000. Compared with last year, our defence spending will be, on an average, £41,000,000 a year greater over the next four years. There you see the difference between the approaches of the two sides. The Government is following a policy of gradually expanding the defence forces on sensible lines, as recommended by the defence chiefs. They have made their recommendations to the Minister for Defence (Mr. Townley) and he has brought the recommendations to the Government. There is little that the Government has refused. Everything that the defence chiefs have proved is necessary the Government has agreed willingly to grant.

I refer to only one other fact in this context. The Leader of the Opposition, far from agreeing to an increase in the defence vote in his policy speech of 1961, was critical of the expenditure of £200,000,000 and said it should be reduced. In 1949 the Labour Party voted £54,000,000 for defence and in 1961 it said that £200,000,000 was too much. I wish to repeat what the Prime Minister (Sir Robert Menzies) has said and what the Treasurer (Mr. Harold Holt) said in his speech last Tuesday night, namely, that the Government had stepped up the defence effort. All of the fighting services will be strengthened in terms of personnel and equipment. The Government has decided to increase their mobility and to give them greater striking power. The only way in which the Leader of the Opposition gave any sort of specified guidance was in connexion with the purchase of a new bomber, but it is too early yet for the Government to make a decision on that matter, because the mission that was recently sent overseas has not had time to submit its report.

Mr. Calwell.—I have never advocated the reduction of defence expenditure yet.

Mr. McMAHON.—On the contrary, you have claimed that the £200,000,000 was wasted. I will produce the honorable gentleman’s policy speech. Sir, I have contrasted the approaches of the Government and of the Opposition to defence. As I have said, I could not believe that the Opposition would have the effrontery to introduce the subject of defence. However, it has done so, but only because it believes the subject has some political appeal, certainly not because Labour is looking to the defence of this country.

Before I proceed any further I should like to give some of the background to the present Budget, because, without knowing the background, it is impossible to put the problem in balance. First, I want to refer to some of the things that have been done. In the last two Budgets the Government has paid attention to the private sector of the economy by reducing taxation or by granting concessions to the value of £80,000,000. There has been a reduction in personal taxation and also a concession by way of an investment allowance of 20 per cent. About £80,000,000 has been given to the private sector of the economy in the course of the last two years. What the Government is doing in this Budget is, in effect, a balancing operation. What was not given during the last two years is being given now by increased social service payments, by the contribution made to housing and by the grants to the States to permit them to increase considerably their expenditure, particularly on education. The important factor is that the private sector of the economy has been looked after.

The Leader of the Opposition said that wage and salary earners had not been looked after in the Budget. I want to contradict that statement in the most emphatic language I can use. It must be remembered that last year the amount paid to wage and salary earners increased by £210,000,000, compared with the gross increase of £560,000,000 which was mentioned by the Treasurer in his Budget speech. The wage and salary earners were looked after by the Conciliation and Arbitration Commission. In addition, in this Budget we find that there has been a remission of the sales tax on all foodstuffs other than carbonated beverages and confectionery. This remission will cost £11,000,000 and is designed to help the little man by reducing his cost of living. If ever there was a little man’s budget, it is this one. Finally, an extra £18,000,000 is being provided for social services, to which I will refer later.
The second point I wish to make by way of background comment concerns the amount of money that has become available to the State Governments. This has to be considered in order to see the Budget into its context. This year, as the Treasurer pointed out, payments to the States are to increase to £450,000,000, £272,000,000 is to be provided for State works and housing and £123,000,000 for semi-governmental and local government purposes. There will be an extra £53,000,000 available to the States for their services. This will be a wonderful help to the States if they want to expand their services, particularly in the field of education.

I wish to refer to one other matter in speaking of the background to this Budget. Last year, farm incomes increased to about £545,000,000 from £465,000,000 the previous year and the terms of trade improved from 68 per cent. of the base year in 1952-53 to 75 per cent. This is a movement in favour of the farmer. In this Budget the Government has taken substantial steps to boost the incomes of, or give incentives to, the primary producers. It has approved a 20 per cent. investment allowance on equipment other than motor vehicles and has granted an allowance of £3 a ton on superphosphate. So you see, Mr. Deputy Speaker, the principles on which the Government has acted. The wage-earner has been looked after by the Commonwealth Conciliation and Arbitration Commission, the primary producer has received considerable concessions—his income being increased considerably—and the States have been given ample money for increased activities in housing and education.

Let me move on to another question that was raised by the Leader of the Opposition—the question of social services. I feel that I should deal with social services a little out of the order in which the honorable gentleman dealt with them, because social services are truly the responsibility of this Government, whereas education is but a secondary responsibility, the States being primarily responsible.

The section of the Budget dealing with social services gives me, as I know it gives all the members of the Government's social services committee, a great deal of personal pleasure. The Menzies Government has, I think, taken more interest in social services than has any other Australian government. I applaud the payments that are to be made, because they will do two things. In the first place, if you believe, as I do, that the person who gets the greatest satisfaction out of an additional £1 is the man on the low income, while the one who gets the least satisfaction out of spending an additional £1 is the man on the high income, then you must applaud the increased social service payments of £18,000,000, because these payments will be made to the least wealthy section of the community, the people who get the greatest personal satisfaction and the greatest joy from spending the additional money that will be available to them. But in our circumstances these increased payments will have another advantage. If you believe, as so many people do, that it is the retail businesses and consumption expenditure that need the stimulus, then you must applaud the fact that this extra amount of £18,000,000 in social service payments will be immediately put into retail stores, will work back through to the manufacturing industries, will help to improve the employment position. The payments will thus provide a definite stimulus to the economy.

Another point I want to make is this: These increases should be considered in the light of the fact that for almost two years we have had a stable price level in this country. This means that the extra £18,000,000 appropriated in the Budget for social services will be an increase and not simply a compensation for loss of purchasing power over the last couple of years. It will mean additional satisfaction and additional joy to the people who will benefit by these increased payments.

Let me explain what I mean in this way: Take, first, the increase of 10s. a week to the single pensioner. I shall not go into the details of this; my colleague, the Minister for Social Services (Mr. Roberson), will do that later. When you look at this increase of 10s. a week for the single pensioner you must remember that a few years ago, I think in 1958, we gave 10s. a week to the single pensioner who paid rent and had little or no other income. You will see that such a pensioner now receives £6 5s. a week. When the Labour Government was in power he received £2 2s. 6d. a week. In other words, the amount received by the single pensioner paying rent has increased
threefold during the period that the Menzies Government has been in office. As I have said, the consumer price index has risen by 100 per cent., so that the amount of satisfaction and joy experienced by the person receiving the benefits of these increased payments will be much greater than it was when the Chifley Government was in office.

There is one other illustration I want to make. It is an epoch-making provision in the field of social services. I refer to the increase in the allowance to widowed mothers. A civilian widow with one or more children will receive an increase of £3 a week. The payment of an allowance of £2 a week to a widow by way of a mother’s allowance is something new. It is path-breaking in the field of social services. When the Labour Government was in office such a widow would have received only £2 7s. 6d. a week. Now she will receive £8 10s. a week, showing an increase of three and a half times over what she received when the Labour Government was last in office.

You can see the difference between the philosophies of this Government and of the Opposition. I have said that I believe this is a Budget based on social justice and on the principle of giving to those most in need—giving to those whom we think will receive the greatest satisfaction. The contrast between the provisions made by the Menzies Government and those made by the Labour Government is apparent when we find that in one of the cases I have referred to there has been a threefold increase in social service payments, and in the other case there has been a three and a half times increase.

I conclude on this note with respect to social services: We have now had these two path-breaking reforms; first, an increase of 10s. a week in the payment to a pensioner paying rent and having no other income, and, secondly, a payment of £2 a week to a widow who, if she has one or more dependent children, will now receive an increase of £3 a week.

I could mention other reforms in which my colleagues will take great delight. I could refer to the provision for aged persons’ homes and homes for people in sheltered workshops. I could refer to the merged means test and to the reforms that we carried out in the reconstruction of the rehabilitation scheme. All these reforms have been initiated during the time when the Menzies Government has been in office, and this Government can well be proud of what it has done in connexion with social service reform and the consequent benefits to the Australian community.

I shall deal with only one other subject before I come to discuss the Labour Party itself. I want to touch on the question of employment because I am so intimately concerned with it, as it is my own bailiwick. The Treasurer said in his Budget speech that during the course of the last year action taken by the Government had in fact absorbed the increase in the work force and had significantly reduced the numbers of unemployed. This is so. Last year the work force increased by about 90,000 people, and as figures published in this morning’s newspapers show, we were able to reduce the number of registrants for employment by about 12,000. In other words, as the Treasurer has well said, the budgets we have previously brought down have had the stimulatory effect of absorbing the increase in the work force and also of reducing the numbers registered for employment by 12,000. These are very good results. But all this was done pre-budget.

As I have pointed out, the Leader of the Opposition (Mr. Calwell) made a gross error in confusing deficit financing with a stimulus. The stimulus given in this Budget can be measured in two ways. It is set out on page 32 of the Budget Papers. The stimulus can be measured as being of the order of £71,000,000 plus about £110,000,000—all told about £180,000,000. This amount is the net increase in Government indebtedness and is a true measure of the stimulus given in this Budget.

If you ask what effect can be expected from this in the future, I will answer you in this way. These figures should be emphasized. Last year I said during the Budget debate that I thought we would have about 75,000 school leavers registering with the Commonwealth Employment Service. It turned out that there were 80,000, and nearly all of them have been found employment. This year we expect the figure to be about 85,000, and I now confidently make this forecast. We are now in the very favorable position of having
reduced the numbers of unemployed to about 78,000. Last year, during August, September and October the reduction was of the order of 17,000 in those three months. All these things happened before the stimulus was given in the Budget that is now before us. This stimulus is of the order of £180,000,000, according to the statement of national income and expenditure appended to the Budget Papers. A record number of job vacancies was registered with the Department of Labour and National Service during July. We are placing people in jobs at the rate of 7,500 a week. Of the eighty-odd thousand young people we had registered with us throughout the year, only 1,300 young men are on our books now and I have increasing hope that those people, or a large number of them, will be placed in jobs in the weeks that are to come.

So, Sir, what do I say about this matter? Last year I stated confidently that we would place young people in employment more quickly than we had in the year before. Now I make this confident forecast to the House: We will do better this year than we did last year. As I have said, we now have on our books fewer than 1,300 young men of the 80,000 men and women who registered with us last year. The number of young women registered with us is now about 3,000. They, too, are being placed in employment, though somewhat less quickly.

I mention only one other matter which has been put very strongly by the Leader of the Opposition. At the Labour Party conference in Perth, and repeated again tonight, it was stated in an appendix to its economic statement that the Labour Party will impose taxation amounting to about £100,000,000 on companies and private persons. He stated that he would do that in order to correct the balance between direct and indirect taxation. Sir, the truth is that the balance between direct and indirect taxation under the Menzies Government is much the same as it was during the period of office of the Chifley Government. So Labour has not any correction to make. If the Leader of the Opposition wants to insist that £100,000,000 of extra taxation is to be imposed on companies and private individuals in total, let those individuals know that they have been served with notice that if they vote for the Labour Party they can expect swingeing taxation in the future.

I have mentioned several subjects, including defence, employment and social services. Had I had the time, I could have mentioned many others such as education and northern development. Everywhere you look you will see development. Everywhere you look you will see progress. Look at the general picture. Look at our balance of payments and our balance of trade. Look at our overseas funds. We have a stable cost level. When you look at those things, you know that this is not a time for regret; this is a time for optimism; this is a time for confidence in the Menzies Government. As the Treasurer's very great friend, I express my enormous confidence in him and I back to the limit everything he has said.

Mr. E. JAMES HARRISON (Blaxland) [9.13].—Mr. Deputy Speaker, we have just heard one of the most remarkable speeches that it would be possible to hear in a debate at a time when the Australian nation is crying out loud for development, for defence and for a planned economy that will ensure equal right of employment, wherever people may be in Australia. First of all, the Minister for Labour and National Service (Mr. McMahon) challenged the Leader of the Australian Labour Party (Mr. Calwell) on Labour's stand on defence. He told a deliberate untruth when he said that in our policy speech our leader had indicated that we would reduce the vote for defence. The facts are in our policy speech for anybody to see. The Labour Party said this—

We have never voted against the provision of any funds this Government has ever asked for in the name of defence, though we have criticized it for its inability to decide what fighter aircraft it wanted, what sort of Navy it wanted and why it wasted the sum of £200 million it appropriated each year.

The Labour Party then undertook to give to this nation the type of defence it wanted and to raise the necessary money to give Australia the type of defence it needed. The Minister for Labour and National Service has a habit of coming into this House, making statements that are not founded on fact and then leaving the chamber immediately, because he knows that many of the things he says will be challenged.
Let me refer to the next question with which he dealt so glibly, namely unemployment. He said, "Everywhere you look you can see progress". He lives in Kings Cross, where he sees the Chevron Hotel. He thinks that is progress. That is his idea of progress for this nation. The report that he issued yesterday shows that outside the cities of Sydney and Melbourne there is widespread stagnation in Australia. Let me produce proof of that statement. His own reports show that outside the cities of Sydney and Melbourne at present 24,566 people are on unemployment relief—on the dole. At this time last year, outside the cities of Sydney and Melbourne there were 23,293 people on the dole. In other words, despite the fact that the Minister said that we have made all kinds of progress, scattered across the face of this country there are over 1,000 more people on the dole now than there were in July, 1962.

Let us look at the figures for individual cities and towns. In July, 1961—the blackest period, after the 1960 debacle of this Government—1,501 people were on unemployment relief in the city of Newcastle. In July, 1963 the figure was 1,672. In the city of Lismore—a city that some Government supporters know well—in July, 1961, there were 411 people on the dole; in July, 1963, there were 535 on the dole. In Kempsey, which is represented by the honorable member for Lyne (Mr. Lucock), a Deputy Speaker of the House, there were, in July, 1961, 202 people on the dole. In July, 1963, the number had increased to 345. In the city of Perth, which is represented by some of my friends opposite, in July, 1962, there were 2,296 on the dole, and in July, 1963, there were 3,048. In Hobart, which is represented, by a member of the Government, in July, 1961—the dark period—1,056 people were on the dole, and in July, 1963, the figure was 1,278. Yet the Minister for Labour and National Service has the audacity to come into this House and glibly put across speeches such as the one he made tonight, when the nation is crying out for development.

What is his history in his portfolio? In the trade union movement to-day he is known as the "pains and penalties Minister". He is the only Minister in the history of Australia who has ever dared to tie an entitlement to a pains and penalties provision. In 1961 we tried to tell him what he was doing and to warn him of the unrest that he would create on the waterfront as a result of the legislation that he had introduced. But he would not believe what we told him. He said, "No, this is good legislation". The force of circumstances caused him to modify that legislation in 1962. Again we told him that he was wrong. In 1963 he will be faced with a modification of the 1962 legislation.

The Minister knows full well, too, that he sent to the last basic wage case handled by the Australian Council of Trade Unions a legal representative of the Government to argue—contrary to what the present Treasurer (Mr. Harold Holt) had said when he introduced the 1952 industrial legislation—that the white-collar workers' organization should be excluded from the hearing. It was argued in the basic wage case, on behalf of the Minister for Labour and National Service, that the Commonwealth Conciliation and Arbitration Commission should no longer take into account the state of the national economy in determining wage levels for the metal trades. On behalf of the Minister, it was argued that the case should be heard as a metal trades case alone. On behalf of the Minister, counsel asked that there be no further hearings of cases such as the 1963 metal trades case.

Those of us who handled the 1952 legislation introduced by the former Minister for Labour and National Service, who is now the Treasurer, well remember how we questioned him on his statement that, in the future, the wage level in Australia would be based on the capacity of industry to pay. That was his catch-cry. The present Minister for Labour and National Service wants to destroy everything that was done in 1952. We can understand his not being interested in child endowment and we can understand why he plays around with the things that affect the lives of the ordinary human beings of this country. He cannot understand why legislation that would take away from the workers the rights that the trade union movement has won in the Commonwealth Conciliation and Arbitration Commission should not be encountered in a free country.
The Minister for Labour and National Service came into the House to-night to reply to the speech of the Leader of the Opposition on the Budget. He said he was prepared to accept the debate on the basis we chose—national development and full employment. Having dealt briefly with his mishandling of the employment situation, let me turn to national development. If anything proves that this Government has no interest in Australia or its future, it is the story of national development, particularly with relation to transport. In 1907 we were further ahead in our thinking on the development of the north than this Government is. I have here a photostat copy of a paper called the "Australasian Traveller", which circulated in 1907. An issue in July, 1907, contained an article which commenced as follows:—

The Commonwealth has two railway problems confronting it, comparable in magnitude with those which the United States and Russia have so vigorously dealt with. We refer, of course, to the two Transcontinental Schemes.

In the same year, another article was written with the same emphasis. It stated—

It may fairly be assumed that the Commonwealth is practically unanimous in the opinion that it is most desirable—indeed, imperative—that the Federal Government should take over South Australia's "white elephant", the Northern Territory, and control its future destinies.

This was done. The debates in 1910 show that it was necessary to do this for the real defence of Australia. It is interesting to look at the debates of 1910. In that year, Mr. Batchelor, who was the Minister of External Affairs, said—

The Territory comprises an area of 523,620 square miles, and lying, as it does, closer to the Eastern Archipelago than any other part of Australia, it is dangerously inviting to any of the Eastern nations that might desire to settle upon it. The only genuine right to a country is that which population, effective occupation, and settlement give.

This Government could learn from the people who were in this Parliament in 1907; but it either will not learn or has not the capacity to learn. The Government should have known from what happened in 1910 that it had an obligation under an act of Parliament which was introduced at that time to provide a railway to connect the north with the south. It is strange that in 1949 a new nation was born to the north of Australia. It so happened that Labour went out of office in the very year that Indonesia was granted its freedom. To-day, Australia is more defenceless, because of the Government's apathy since 1949, than it has ever been in its history.

In 1953, the Government was warned of the economic need for a northern railway. The Australian Meat Board said quite frankly in its report for the year ended 30th June, 1953, that there was a real need for a standard-gauge railway to connect Bourke with Larrimah, to improve the raising of fat stock and the shifting of other stock on agistment in time of drought. Its 1953 report contained a map showing the route that the railway should traverse and it made an appeal for the construction of the railway. Like all such appeals for development made to this Government, it fell on deaf ears.

A former Treasurer, who is no longer a member of the Parliament and who, I believe, has financial interests of great magnitude in companies such as the Hooker organization, told us that the answer to the problems of the north was the air transport of beef. As a result, the Government set up another committee headed by the present Postmaster-General (Mr. Davidson). In 1955, this committee reported quite bluntly that the air transport of chilled beef from a northern abattoir to a port either for export as chilled beef or for direct shipment as frozen beef was not, under the conditions at that time, a practical proposition. What did the Government do when it received that report? It did not take any further action to help the north in any way.

I move, now, to the time when the Bureau of Agricultural Economics considered what could be done about the north. In 1959, in a report on the economics of the road transport of beef cattle, the bureau reported that cattle can be successfully transported only on first-class earth roads and pointed out that most of the roads in the Northern Territory are unsuitable for the transport of cattle, first because of the high cost of this form of transport and, secondly, because it can cause excessive bruising. This was not the opinion of the Australian Meat Board but the opinion of the Government's own organization.
The Government had all this evidence before it but, between 1953 and 1959, it set out to solve the problems caused by the lack of development of the north by providing in three budgets for the construction of beef roads. That is the only solution that this Government has found. I want to show how fallacious this approach is. I shall read from the report of the Bureau of Agricultural Economics submitted in 1959. Under the heading “Suitability of Roads”, it said—

Cattle can be successfully transported only on first class earth roads which are maintained in good condition during the period of turn-off.

Most earth-formed roads in the Northern Territory are unsuitable for the road transport of cattle, some 85% of these being graded bush tracks.

At that time, Indonesia had had its independence for ten years. This Government still does not look past King’s Cross or Collins-street when seeking to meet the needs of the nation. It set up what is known as the Forster committee and we have the report which that committee made to the Department of Territories. This is a still later committee, which was set up on 28th July, 1959, by the Minister for Territories (Mr Hasluck). On that committee was Mr. Kelly, M.H.R., besides Professor Forster and Dr. Williams of the Commonwealth Scientific and Industrial Research Organization. In its report the committee said—

Following the Second World War it was felt by many that development of the north was essential to the defence of the Commonwealth. In 1944, the then Prime Minister, the right honorable John Curtin, said “Both for reasons of defence and development special attention must be given to certain parts of the Commonwealth in order to enable us to administer more effectively the total strength of the nation.

That is what counts—the total strength of the nation. This committee—not a Labour committee, but one appointed by this Government—under the caption “Low State of Development of the Stations” said—

Because of the poor markets in past years there has been no incentive and, indeed, very little money to justify any large fencing programme or similar improvements. There are many big pastoral companies with big interests in the Top End and they have often incurred some odium for sitting on large areas of country and not using it to the fullest extent.

I emphasize this particularly—

Because of the almost slum conditions of the industry in the Top End, most of the small good men have gone.

This was ten years after this Government assumed office with a national responsibility and with Indonesia, with its new freedom, right on our doorstep. This situation has caused me and many other honorable members on this side of the House grave concern. It is not good enough for the Government, through the Treasurer (Mr. Harold Holt), to say, “We are spending £9,000,000 on the north”. Because I wanted to know where the money was being spent I asked the Queensland Department of Main Roads where the money was going, and I appreciate very much the frankness of the reply, which stated that in the expenditure of over £9,000,000 on beef roads in Queensland only 97 miles of new road will be constructed, the remainder of the £9,000,000 going into an area where roads are already provided on the gazetted list. So for £9,000,000—and again with three years wasted—we have extended into the hinterland of this country another 97 miles of road.

Then comes the question of what can be done. I do not know of a mains road department in any State which would not like to have another £9,000,000 with which to improve its roads. But John Taxpayer pays for this and we are entitled to see some results of the expenditure. In reply to a question that I asked, the Treasurer told me that we are spending £4,570,000 on roads in the Northern Territory. He said—

This programme envisages the provision of unsealed roads to standards designed to meet the reasonable needs of the cattle industry and to provide reasonable access to the areas throughout most of the year.

That is a plain unvarnished statement that these are not to be all-weather roads, but will be unsealed. Not one of them is to be sealed or constructed in accordance with the report to which I referred earlier so as to be fit for the hauling of cattle.

Mr. Jess.—You have not said anything in twenty minutes.

Mr. E. JAMES HARRISON.—Of course I have not said anything, except to try to tell the honorable member that the Government he chooses to sit behind cares nil for
Mr. Opperman.—He did not get it, and he got his railway.

Mr. E. JAMES HARRISON.—It was the late Eddie Ward and others who were in this Parliament before you came into it at all who were responsible for standardization. The 1959 report of the Bureau of Agricultural Economics shows that the cost of hauling stock is in excess of £2 per head per 100 miles by road. This compares most unfavorably with stock haulage costs in diesel-electric rail haulage, set by the Commonwealth Railways at 14s. 10d. per 100 miles. A standard-gauge railway could and should be built from Bourke, New South Wales, via Thargomindah, Eromanga, Windorah, Springvale and Dajarra to Camooweal in Queensland, to Newcastle Waters and thence to Larrimah in the Northern Territory, linking Darwin and the Northern Territory with Townsville, via Dajarra. By two short rail extensions from Yaraka to Windorah, and from Quilpie to Eromanga a link would be created to both Rockhampton and Brisbane. The standard rail link from Bourke would link the north with Sydney, or through Narromine, Parkes and Broken Hill to southern and western Australia. There would then be a complete eastern Australian network of railways. The cost of building the line from Bourke to Larrimah stands at £81,000,000.

In this year's Budget speech the Treasurer said he was going to spend in the vicinity of £25,000,000 in the directions I have mentioned, but not one penny at all for worth-while national development. I was rather staggered the other day to see in the press a photograph of Government party members running around by aeroplane to find out the situation in the northern areas. I know that Queensland, whatever the political level was, had had the thought that if ever the northern rail link was connected with New South Wales some of Queensland's value would be drawn away. Let me assure Queensland that the reverse is the position. We have now reached a stage with respect to costs and prices in Australia where it is the English and American market prices which control the price of beef throughout this country. You cannot haul it from the north to the south when it can be dealt with on the spot at Townsville or Rockhampton. Queensland should note that in the three years 1937 to 1939 inclusive that State provided 83.9 per cent. of the meat exported while in the last three years from 1961 to June, 1963—to bring it up to date—Queensland provided only 54 per cent. of the export meat. New South Wales and Victoria are now in a position to supply all their own meat requirements and have from 18 to 20 per cent. of the overseas market.

The type of development which I have mentioned to-night is the only type that can open up the Northern Territory. It is interesting to know that in the western areas of New South Wales we have an organization known as the Federal Inland Development Organization or Fido. In answer to a letter from me the Queensland Commissioner of Main Roads said—

I might mention here the Fido scheme about which much is heard from time to time. In this State we believe that it would be far more useful to have such a road running through Quilpie-Windorah, Bedourie, Bouila, Dajarra to Mount Isa. A lot of work has already been done on this route and it connects settlements which have existed for years.
There is a great divergence of opinion between the people of Queensland and organizations throughout the rest of Australia about what constitutes national development.

I asked the Treasurer what would be the cost of upkeep if the Government intended to rely on roads for opening up the north. After setting out his reasons, he said—

For those reasons I think it would be meaningless to generalize about road maintenance costs.

With the advent of dieselization, we in Australia have reached the stage where rail tracks can be so built that their upkeep will be practically nil. A railway to link the north with the south could be laid nowadays with welded rails in lengths of up to twelve miles. Over a period of twenty years the cost of upkeep would be no more than about £200 a mile.

For this Government to fiddle along with its programme of national development is to fail to see what is necessary. Let me say quite bluntly that the day on which we ceased to build railways in Australia was the day on which we ceased to develop the inner areas of our nation. America and Russia knew that there was only one way in which to open up a country of the size of Australia. Let me say to the House as firmly as I can that the sands of time are running out. What was said in 1907, 1910, 1922—and again in 1953, 1955 and 1959 by supporters of the Government—should surely convince the Government that for defence reasons alone immediate action is called for.

When shall we have a standard gauge railway across this country? I think it will be only when a Labour government gives it to us. I realize that Queensland will be spending £3,000,000 to extend the beef roads to the Gulf of Carpentaria, but that project will not be of any value for defence purposes. When I speak of the north I refer to the Northern Territory. After fourteen years of maladministration the Menzies Government still has not caught up with the thinking of members of the Commonwealth Parliament in 1907 about the needs of the Northern Territory.

Mr. BARNES (McPherson) [9.44].—Having listened to the Leader of the Opposition (Mr. Calwell) and the honorable member for Blaxland (Mr. E. James Harrison), we are reminded of the admonition given to prize fighters never to lead with the chin. These two honorable gentlemen have given wonderful opportunities for attack. The honorable member for Blaxland criticized this Government for what he described as the serious unemployment situation in various parts of New South Wales. Such a state of affairs can be readily understood, because that State has been under the rule of a Labour government for quite a while. We, in Queensland, understand quite well the effects of Labour administration, because we had 39 years of it. We inherited a similar state of affairs from Labour in Queensland, and only now is the Country-Liberal Party Government bringing prosperity to that State.

During the fourteen years of office of this Government, Australia has had the best record of any nation in regard to unemployment. For most of that period the level of unemployment has been below 2 per cent., and for only one month in one year did it reach 3 per cent. The honorable member for Blaxland criticized the Minister for Labour and National Service (Mr. McMahon) for having introduced penalties in industrial legislation. Let me point out that the Minister has never had to introduce troops to the coal-fields to get work done. Labour can afford to learn from what this Government has done. I mentioned earlier the Government's employment record during its fourteen years of office. Let me add that during that time the level of unemployment never rose to the degree mentioned by the honorable member for Parkes (Mr. Haylen), who said that an unemployment level of 5 per cent. must be regarded as being full employment. Honorable members opposite have no reason to criticize this Government about its record in the employment field.

The honorable member for Blaxland criticized the Government for the lack of development in the north of Australia. He mentioned, in particular, a railway line from the north to the south and referred to decisions made in 1907. I remind honorable members that Labour has held office for fifteen of the 63 years that have elapsed since federation, but during those fifteen years it made no attempt to construct a
railway from Alice Springs to Birdum. Most of the development of northern Australia has been achieved under this Government's administration.

The Leader of the Opposition surprised me to-night by changing his ground of attack against the Budget. In previous years he has attacked the Government's budgets from the stand-point of the economic disasters they would precipitate. As I said, he has changed his ground and to-night has advanced very weak arguments against this year's Budget. He criticized the Government's attitude to defence. In 1949-50, the last year of office of the Labour Government, £54,000,000 was provided for defence. When the Menzies-Fadden Government assumed office it inaugurated a three-year defence programme which cost £332,000,000. We now have a five-year programme for defence which will cost £1,307,000,000. The Opposition should not criticize the Government on that score.

The Government has been taken to task on its housing record. During the last year of office of the Labour Government, 56,987 houses were built. Last year, under this Government's administration, 87,594 houses were built. The concessions that have been made in the current Budget, and the tremendous sum that has been made available for defence, have been rendered possible only because of the high degree of prosperity that exists in Australia, due to the sound financial policies that have been pursued by the Government for a number of years. The Leader of the Opposition complained that we had adopted Labour policies. I think it would be extremely difficult to avoid something on which Labour had not already pronounced because the blazed tracks of Labour, as it were, are all over the countryside. They are well-worn tracks, and it would be very hard to avoid them. But Labour's policies are so backward that Australia would never have advanced under them.

The honorable member spoke of interests very opposed to this Government and the speculative interests that he felt this Government was supporting. If he reads the newspapers of recent months he will see that we have been criticized very strongly by these speculative gentlemen. Personally, I have not very much sympathy for them. He also criticized the increase of the maximum allowance for education expenses from £100 to £150. This shows that the honorable member has no conception of what really concerns country people. These concessions are of very great benefit to people who live in the outback. They have not an opportunity to send their children to local schools and, inevitably, must send them away to boarding schools. My only criticism of the education allowance is that it is not enough. Still, it is something. It is obvious from what the honorable member said that under a Labour government this concession would never have been granted. Another very important factor about the education allowance is that it will assist the development of private schools.

It is usual for an Opposition to cry that conditions are very serious. I should like to quote from the White Paper, "The Australian Economy, 1963". My recollection is that at the time this document was published it was criticized on the ground that it painted a far too rosy picture of the situation in Australia. The last paragraph of that document reads—

... the possibilities of growth in Australia, and hence of widening community life and needs, are shaping up impressively. Great new resources have lately unfolded, all the main sectors of industry have been making production records, immigration is rising strongly, local savings are high, capital is flowing in, costs and prices are stable, our external reserves are currently strong, valuable trade opportunities have lately come our way. Much of this could change quickly in the one direction or the other. Yet, as it appears to-day, the further prospect has rarely been so encouraging.

I should like to compare that analysis with what is contained in the White Paper on National Income and Expenditure 1960-61. This document is available to all honorable members. That year was looked upon as a boom year, and because I believe that this Government is concerned with records I shall cite some. There has been an increase of £614,000,000 in the gross national product, which is the measure of the market value of all goods and services produced in Australia after deducting the cost of goods and services used in production. Since that boom year of 1960-61 the increase in the purchase of motor cars has been a record—£53,000,000. Wages and salaries have increased by £286,000,000, and over 75,000 new jobs have been created in that time.
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It has been suggested that there is a lack of buoyancy in the consumer spending market, but during the same period there has been an increase of £382,000,000. All the figures I have mentioned are records. This is a really remarkable achievement when one considers the knockers that we have in this community. Not only are there knockers among honorable members opposite; there are some among representatives of the press who are supposed to paint a picture of Australia as it is. I quote from an article that appeared in the London "Investors’ Chronicle" of 12th October, 1962. This publication is one of the most reputable financial journals in Great Britain, and at a time when honorable members opposite and others were preaching disaster for Australia the newspaper said this about Australia—

Even if Australian share markets continue to be in the doldrums aggravated by the pessimism and bias of the influential "Sydney Morning Herald's" publications on the Government's achievements in piloting the strong economic recovery this year, there is nothing very much wrong with Australia's economic position.

Few countries in the world can match Australia's low level of unemployment, its high and rising pitch of industrial activity, its price stability and the soundness of its balance of payment and overseas reserves position.

Overseas investors reading the "Australian Financial Review" published by the "Sydney Morning Herald" group should remember that its main objective at the moment is to get Mr. Menzies out and its Labour friends in. To achieve this it goes to absurd lengths to denigrate the Government and the State of the economy alike.

Honorable members opposite approve of that—

Perhaps the best recent illustration is that it poured cold water on the August Budget which was as sound as a bell and just right in the prevailing economic circumstances. Whereas if it erred at all it was possibly in giving a little too much stimulus, the "Sydney Morning Herald" (in line with the Labour view) hammered it for not giving nearly enough.

If honorable members opposite read the ordinary share market index they will see that on the stock exchange an all-time record has been created. Despite this, it is still the circumstance of people of our community—of any community, for that matter—that indicates the measure of success achieved. The people who approach the experts who put figures through computers and so on do not matter; it is the ordinary people of a community who show the measure of success of any country.

As representatives of the country people we are very interested in these matters because, after all, we are deeply concerned about the rise in costs, the lack of buoyancy of our export markets, and economic stability. The same could not be said for honorable members opposite. They are promoting ideas which would lead to inflation and which would be disastrous for our export industries, both primary and secondary, and for Australia. Yet this Government has never failed to act or to bring in measures which are unpopular, if they have been necessary to preserve economic stability.

A monthly magazine of the First National City Bank of New York reveals that only one country has stability in the value of its currency greater than that in Australia, and only three other countries, among a list of 70 or 80, have equalled Australia's record in this regard. That is a very great achievement because among countries listed are highly prosperous ones such as West Germany, France, Japan and Denmark, which are very concerned about inflationary factors. This is where Labour has no consideration at all for the little man. It is the little man—the little farmer, the small wool-grower, the small meat producer and the small businessman—who is caught in these inflationary spirals. It is he who suffers in times of inflationary rises. Only in countries with high standards of living and high wage rates does the little man feel these pinches. Honorable members opposite have no concern whatever for the little man—for the pensioner and for those people who have retired on fixed incomes. Their money loses its value and they find themselves in a difficult position. But we on this side of the House are really concerned about this problem. We are promoting the growth of Australia.

In 1960 this Government introduced measures to secure our overseas balances. Our overseas balances had fallen to a level which the Government thought was dangerous but to-day we have a total of £626,000,000 in foreign exchange and gold deposits overseas, as well as drawing rights of £223,000,000 with the International Monetary Fund. We are in an extremely
sound position. We accept the responsibility for looking after the growth of Australia. The immigration target for 1963-64 is at least 135,000 immigrants. Honourable members may have heard the Minister for Immigration (Mr. Downer) say to-day that 72 per cent. of those migrants will be skilled tradesmen. That is wonderful news because we need skilled tradesmen to develop this country and its industries, particularly secondary industries. In England to-day 100,000 prospective migrants are awaiting opportunities to come to this country.

A great many benefits are contained in the Budget. First we have the superphosphate bounty. I have no doubt that the honorable member for Indi (Mr. Holten) and the honorable member for Wimmera (Mr. King) will be very pleased about the introduction of the superphosphate bounty because on many occasions they have advocated this move. We in Queensland do not use very much superphosphate at present but soon we will use more because of the great breakthrough in pasture development in the 30 inches and over rainfall area of the speargrass country on the central coast of Queensland. In that area extending from Bundaberg to Mackay we run 1,000,000 head of cattle. Experiments conducted in the Rodds Bay area indicate that with pasture improvement the carrying capacity of the country will be doubled. There are great possibilities for the development of fertilizer works in the area. The superphosphate bounty will greatly assist people in the south where fertilizer works are already established but the bounty would be of even greater benefit to the man in the north if it encouraged the establishment of a fertilizer industry there because at present those men are paying £6 a ton freight, for their fertilizer. At Mount Morgan—that great support to employment and industry in central Queensland—pyrites is being produced as a very valuable by-product. By using the sulphur from the pyrites we have a raw material readily available and I think careful consideration should be given to the establishment of a fertilizer works in that area.

The provision of beef cattle roads in Queensland will do much to increase the development of the State. They will change the entire concept of the cattle industry.

One problem that we must face is the shortage of store cattle. This problem has been accentuated in recent times by the development of pastures and the opening up of areas such as the Brigalow country. Whereas formerly store cattle were bred in those areas, fat cattle are now being bred. The beef roads for which this Government has provided the finance will enable producers to go in for fat cattle in a big way and will thus add to the general prosperity of Queensland. I have much pleasure in giving my full support to the bill.

Mr. EINFELD (Phillip) [10.6].—The honorable member for McPherson (Mr. Barnes) used the usual empty phrases and completely unwarranted expressions when talking about the Government that he supports. The honorable member clearly misstated one fact and this is something for which I am sure he will one day apologize. He said that this Government has a better record of unemployment than is to be found in any country. If he means by that that the Government has a better record of employment he is apparently unaware of the situation in certain countries in Europe. He is unaware, for example, of the position in the Netherlands, Germany and many other parts of Europe. He is unaware obviously of the situation that exists in New Zealand, which is only a few hundred miles from Australia but which has a better record of employment than we have. But if the honorable member means that this Government has a better record of unemployment than the governments of most other countries, the nation will agree absolutely with him.

Mr. Barnes.—I rise to order! The honorable member has misrepresented what I said. I was referring to the situation that existed over fourteen years.

Mr. DEPUTY SPEAKER (Hon. W. C. Haworth).—That is not a valid point of order.

Mr. EINFELD.—The honorable member for McPherson said that people who criticize this Government are knackers. The honorable member and his colleagues want honorable members on this side of the House, and every man and woman in Australia who is not satisfied with this Government, to refrain from expressing dissatisfaction and to say instead that everything is
all right, thereby lulling themselves into a false sense of security. We of the Labour Party are honest. We represent the people of Australia. We will come into this Parliament and say without fear what we think of the Government's policies and what we think should be done for the welfare of the people.

The Budget deals with an estimated expenditure for all purposes of £2,280,700,000. It does not deal solely with money matters but really is an outline of this Government's policies for the ensuing twelve months. In order to evaluate the Budget we must look at last year's budget which was presented by the same Treasurer and supported by the same honorable members who support this Budget. Last year's budget was one of complete miscalculation. It contained a lot of flowery words and empty phrases. The Treasurer (Mr. Harold Holt) spoke of the stability and expanding economy that would result from the Budget. He said that he was budgeting for a deficit of £118,000,000. He said that this was necessary in order to bring about expansion in the economy. But instead of having a deficit of £118,000,000 he had a surplus of £16,000,000. He and his advisers had miscalculated to the tune of £134,000,000! The Budget should have been called the miscalculation budget. In fact, this Government should be known as a government of miscalculation. Was last year's budget not in the pattern of this Government's policies? In November, 1961 did the Prime Minister (Sir Robert Menzies) not miscalculate when he promised the people of Australia that there would be full employment within twelve months? Did he not miscalculate the results of the last general elections when he said that he would be returned to power with a majority of at least fourteen? Did he not miscalculate in 1949 when he promised to put value back into the £1? To recite all the miscalculations of this Government and its supporters would take not the minutes allowed for me to make my speech but hours. We remember that on 29th August, 1961, when 113,000 workers were registered for employment the Prime Minister said—

At the moment we are fractionally short of full employment.

Was that not a miscalculation? Do honorable members remember that on 15th November, 1960, the Minister for Labour and National Service (Mr. McMahon), when speaking of the credit squeeze, said—

There is no reason in the world why anyone should be hurt as a result of these measures. If people are wise they can avoid suffering any hurt from them.

Was not that a miscalculation? Think of the miscalculations and misrepresentations within the credit restrictions themselves! Perhaps the gravest miscalculation of all was made by the Treasurer (Mr. Harold Holt). On 16th November, 1960, he said—

I think it would take far more than the action we outlined last night to produce a situation in which there would be an unemployment problem in this country.

Those are only some of this Government's miscalculations. The Budget last year merely followed the traditions and policies that this Government has followed for fourteen years.

With this in mind, let us now look at the Budget for 1963/64. It is a dull budget; an unenterprising budget. It shows drift, not growth. It contains no inspiration. It will continue the lack of confidence that the people feel and which has been so evident in the last few years. It is a budget of weakness, not of boldness. It is a budget devoid of the very things that are needed—courage, inspiration and a progressive lead from the leaders of the nation. It has little connexion with the needs of the people and it can expect no support from the men and the women of this nation. The Government has given the people no lead which will inspire enthusiasm and energy. Before the Budget was prepared the Government, in a series of meetings, obtained advice from trade union leaders, businessmen of all kinds and farmers. What did the Government do? It did not accept the advice tendered to it. It has not inspired energy nor exhibited any freshness of approach. It has not encouraged a rehabilitation in the thinking of the people of this nation.

In empty words and vapid phrases the Treasurer claims, in his Budget speech, a year of strong continuance of widespread growth. This is a young country with a great future if it is properly and courageously administered. The Government is required to show initiative, to advance new ideas and to encourage the support of young
Australia and of young Australians. The Government should lead on the path to prosperity and stability, and should reach for economic advancement. Instead, the people still lack confidence. Instead, the people still have a fear for the future.

The Government claims successful public borrowing. This is not a sign of confidence in the Government. Rather it is a sign of lack of confidence and trust in private enterprises of the kind which have been stealing money with false debenture flotations and the like. The public, consisting of comparatively low wage-earners, has been evilsly defrauded by many public companies such as Reid Murray, Latec Investments, Testro Bros., Chevron and many others. The ordinary wage-earners of this country have lost millions of pounds. They managed to save a little and invested it in some of these companies. Many of them have lost everything. Many subscriptions to government loans have been forthcoming, not because of confidence in the Government, but because of lack of confidence, faith and trust in many private organizations and enterprises.

The Government budgets with no clear objective in view. It will not plan development. It will not even survey problems for fear of implied acceptance of responsibility. The national government bears the responsibility of planning, but to this Government "planning" is a dirty word. The Government retreats behind the Constitution. It claims that it has no power to act, but it can make contributions to education which is the most important aspect of Australian life. There is an urgent need for additional finance for education. At present, when many school buildings are inadequate and sub-standard, when many classrooms are overcrowded and when there are fewer graduate teachers than are required, the Government refuses to act. What did the Minister for Labour and National Service, speaking on behalf of the Government, say to-night in relation to education? He said that education is a secondary obligation. Let me tell the Minister and the people of this nation that when the Australian Labour Party becomes the government education will be a primary responsibility. Great deficiencies in education exist, not in one State, but in every State of the Commonwealth. Yet the Government consistently refuses to institute a committee of inquiry into the needs of primary, secondary and technical education in Australia. To-night we heard the Leader of the Opposition state Labour's policy in these words—

We will institute that inquiry for which people all over Australia have been asking for so long.

State governments are doing tremendous work in education. Recently the New South Wales Government announced that it will spend 40 per cent. of its budget, which is about £90,000,000, on education. But that is not enough. The resources of the States are not sufficient to enable them to carry these burdens of national responsibility. Time and time again the Prime Minister has refused to hold an inquiry. Does he not want to know? Is he not interested? Or is he fearful of the result of that inquiry? Of course he is fearful of it because it will broadcast the truth of the precarious position of education in this country.

We must plan for the future of our youth. The boys and girls of to-day will be the men and women of to-morrow. They must have educational knowledge. They must have technical education for the sake of the nation's future as well as for their own. Every Premier in Australia, each one, the first and most responsible citizen of his State, has asked for this inquiry. Persons of all political colours have joined in asking for an inquiry, but the Prime Minister has consistently refused to authorize one and, in effect, has confessed that he is fearful of the result of the inquiry. The Government fears that it will have to provide too much money if it is found that our deficiencies are as great as we think they are.

In May, 4,000 representatives of educational organizations throughout Australia attended a conference at Melbourne. They asked for an inquiry. Every teachers' federation, every parents' and citizens' organization, every responsible authority in education is anxious for this inquiry to be held. But consistently the Prime Minister has refused to authorize it. In 1958, the most recent year for which estimates are available, a survey showed that at least
thirteen advanced countries spent proportionately more of their gross national product on education than did Australia. We are among the lowest spenders. Less than 3 per cent. of our gross national product was spent on education in 1958. Countries like the United States, the Netherlands, Sweden, the Soviet Union, France and Italy all spend more on education than we do, not only in terms of money, but also as a percentage of their gross national product.

Education has been barely mentioned in the Budget, obviously because the view expressed by the Minister for Labour and National Service is in line with the Government's view that education is a secondary matter. I am sure that many people in Australia were interested to hear those words, few as they are. They will make an impact on persons all over Australia. Parents who are interested in the welfare of their children and every man and women who is interested in the welfare of this nation no doubt were interested to learn that education is only a secondary thought in this Government's mind.

In his Budget speech the Treasurer announced additional tax concessions for education expenses. They will benefit those who can afford to spend that much money—perhaps some farmers. But what will they do for education itself? They certainly do not touch the real problem. The people of Australia must know that this Government is not interested in this grave and urgent problem.

I was pleased to hear that the Minister for Immigration (Mr. Downer) had agreed to increase the migrant intake for this year from 125,000 to 135,000. Like many honorable members in this House—certainly like all members of the Opposition—I believe that immigration is necessary to our economic development. There has been an increase in the intake from the United Kingdom this year but the Government can claim little credit for that. The intake rate was sustained purely by the adverse economic conditions in the United Kingdom. Unemployment there in 1962 was very high and in 1962-63 a wretched winter was experienced. The waning of national morale as a result of the breakdown in the Common Market negotiations made the British people unhappy. All of this resulted in unemployment in the United Kingdom, and all of it has helped to sustain the emigration of settlers to Australia. That inflow will continue for some time because the flood of applications for assisted passages made during the early months of 1963 will take months to process, so it will be some time before these people actually reach Australia. I ask you: Is it sound policy to rely upon a continuation of overseas crises to sustain our immigration programme? Is it proper for us to plan an immigration programme which will depend upon depression crises in other countries? For example, in Germany, and in the Netherlands, to take two examples, there has been full employment, or just about full employment, since 1960; so immigration from those sources has diminished. In 1960 we received from Germany 11,650 settlers and lost 340 returnees. In that same year we obtained 8,320 settlers from the Netherlands and lost 340 returnees. In 1962 the intake of Netherlands settlers fell to 3,991 and the returnees numbered 685 while the intake of German-born settlers was 2,924 as against 11,650 in 1960, and the returnees numbered 758. The reason is quite clear. In 1960, or just after, unemployment in Germany fell to .5 per cent.—the honorable member for McPherson (Mr. Barnes) ought to listen to this—and in the Netherlands to .7 per cent. For every one unemployed in Germany at that time there were six registered vacancies, and for every one unemployed in the Netherlands there were five registered vacancies.

Is it not a better policy, then, if we want to make a gain from immigration to reduce our unemployment and develop a housing policy which will permit migrants—as well as the people already here—to acquire suitable housing, soon after they reach our shores? Immigration is vital to this country. We must make Australia an inviting country for migrants. We must have full employment, we must have a national housing policy and we must continue to look at housing as a very serious problem. In March, 1963, the State housing Ministers in conference in Melbourne asked the Commonwealth Government to appoint a committee to conduct an open inquiry into the Australian housing needs for the next five years. As with education, the Commonwealth Government will not appoint any
committee of inquiry. When the State Minister asked this of the Commonwealth Government they said: "We would like a committee of five. Three can represent the Commonwealth and two can represent the States." They promised co-operation and all the information in their possession to such a committee. It was a unanimous decision of the housing Ministers. Despite their different political thinking each agreed that the Commonwealth would be asked to appoint this committee of inquiry. The chairman of the Commonwealth Banking Corporation, Mr. Warren McDonald, asked for a survey of housing so that accurate statistics might be established which the corporation would use to plan for the future. Would not this be a good thing? Is it not important to understand and plan the building industry? The building industry is vital to the community and a great factor in furthering employment.

The Minister for National Development (Senator Sir William Spooner), who sits in another place and who administers housing for the Commonwealth Government, said during a television interview in the "Four Corners" programme on Saturday, 8th June, 1963, that he was satisfied with the present position. Is not that typical of this Government's complacency? In June, 1962, the various State housing authorities in Australia had more than 74,000 applicants for housing unsatisfied. In reply to a question as to whether the Commonwealth had rejected the request of the State governments for a committee to look into housing needs the Minister for National Development said, during that same interview on "Four Corners"—

We haven't actually rejected it. Every State government has got its own organization, every savings bank has its own organization, every insurance company has got its own organization. We all make our computations of housing needs.

He went on to say—

I think there is a bit of politics in it, you know. I think the State governments are trying to put an unwanted baby into the lap of the Federal Government.

Is that the way for a responsible Minister to speak? Would not that situation be a good reason for holding such an inquiry? Through such an inquiry we could co-ordinate everybody's views. Is not that a good idea? Would not that benefit the nation? But this Minister—so-called—responsible for housing in the Commonwealth Government refuses to do that. He would like every body to conduct its own inquiry into the needs of housing in this country.

The Government has announced the raising from 30 per cent. to 35 per cent. of savings bank funds which may be used in housing loans. I suppose this is a good thing, if we know what it means. Anybody can estimate its real value. Even spokesmen for the Commonwealth Government say it will be a long time before any more money gets into housing from the banks. Look at the position of the savings banks with regard to housing. I quote, as my authority, "Australian Bank Statistics" of May, 1963. At that time total deposits in the Commonwealth Savings Bank were £906,391,000 while housing loans made by that bank amounted to £156,668,000, or less than 18 per cent. of total deposits. And this at a time when it was entitled to lend out 30 per cent. of total deposits! At that time the total deposits of the savings bank of the Australia and New Zealand Bank Limited were £111,088,000 while the amounts loaned out for housing totalled £20,015,000, or less than 20 per cent. of total deposits. The savings bank of the Bank of New South Wales had deposits totalling £229,207,000 and its housing loans totalled £45,496,000, or less than 21 per cent. of total deposits. The savings bank of the Commercial Banking Company of Sydney Limited had deposits totalling £70,064,000 while its housing loans amounted to £10,291,000, or less than 15 per cent. of total deposits. And this when the limitation was 30 per cent.! Does it follow that when the limit goes up to 35 per cent. the banks will lend any more money to the people? Does not the Commonwealth Government understand that it must be able to converse with the banking authorities and say that they are to lend 35 per cent.? Why did not the Government compel them to lend 30 per cent. before? It is unreal for the Treasurer to come before this House and say proudly, "we will increase it from 30 per cent. to 35 per cent.", while refusing to admit that the banks have never lent 30 per cent. of their savings bank deposits for housing.
What is needed, of course, is to bridge the difference between the purchase price of a house and the £3,500 which is the limit that banks and co-operative societies are able to lend. If the cost of a normal house is £5,000 or more, where do the working man and his wife, or the young married couple, find the difference for a deposit? There is no encouragement by this Government, nor is any solution offered, to assist in this very vital need. The Labour Party, as usual, offers the solution to the Government. We have been doing that now for years and years. The Government has been accepting our suggestions now and again. Let it take this one. The Leader of the Opposition (Mr. Calwell) announced our policy to-night. Let the Government set up a homes finance commission which will not only provide finance to construct homes but also guarantee the loans of those who will lend at low interest rates and on low deposits. It could guarantee up to 90 per cent. of the purchase price. This would encourage a flow of finance readily available to allow the homeless and the needy to purchase a home. It would also bridge the deposit gap. Those who are newly married, or those who are workers in the lower earning groups, would be enabled to find proper settlement and security and to do what every man would like to do for himself and his family—own his home.

I have said that at 30th June, 1963, the unsatisfied applications with the State housing authorities throughout Australia numbered a little more than 74,000. In May, 1963, in replies to queries relating to the delay which follows an application for a three-bedroom rented dwelling in the capital cities of each State the State housing authorities throughout Australia stated that in New South Wales and South Australia there was a waiting period of four to five years; that in Victoria and the Australian Capital Territory there was a waiting period of three years; and that in Western Australia and Queensland there was a waiting period of from one to one and a half years. Is not this a reflection on the Commonwealth Government's reluctance to provide more finance for housing, and does not it pinpoint the difficulties that families face when wanting to purchase private housing on low deposits and at low interest rates? It is one thing to say that a certain number of houses is being built, but it is another to appreciate the difficulties which families face in trying to acquire sufficient money to find the difference between the £3,500 loan limit and the inflated purchase price of the house. Unemployment continues to be a most serious matter. This Budget pays little attention to unemployment, and the facts show clearly that it accepts unemployment as a permanent feature of the Australian economy. Under this Government, it has become just that. Despite the assertions of the Government, which have continued for years, unemployment has not decreased to any real extent. If anything, in some months it has increased.

I refer now to the Monthly Bulletin of Employment Statistics No. 257, issued by the Commonwealth Bureau of Census and Statistics, from which the following figures are taken. On 30th November, 1962, the number of unemployed listed was 80,934. Six months later, on 31st May, 1963, the figure had risen to 82,870. On 30th November, 1962, those receiving the unemployment benefit totalled 31,833. In May, 1963, that total had risen to 36,479. The statement of the Minister for Labour and National Service (Mr. McMahon) issued yesterday and appearing in the Sydney "Sun" announced a reduction in unemployment, but the actual number receiving the unemployment benefit had risen to 37,174.

The Minister proudly talks about a reduction of unemployment, but he admitted tonight that there are 1,000 males under 21 unemployed to-day who were unemployed last year, and 3,000 unemployed females who were unemployed last year. What a confession! Young men and women have been out of work for more than eight months. In giving the figures of which he is so proud, the Minister failed to tell us that in July there were 22,990 young people under 21 years unemployed and registered. Are these the people to whom the honorable member for Macarthur (Mr. Jeff Bate), by inference, referred last Thursday night? I refer to page 251 of "Hansard" of 15th August, where the honorable member for Macarthur is reported to have said—

I repeat that no employable man who wants a job is out of a job, and that is a completely true statement.

The honorable member for Macarthur, in effect, was talking about young men and women under 21 years of age not being
employable! The honorable member for Mallee (Mr. Turnbull) said some weeks ago in this House that he had travelled his electorate and could not find one unemployed person. Is it not disgraceful when people talk like that?

This is the situation we are facing with unemployment. Is it not disastrous that decent, honest young people in this nation, facing their whole future, cannot find employment? The honorable member for Wentworth (Mr. Bury) said that he has great sympathy for these people, but some of them are unemployed, or words to that effect. We do not want his sympathy, and neither do the young people. They want work.

I have not the time to deal with the matter of social services and the great discrimination shown by this Government in increasing the payment to single pensioners by 10s. while giving married pensioners no increase. It might be argued that single pensioners find it a little more expensive to live, or that it costs them more than half of what it costs married pensioners. But married pensioners get only £10 10s. a week for both of them. Are they supposed to subsist on that? The Minister for Labour and National Service talked about pensioners getting an increase of 10s. a week and referred to what he said was the satisfaction and joy with which they would receive it. After all, it is only 10s. Surely there must be needy pensioners in the electorates of Government members. I have plenty in my electorate who come to me miserable, almost starving, barely surviving on the pension they get. Government members say they have sympathy for the pensioners, but what is the good of talk like that? You must have a heart full of sympathy for them and a desire to help them.

Economic growth under this Government in the last year or two has been far too slow. The Government has failed dismally to give an incentive to business organizations. It has offered no incentive and has sparked no enthusiasm. The Government claims an improvement in the economy in the last twelve or eighteen months. If there has been an improvement, it is only a slight recovery since the credit squeeze. We can lift our growth rate and our productivity, but only with positive boldness.

The Government seems to think that courage means instability. Nothing is further from the truth. The Treasurer (Mr. Harold Holt) would do well to study the speech delivered by the Governor of the Reserve Bank, Dr. H. C. Coombs, at the University of Western Australia in Perth on 31st May of this year.

The Labour Party will remedy these defects when it comes to office, and that will be before very long. I hope that the election of which the newspapers are talking will come about quickly, because the people of this nation will support the Labour Party’s policy. Labour will indoctrinate the business community by initiative, enterprise and energy. It will accept national responsibility; it will grapple with the real problems of this country and will take a progressive attitude to defence, housing, education, employment, northern development and social services. It will do all those things which go to make a venturesome and courageous Australia.

Mr. Turnbull.—I wish to make a personal explanation.

Mr. DEPUTY SPEAKER.—Does the honorable member claim to have been misrepresented.

Mr. Turnbull.—Certainly, Sir.

Mr. DEPUTY SPEAKER.—The honorable member has not spoken in this debate. He will have his opportunity to make an explanation later.

Mr. STOKES (Maribyrnong) [10.36].—I remind the honorable member for Phillip (Mr. Einfeld) that one of his colleagues, the honorable member for Parkes (Mr. Haylen), said at one time that he would accept 5 per cent. unemployment as being for all practical purposes full employment. Let me add that the honorable member for Phillip made it quite clear that he accepts the philosophy of compulsion which characterizes so many of the policies of his party.

Despite what the honorable member said, every one of these Budget proposals has been carefully considered, after having had the benefit of advice from leaders in every field, so that Australia may continue in strength and develop from a sound foundation. The Treasurer (Mr. Harold Holt) in
his second-reading speech made this very clear when he reviewed the economy. Let me mention some of his references to last year's operations. He said that prices were generally stable; the rate of growth was sufficient both to absorb the increase in the work force and to make possible a significant reduction in unemployment; there was higher activity in building and construction, transport and communications; exports had reached the record total of the previous year; our holdings of gold and foreign exchange rose by £65,000,000 to £626,000,000; consumer goods prices changed little; and the average living standards improved.

We in Australia, despite our occasional thefts, know what a wonderful country we have, but we are prone to forget that there are quite a few other countries, older and with larger populations, which have nothing like the stable economy that we enjoy. There is no doubt that the intention of this Government is to keep the economy stable, without inhibiting the development which will flow from the measures the Treasurer has announced. Let me summarize some of those measures. First, there is an increase in the immigration programme, showing our confidence that we can absorb additions to our work force. One has only to peruse the advertisements in the press to see that there is a great demand for and a shortage of skilled technicians.

Mr. Curtin.—Where?

Mr. Stokes.—You must be blind. Every newspaper in Australia is carrying advertisements for skilled technicians. There is a great shortage of them. Secondary industry must be expanding greatly if it can provide jobs for so many skilled men.

Then there is the decision to divert more of the investment funds of the savings banks into housing loans. There is the superphosphate bounty and the investment allowance to the primary producers. There are special development projects and increased grants to the Territories. There is a 25 per cent. increase of the grant for Papua and New Guinea. There is a much more realistic approach to social services, with the additional benefits going to the most needy—the civilian widow and the single pensioner. There are increased repatriation benefits, taxation and estate duty concessions and a further adjustment in favour of Commonwealth superannuated officers, including those who come within the provisions of the Defence Forces Retirement Benefits Fund. Finally, Mr. Speaker, there is the removal of sales tax from foodstuffs. Even this tight epitome grows lengthy. Yet, we hear the cry, "Not much!" Suffice it to say that expenditure in 1963-64 is estimated at £2,280,700,000 and revenue at £1,935,000,000. We expect to be £358,400,000 in the red.

The Treasurer has stated that perhaps £300,000,000 can be covered by means of loan raisings, leaving a deficit of approximately £58,000,000. I ask: How far does the Opposition expect the Government to go into deficit for these proposals without endangering the economy of the country? In 1960, the Government intervened to prevent a boom. That was something that no other Commonwealth government, I understand, had ever dared to do. We had very little in the way of precedent on which to rely. Yet, the boom was checked. That was achieved at a cost, of course, but those who remember the after-effects of the depression of the 1930's will say that the cost was very little by comparison.

There is one factor which, in my opinion, has contributed mainly to the slow recovery in the economy. I refer to the stockpiling of savings by the general public as a bolster against the fear of unemployment, a fear which also has deterred them from entering into contracts for purchases on terms. Fortunately, there is every indication that this lack of confidence is being overcome and that this main drag on a resurgence of expansion is now tending to lessen.

There is one aspect which illustrates the latest pressures towards expansion within the private sector and which even the public reluctance to spend has not been able to check. Let us cast our minds back to the Budget of 1962-63, the so-called do-nothing Budget. Can any one now deny that, without any major material budgetary stimulus, and with the limitation of public spending, we have seen strong evidence of business expansion, with an upward trend in profits, over the last twelve months? Surely it must be accepted that the present Budget will do even more than the previous one to stimulate the economy. With the restoration of public confidence, who can gainsay
the Treasurer's opinion that the Budget will play a full part by promoting an adequate rise in the level of activity throughout the current year?

I should now like to deal with certain aspects of the Budget in a little more detail. First, I want to refer to the field of social services. As I have said, the Government is to be commended for the present approach to this field. The intention to assist those in greatest need is, in my opinion, much more realistic than to make a flat, overall increase of benefits, which had been the pattern from year to year, ever since the pension scheme was first introduced. The introduction of the merged means test in 1960 had a number of effects. The first, and a very natural one, of course, was an increase in the number of pensioners. However, the greater proportion of those who then became eligible appeared to be in the married couple bracket. The joint entitlement to £4,040 worth of assets outside the exempt property, such as a home, a motor car and other personal effects, opened this field to a far wider category, particularly as a part pension continued to be payable up to the time that the assets exceeded £8,000.

The merged means test therefore created conditions under which a married couple, in addition to owning their home, a motor car, furniture, including modern household appliances, a television set, and personal effects, could receive a government payment of £10 10s per week, together with certain concessions. They could also enjoy a private income, whether from investments, superannuation or otherwise, of a further £7 a week. Those whose outside income was below £4 a week were further assisted under the pensioner medical scheme. When we appreciate that, in a population of just on 11,000,000 people, we have a total of more than 750,000 pensioners, it can be seen that a great number of people were able to benefit because of these changed circumstances.

However, there can be no doubt that it was in the category of single pensioners that the greatest hardship existed. This fact was recognized by the Government some years ago, when it introduced the 10s. per week supplementary allowance for single pensioners without other income who paid rent for their accommodation. At that time, the relief was not extended to single pensioners who were left with a home and faced with the payment of rates and taxes, interest on mortgage, and in some cases, repayments of instalments. They could not sell their homes without losing their pension, unless they bought other houses instead. There is no doubt that the increase of 10s. a week for single pensioners under the present Budget proposals will assist people in that category. No one should question that it has been better substantially to assist the single pensioners, who represent two-thirds of the total number of pensioners, than to provide a smaller benefit over the whole field.

I turn now to the civilian widow who, for a long time, has had a very hard row to hoe. The permissible income which she could earn was limited to £3 10s. a week, whether it came from earnings, interest on savings, an annuity or superannuation, but she could have an additional 10s. a week of income for each child under sixteen years of age. Therefore, a widow with three children received a pension of £5 5s. for herself, 30s. for the children, and 25s. child endowment, or a total of £8 a week. She could also have additional income of £5 a week, giving her £13 a week with which to feed and clothe herself and her three children, and to pay for rent, electric light, gas, fuel, and all the other things associated with maintaining a home. A class A widow who earned more than £2 a week and had not been in receipt of a pension prior to November, 1955, was rendered ineligible under the National Health Act to participate in the pensioner medical scheme. Therefore, if she earned a little more than £2 a week she had to pay the hospital bills, doctors' fees and chemists' bills which are substantial for a family of three children, even if they are partly covered by insurance. By comparison, a married couple who are pensioners at the present time have £10 10s. a week by way of pension, with the right to earn an additional £7, or a total of £17 10s. a week, against the £13 a week for the civilian widow. I do not think any one will doubt that it costs more to feed and clothe three children than one adult.
The allowance for the children of a civilian widow previously ceased as each child attained the age of sixteen years. It was only in the case of the youngest that the allowance continued if he or she was a full-time student up to the age of eighteen years. That was a most unfair approach because it denied children who had the misfortune to lose their father the opportunity of higher education except in the case of the youngest child who continued as a full-time student up to the age of eighteen years. Normally, at the time when the eldest child reached sixteen years of age a widow would be suffering her greatest financial hardship. Yet, willy-nilly, the child had to go on to the labour market, practically unskilled. It did not matter whether he had the ability to attain to a technical or professional post. That consideration was subjugated to the need to maintain the family income.

Another factor which affects the class A widow is the knife-edge ruling which becomes effective when the youngest child of such a widow attains the age of sixteen years or, if a student, the age of eighteen years. If the mother is fortunate enough to celebrate her forty-fifth birthday before her child becomes ineligible, she is automatically transferred to the class B pension. On the other hand, if she is under 45 when this event occurs, all her pension rights lapse and she has to wait and re-apply for the class B pension when she attains her fiftieth year.

So, with these things in mind, the Government's action in increasing the benefits to class A widows is to be greatly commended. A widow with three children who, as I have shown, previously received a maximum of £8 a week, plus an income of £5 a week, or £13 in all, will now receive £5 15s. for herself, in addition to a mother's allowance of £2 and a child's allowance of £2 5s., which, with £1 5s. child endowment, will bring the total to £11 5s., and she will still have the right to an income of £5 a week.

The second matter, which relates to student children, has been expanded to cover all children and not only the youngest as hitherto. To my mind, this action rights a tremendous wrong. I would have liked to see the age limit extended to cover all full-time students, irrespective of age. I would have liked to see the children of widows given the opportunity for tertiary education.

I am pleased that the Minister for Social Services (Mr. Robertson) indicated to me in reply to a question in the House last week that those children who are still full-time students and under eighteen years at the time of the passage of the legislation, and who had lost their eligibility previously, will be reinstated under this scheme. However, I am a little concerned and would like clarification of the reference in the Treasurer's second-reading speech to "the end of the year in which such children attain the age of eighteen years." Does this mean the financial year or the calendar year? Naturally, as educational courses terminate by the calendar year, this should be the intention, but I would like this made clear.

The third matter to which I previously referred has not been dealt with. This is the case of the widow under 45 years of age whose youngest child loses eligibility. This is a very sorry omission. There cannot be a great number of women in this category and the cost to revenue would be small. I would appreciate the Government having another look at this matter and also at the question of increasing the permissible income in respect of the pensioner medical service.

Another omission of concern to me is the failure to supplement in some way the telephone rental of blinded pensioners. Tax concessions in this Budget include a deduction for income tax purposes of the cost of upkeep of a guide dog used by a blind person. This action is to be commended, but I feel that comparatively few can afford the purchase of a guide dog. The cost is considerable and certainly beyond the reach of blind pensioners. But many of these people, particularly those who cannot get about, find the telephone a tremendous help in overcoming, to some extent, their physical handicap. I ask the Government to give further consideration immediately to supplementary assistance in this regard. There should not be any real barrier to treating this as an interim measure without waiting for next year's Budget.
I turn now to the Government’s action in connexion with the Defence Forces Retirement Fund. I have been greatly heartened that the Government, recognizing that changing conditions have continued to affect the purchasing value of pensions, has again seen fit to adjust the payments to those persons receiving superannuation under the Commonwealth superannuation scheme and the defence forces retirement benefits scheme. These were last increased in October, 1961, by adding the Commonwealth contribution at the 1954 rate to the pension of all persons who had retired prior to 1954. The 1954 rate allowed a maximum unit level of 36 as against the 1947 level of 26 units. The unit value was increased in 1954 to 17s. 6d. and the Commonwealth contribution is five-sevenths of the unit value. The maximum unit level was again increased in December, 1959, from 36 to 54 units. Therefore, the present indicated intention to raise pensions by the addition of the Commonwealth contribution at this level represents a fairly substantial increase.

Of course, only those who were contributing for the maximum number of units applying at the time of their retirement will receive the full benefit. The others will receive the proportionate payment reflected by the less than maximum number of units which they took out. Widows, of course, will still receive five-eighths of their late husband’s entitlement. I hope to speak more fully on this subject when the enabling legislation is before the House and will content myself now by pointing out that in the space of only two years, the Government will have lifted the additional assistance from the basis of a level of 26 units to that of 54 I think everybody will agree that this is a truly bold advance.

My chief concern in this matter has been for those persons who come under the operation of the Defence Forces Retirement Benefits Act and who retired prior to December, 1959. There is no doubt that they are all very pleased at the Government’s recognition of their plight. I trust that in due course, further consideration will be given to other aspects of the operation of this legislation. In the meantime, may I express the hope that the compilation of the schedules and the introduction of the necessary legislation will not be held up on the grounds of achieving uniformity with other enabling legislation emanating from other budgetary proposals.

I turn now to housing. In this matter, I have some fellow feeling for the honorable member for Phillip (Mr. Einfeld). I feel that the easing of the limits affecting the investment of savings bank funds in government securities with a view to increasing the finance available for housing is a good move. However, it does not presuppose that the whole of the additional 5 per cent., and such extra funds as may become available from the new treatment of permissible forms of investment within the 65 per cent. field, will be taken up by applicants for housing loans.

The deposit gap is still with us and will continue to retard home purchases. There is still a great need for a comprehensive survey of the whole field of housing and the introduction of a government-guaranteed housing scheme. I am convinced that only a Government guarantee can take the risk out of advances on low deposits with repayment spread over a long term. The availability of housing finance to my mind is not a panacea. No doubt it helps, but until the person with a secure and reasonable job has the ability to purchase on at least something around the 10 per cent. mark as a deposit, we will not meet the bulk of the demand which is undoubtedly in this category.

I should like to turn, for a few brief moments, to the subject of defence. The Prime Minister (Sir Robert Menzies), in his May statement, outlined a six-year programme for the expansion of our defence effort, and estimated the total expenditure over this period to be in the vicinity of £1,519,000,000. An appropriation of £251,600,000 for this purpose is proposed this year. It is interesting to note that even this amount is approximately £14,000,000 greater than was estimated by the Prime Minister in May of this year.

Many people have been critical of this planned expansion. Many feel that all we have to do to increase our defence is to increase the funds available for the purpose. Nothing is further from the truth. Many factors retard the rate of expansion. For
instance, man-power is vital for the proposed increase in the Australian Regular Army. Experience has shown that even with an expenditure of about £400,000 a year on recruiting, we have not achieved more than a net gain of 1,000 men per annum. Perhaps the bonus system which was introduced, I understand, in the Indian Army, particularly in relation to Gurkha recruitment, might be examined with a view to producing better results. It seems strange that with a surplus of unskilled workers in the work force we should still lag so far behind in our recruiting. Particularly is this so when one considers that the required education standard of recruits is only a little higher than the fourth grade level.

There are other factors. In relation to the Navy, a difficulty arises from the time taken to build ships. The Air Force is limited by the absence of a general purpose, long-range supersonic bomber capable of using existing air-fields, as a replacement for the Canberra bomber. The recently returned mission led by the chief of the air staff has studied several existing and experimental aircraft, but whether a choice of one of these may be compelled by expediency is a matter for the judgment of those concerned.

There has been a good deal of pressure for the re-introduction of national service training. How do we face this problem? Do we have a universal call-up or do we exercise selection to drain from industry into the services the best technically skilled people? We have learned that any period of training, to be adequate, must be at least twelve months. For such a period of training, where do we get the officers and instructors? Do we emasculate the expansion effort in relation to the Australian Regular Army in order to get officers and instructors?

These are questions that must be answered. Like many others, I should like to see our young men properly trained. At the present time, having regard to these difficulties, I am of the opinion that we could, with the least drain on our existing services, re-introduce the type of training that we had prior to 1928 when a Labour government abolished it. In my opinion, this would require only a very small number of permanent officers and instructors.

We could reconstitute the Citizen Military Force into a new, separate structure, getting away from the principle of integration with the Australian Regular Army. We could build up the C.M.F. and, as in the past, by means of camps, bivouacs and evening parades, obtain a substantial nucleus of trained soldiers. Recording, blood-typing and allotment to units suitable to vocations would certainly save a lot of time in mobilization. In the infantry, particularly, there are many types of new weapons which would make training really worth while and overcome the tedium which many felt in earlier days.

I welcome the present budgetary proposals, which are soundly based. They give due regard to increased productivity in both primary and secondary industries. They provide for increased welfare benefits where the need is greatest. Above all, they provide concessions for the benefit of the family groups, particularly on lower incomes. The Opposition's amendment can be treated only as a political gesture with no foundation whatsoever in fact. I support the bill.

Debate (on motion by Mr. Reynolds) adjourned.

ADJOURNMENT.

Motion (by Mr. Adermann) proposed—That the House do now adjourn.

Mr. BRYANT (Wills) [11.6].—Mr. Speaker—

Motion (by Mr. Adermann) proposed—That the question be now put.

Mr. Chaney.—I rise to order. As the Government is under censure, there should be no debate on the motion for the adjournment, and therefore there is no need for the closure to be moved.

Mr. SPEAKER (Hon. Sir John McLeay).—It is necessary to put the motion if the debate is to be closed.

Question resolved in the affirmative.

Original question resolved in the affirmative.

House adjourned at 11.7 p.m.
ANSWERS TO QUESTIONS.

The following answers to questions were circulated:

Oil Refinery at Fort Lytton.
(Question No. 24.)

Mr. L. R. Johnson asked the Minister for the Interior, upon notice—

What amount is Ampol Petroleum Limited paying to the Commonwealth Government for the 550 acres of land at Fort Lytton on the Brisbane River on which the company intends to erect an oil refinery?

Mr. Freeth.—The answer to the honorable member’s question is as follows:—

The amount is £302,000.

Education in Northern Territory.
(Question No. 100.)

Mr. Whitlam asked the Minister for Territories, upon notice—

1. How many (a) aboriginal wards and (b) other Australian children of school age live in the Northern Territory?
2. How many (a) aboriginal wards and (b) other Australian children in the Northern Territory attend (i) administration and (ii) mission (A) primary, (B) secondary and (C) technical schools?
3. How many (a) aboriginal wards and (b) other Australian children from the Northern Territory are assisted to receive (i) primary, (ii) secondary, (iii) university and (iv) other education elsewhere in Australia?

Mr. Hasluck.—The answers to the honorable member’s questions are as follows:—

<table>
<thead>
<tr>
<th>Education in the Northern Territory</th>
<th>Aboriginal Children (Wards)</th>
<th>Other Australian Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. School age population</td>
<td>4,146</td>
<td>5,288</td>
</tr>
<tr>
<td>2. Enrolments Northern Territory schools—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Administration schools—</td>
<td>1,361</td>
<td>3,606</td>
</tr>
<tr>
<td>(a) Primary (including children receiving lessons by correspondence)</td>
<td>Nil</td>
<td>711</td>
</tr>
<tr>
<td>(b) Secondary</td>
<td></td>
<td>Nil</td>
</tr>
<tr>
<td>(c) Technical</td>
<td></td>
<td>Nil</td>
</tr>
<tr>
<td>(ii) Mission and church schools—</td>
<td>1,558</td>
<td>782</td>
</tr>
<tr>
<td>(a) Primary</td>
<td>Nil</td>
<td>92</td>
</tr>
<tr>
<td>(b) Secondary (these children are studying by correspondence)</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>(c) Technical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Northern Territory children receiving assistance for education elsewhere in Australia—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Primary</td>
<td>1</td>
<td>177</td>
</tr>
<tr>
<td>(ii) Secondary</td>
<td>Nil</td>
<td>120</td>
</tr>
<tr>
<td>(iii) University</td>
<td>Nil</td>
<td>3</td>
</tr>
<tr>
<td>(iv) Other education</td>
<td>Nil</td>
<td>177†</td>
</tr>
</tbody>
</table>

* Included in Secondary.
† These are part-aboriginal and State children who are in foster homes, boarding schools and institutions in the southern States, who receive maintenance payments including a compendium for education.

4. In addition to the above there are 50 apprentices receiving assistance in part-time technical training.
5. The figures for "other Australian children" include a number of children of the aboriginal race at all levels of education but such children are not enumerated separately.

Nauru.
(Question No. 102.)

Mr. Gray asked the Minister for Territories, upon notice—

1. Has any final decision yet been reached to resettle the people of Nauru on Curtis Island, in Queensland?
2. Has any final decision yet been reached to resettle these people anywhere else in Australia?
3. If the people of Nauru are to be resettled on Curtis Island, or on any Australian Territory, has any decision yet been reached regarding the political status that will be granted to these new settlers?
4. Whether or not a decision has been reached regarding Curtis Island, when is any advance party of Nauruan people likely to arrive?
5. Can he state when the Federal Government will commence the preparation of the selected site?
6. Will residents already living in the selected area be permitted to remain?
7. When is it expected that the resettlement scheme will be completed?

Mr. Hasluck.—The answer to the honorable member’s questions is as follows:—

The matter is still under discussion with the Nauruans and consequently it is impracticable to answer these questions at present.

Northern Development Authority.
(Question No. 108.)

Mr. Webb asked the Prime Minister, upon notice—

1. Has he been approached by the Governments of Western Australia and Queensland to set up a Northern Development Authority?
2. If so, what is the intention of the Government in regard to this proposal?

Sir Robert Menzies.—The answer to the honorable member’s questions is as follows:—

1 and 2. There has been no approach from either Government in this regard.

Comprehensive Water Scheme in Western Australia.
(Question No. 110.)

Mr. Webb asked the Prime Minister, upon notice—

1. Has a request been received from the Western Australian Government seeking further financial
assistance for the second phase of the comprehensive water scheme for Western Australia?

2. If so, what is the decision of the Commonwealth Government on this matter?

Sir Robert Menzies.—The answers to the honorable member's questions are as follows:

1. Yes.

2. Discussions are proceeding between the Commonwealth and Western Australia.

Financial Assistance to Western Australia.

(Question No. 115.)

Mr. Collard asked the Prime Minister, upon notice—

1. Has the Commonwealth in recent months received from the Government of Western Australia requests or applications for special grants of finance for the construction of a dam at Diamond Gorge on the Fitzroy River or for dams on the Margaret River; if so, has a decision been made in regard to the applications?

2. If no such applications or requests have been received, has any discussion taken place between the two Governments in regard to those projects; if so, what was the outcome of the discussions?

Sir Robert Menzies.—The answer to the honorable member's questions is as follows:

1 and 2. I have no knowledge of any such approach to the Commonwealth.

Oil.

Sir Robert Menzies.—On 21st May, the honorable member for Lang (Mr. Stewart) asked me about the development, refining and distribution of oil in Indonesia and whether a similar arrangement could be negotiated for Australia. I said that I would be glad to have a look at the matter.

I understand that the Indonesian Government and the foreign oil companies operating in Indonesia recently reached a settlement of their differences over regulations controlling mineral oil and gas which the Indonesian Government introduced in 1960. I am informed that under the terms of their agreement it is recognized that the companies concerned are in effect acting as the agents of the Indonesian Government operating Indonesian national assets, and that profits will be distributed broadly on the basis of 60 per cent. to the Indonesian Government and 40 per cent. to the foreign company concerned.

As to the second part of the question, the circumstances of the oil industry in Australia differ considerably from those in Indonesia. An arrangement on the Indonesian model would not be appropriate here.