

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 6 JANUARY 1920

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LEGISLATIVE ASSEMBLY.

TUESDAY, 6 JANUARY, 1920.

The SPEAKER (Hon. W. Lennon, *Herbert*) took the chair at half-past 3 o'clock p.m.

WORKERS' HOMES BILL—STOCK FOODS BILL—CO-OPERATIVE AGRICULTURAL PRODUCTION AND ADVANCES TO FARMERS ACT AMENDMENT BILL—QUEENSLAND GOVERNMENT SAVINGS BANK ACT AMENDMENT BILL—DARAJI RAILWAY BRIDGE BILL—JIMBOUR SELECTIONS BILL.

ASSENT.

The SPEAKER announced the receipt from His Excellency the Governor of a message, conveying His Majesty's assent to these Bills.

CHANGES IN STAFF.

OFFICERS TAKE OATHS.

The SPEAKER: Since the House last met a vacancy had occurred in the staff through the retirement of the Hon. C. G. Holmes a'Court, who for the past eleven years had occupied the position of Clerk of the Legislative Assembly, and the vacancy had been filled by the appointment of Mr. Charles Arrowsmith Bernays, lately Clerk-Assistant and Sergeant-at-Arms, to be Clerk of the Legislative Assembly. Mr. Thomas Dickson, lately Clerk-Assistant and Usher of the Black Rod of the Legislative Council, succeeded Mr. Bernays as Clerk-Assistant and Sergeant-at-Arms of the House.

HONOURABLE MEMBERS: Hear, hear!

Whereupon, Mr. Bernays and Mr. Dickson took the oaths accordingly.

NEW MEMBERS.

ELECTORAL DISTRICTS OF LEICHHARDT AND MARANOVA.

The SPEAKER informed the House that on the 8th of November last he had issued writs for the election of members for the electoral districts of Leichhardt and Maranoa, and that they had been returned endorsed with the names of Thomas Andrew Foley and Thomas Alfred Spencer, respectively.

HONOURABLE MEMBERS: Hear, hear!

Mr. FOLEY, who was introduced by Mr. Forde and Mr. Riordan, and Mr. SPENCER, who was introduced by Mr. Bebbington and Mr. Moore, respectively, took the oath and subscribed the roll.

QUESTION.

PAYMENTS BY CENTRAL CANE PRICES BOARD.

Mr. SWAYNE (*Mirani*) asked the Secretary for Agriculture and Stock—

“ Out of the sum of £835 13s. 5d., mentioned in connection with the Central Cane Prices Board, on page 49 of the Auditor-General's report, how much was

paid, respectively, to the Hon. T. J. Ryan and Messrs. Morris and Fletcher, Justice Department, Stott and Hoare, J. H. Lukin, N. Macrossan, Atthow and McGregor, A. Feez, and E. A. Douglas?"

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*) replied—

"Hon. T. J. Ryan, £238 5s. 6d.; Messrs. Morris and Fletcher, £469 1s. 7d.; Justice Department, £18 15s.; Stott and Hoare, 17s. 6d.; J. H. Lukin, £2 10s.; N. Macrossan, £14 8s.; Atthow and McGregor, £1 5s. 4d.; A. Feez, £11; E. A. Douglas, £33 16s. In addition to the above, an amount of £45 14s. 6d. was paid to H. D. Macrossan."

PAPERS.

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

Report upon the operations of the sub-departments of Aborigines, Prisons, Government Relief, Diamantina Hospital for Chronic Diseases (South Brisbane), Jubilee Sanatorium for Consumptives (Dalby), Dunwich Benevolent Asylum and Institution for Inebriates.

Return of all the schools in operation on the 1st July, 1919, with the attendance of pupils and the status and emoluments of the teachers employed.

Report of the Public Service Board for the years 1917 and 1918.

Despatch notifying His Majesty's assent to Act No. 1 of the Parliament of Queensland.

Rules of court as of Monday, the 8th December, 1919.

Award for employees of the Commissioner for Railways.

APPOINTMENT OF NEW LIEUTENANT-GOVERNOR.

Mr. MACARTNEY (*Toowong*) asked the Premier, without notice—

"Whether there is any truth in the current rumour of the appointment of the new Lieutenant-Governor, and who the appointee is?"

The PREMIER (Hon. E. G. Theodore, *Chillagoe*) replied—

"I have already made a public announcement on the question, and I have no doubt that references to it will be found in the second edition of the afternoon papers."

Mr. MACARTNEY: Parliament does not count.

RAILWAY FARES AND FREIGHTS.

The SECRETARY FOR RAILWAYS (Hon. J. A. Fihelly, *Paddington*) laid on the table several papers relating to the increases in railway fares and freights.

REPORTS OF PUBLIC WORKS COMMISSION.

The PREMIER laid on the table the following reports of the Public Works Commission:—

Upon the proposal to remove the locomotive depôt from Toowoomba to a site near Willowburn.

Upon a proposal to construct the Dirranbandi extension for a distance of 10 miles from Dirranbandi, including the bridge over the Balonne River.

Upon a proposal to construct a tramway from the iron mines at Mount Biggenden to some point on the Gayndah line, a distance of about 5 miles.

Upon the question of continuing the construction of the railway from Goondoon to Kalliwa Creek, for the whole distance of 30 miles 60 chains, authorised by Parliament on the 2nd December, 1914.

Ordered to be printed.

ESTIMATES FOR 1919-1920.

The PREMIER reported the receipt of a message from His Excellency the Governor, forwarding the Estimates of Probable Ways and Means and Expenditure for the year ended 30th June, 1920.

The Estimates were ordered to be printed and referred to Committee of Supply.

TREASURER'S FINANCIAL TABLES.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*) laid on the table the tables relating to the Treasurer's Financial Statement for 1919-1920.

Ordered to be printed.

WAYS AND MEANS.

RESUMPTION OF COMMITTEE.

(*Mr. Bertram, Maree, in the chair.*)

FINANCIAL STATEMENT.

The TREASURER, who was received with "Hear, hears!" said—

Mr. Bertram.—Before commencing to read the Financial Statement, I ask the permission of the Committee to take the tables embodied in the Statement as read.

Question put and passed.

The TREASURER: Mr. Bertram.—A great deal of criticism has been levelled at the Government for the delay in bringing forward their financial proposals for the current year; I have, however, repeatedly explained that the delay was unavoidable. It was generally recognised that, as the agreement with the Commonwealth in respect to raising loan moneys for the State had terminated, we should have to approach the London market this financial year. No Treasurer who realises his responsibility would table his loan proposals until he was satisfied that the money necessary to carry them out was assured. Honourable members who understand anything of finance are aware that no Government could launch a loan in London at a moment's notice; there are others in the field, and each borrower must be prepared to await his turn. Our financial advisers in London have had the State's requirements in hand

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for some little time, and until definite information was available in regard to our issue it was deemed inadvisable to make a public pronouncement with respect to the Government's loan policy for the present year.

When making my Financial Statement for the year 1918-1919, I estimated a surplus of £7,382, but subsequently Supplementary Estimates were introduced which altered this to an estimated deficit of £17,618. Including the receipts from the retrospective provisions of the Income Tax and Land Tax Acts, the total revenue was £9,415,543 and the expenditure 9,597,531

leaving a deficit of 171,988

REVENUE.

The Budget Estimate and actual receipts for 1918-19 were as follows:—

	Estimated. £	Realised. £
Amount received from Commonwealth ...	868,063	853,367
Taxation—		
Income tax	1,368,000	1,577,355
Land tax	572,000	578,253
Stamp duty	425,000	387,741
Totalisator tax ...	38,000	43,886
Licenses	85,000	85,054
	<u>2,488,000</u>	<u>2,772,269</u>
Land Revenue—		
Sales by auction, Act 1897	2,500	493
Rent of selections, etc.	493,000	524,709
Timber licenses and royalties	62,000	79,206
Special leases	5,500	5,425
Deed fees	1,200	1,078
Survey fees	36,000	36,670
Transfer fees	2,300	2,349
Other receipts	12,300	10,505
Pastoral Occupation—		
Rent of holdings ...	450,000	340,573
Occupation licenses	54,000	53,265
	<u>1,118,800</u>	<u>1,054,273</u>
Mining Receipts—		
Miners' rights and business licenses ...	1,400	1,330
Lease rents	17,000	16,350
Coal licenses	200	31
Royalty	2,400	2,696
Other mining receipts	8,000	8,173
	<u>29,000</u>	<u>28,580</u>
Railways—		
Southern	2,562,000	2,524,965
Central	650,000	577,862
Mackay	39,000	36,165
Bowen	25,000	36,656
Townsville	779,000	647,485
Innisfail	15,500	12,848
Cairns	137,000	132,825
Etheridge and Mount Garnet	10,000	9,506
Cooktown	1,500	1,777
Normanton	3,000	2,988
	<u>4,222,000</u>	<u>3,983,077</u>

Other Receipts—	£	£
Agriculture ...	21,000	18,827
Fees of office ...	67,000	69,887
Fines and forfeitures	12,500	12,048
Harbour rates, pilot- age, etc.	33,300	31,430
Interest on loans to local bodies ...	235,000	237,081
Miscellaneous ...	358,000	354,704
	<u>726,800</u>	<u>723,977</u>
Total ...	£9,452,663	9,415,543

Revenue was short of the estimated amounts in receipts from the Commonwealth £15,000, stamp duty £37,000, rents of pastoral holdings £109,000, railways £239,000, and other receipts £3,000; whilst there were receipts above the estimate in income tax £309,000, land tax £6,000, and totalisator tax £5,000. The deficiency in the revenue from pastoral holdings was attributable to the action of the Legislative Council in rejecting legislation which would have given the additional amount. The shortage in railway receipts was due to the dislocation of shipping, the closing down of the Cloncurry mines, and the outbreak of pneumonic influenza which for a while practically paralysed interstate traffic.

It has been contended by some hon. members that the amounts received under the retrospective provisions of the Income Tax and Land Tax Acts were improperly treated by being merged into the general revenue for the year. When, however, the critics were requested to indicate the manner in which these receipts could have been treated other than that followed by the Treasury, they were quite unable to offer any suggestion, for they must have known that the Audit Act had been strictly complied with. My Financial Statement of last session foreshadowed, for the production of additional revenue, the reintroduction of certain Finance Bills which had in the previous year been rejected by the Legislative Council. It was proposed to make certain of these measures retrospective to the financial year 1917-1918—the year when they were first introduced. Under these proposals it was thought the year would produce sufficient revenue to meet the ordinary expenditure, and thus permit of the amount to be collected on account of the retrospective land and income taxes being applied towards liquidating the deficit of the previous year. These plans were frustrated, however, by the heavy but unavoidable increase in expenditure which occurred during the year (particulars of which are set out below), and by the action of the Legislative Council in declining to pass the Bill for the increase in pastoralists' rents. The Audit Act requires all taxation collected in any financial year to be credited to the Consolidated Revenue Fund and brought to account in the same year. It is clear, therefore, that the retrospective money was only intended to apply (and could only be applied) towards liquidating the deficit of the previous year if the ordinary revenue received for the then current year was sufficient to meet that year's expenditure; and whether the retrospective taxation was credited to 1917-1918 or to 1918-1919 would not make a tittle of difference in the amount of the accumulated deficit at the present date.

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EXPENDITURE.

The estimated and actual disbursements for 1918-1919 are given hereunder:—

Department.	1918-1919.	
	Budget Estimate.	Budget Expenditure.
	£	£
Schedules	124,576	112,140
Interest on the public debt ...	2,546,711	2,557,687
Executive and Legislative ...	35,271	35,032
Chief Secretary ...	113,695	133,672
Home Secretary ...	1,040,537	1,169,419
Public Works ...	187,464	202,882
Justice ...	125,666	127,208
Treasurer ...	295,220	341,938
Public Lands ...	212,471	231,850
Agriculture and Stock ...	78,009	81,581
Public Instruction ...	794,236	804,744
Mines ...	82,473	88,244
Railways ...	3,499,952	3,701,134
Total	£9,136,281	£9,587,531

On reference to the table it will be seen that the estimate was exceeded in the following departments:—

Chief Secretary.—£20,000; being principally made up of increased expenditure for the benefit of returned soldiers £7,800, expenses of flood relief at Rockhampton and Mackay £3,400, and expenditure on the peace thanksgiving celebrations £2,400.

Home Secretary.—£129,000; the chief items of excess expenditure being epidemics £61,000, Brisbane Hospital £10,000, Hospitals for Insane £17,000, outdoor relief £17,000, and State children £13,000.

Public Works.—£15,000; the whole amount being practically accounted for by the increased expenditure on buildings.

Justice.—£14,000; made up of legal expenses £2,300, electoral registration £5,000, and the balance spread over the remaining votes of the department.

Treasurer.—£46,000. The excess is accounted for by an adjustment of the debit balance of the Warra coalmine.

Lands.—£19,000; forestry being responsible for an excess expenditure of £2,000, fees to licensed surveyors £2,000, and resumptions and purchase of timber lands £9,000.

Agriculture and Stock.—£3,000, which has been spread over various votes.

Public Instruction.—£10,000. Of this sum £7,000 was due to the increased sustenance allowance awarded by the Arbitration Court.

Mines.—£6,000. This excess is owing to a greater expenditure than was anticipated during the year on the State arsenic works.

Railways.—£201,000; made up of increases in salaries and wages granted by award of the Arbitration Court of 27th August, 1918, £111,000, increased cost of stores £35,000, increased cost of fuel £19,000, increased workers' compensation £11,000, payment for material which arrived earlier than expected owing to more shipping being available on account of the termination of the war £25,000.

The excess expenditure was due in most cases to matters beyond the control of the

Government and could not therefore be anticipated when framing the Estimates for the financial year. For instance, in the Chief Secretary's Department, expenditure for the benefit of returned soldiers is largely governed by the number of soldiers settled on the various groups, and also the amount of goods freighted over the railways for patriotic bodies. The other two items referred to under that department are self-explanatory and could not be foreseen. Again, the item "Epidemics," £61,000, was caused wholly by the influenza outbreak. As is generally known, the Government provided an isolation hospital at Brisbane, quarantine camps at Coolangatta, Tenterfield, and Wallangarra, and paid for all inoculations. All expenditure up to 25th May was paid by the Government, but after that date the control was handed over to the local authorities and the Government paid two-thirds of the cost.

With regard to the Brisbane Hospital, the salaries of the nurses and other employees were increased, and the numerical strength of the staff had to be increased also in order to reduce the working hours. Further, the maintenance expenses were heavier than anticipated owing to the increased cost of drugs, provisions, etc., and when the Government took over the institution it was found that many necessities had to be purchased which, owing to the lack of funds, could not be provided previously.

The dry weather conditions prevailing during the latter part of the financial year resulted in a scarcity of employment in the agricultural and pastoral industries, and consequently led to unemployment and heavy claims upon the vote for outdoor relief.

The excess expenditure under the "State children" vote was caused by the increase in the number of children now supported from Government funds and the higher rates allowed to the natural and foster mothers.

The increases in the Railway Department are explained in the analysis previously given.

During the year an officer of the Public Service Board was appointed to inquire into the printing, stationery, and other requirements of the various departments, and to suggest where economy could be effected, more especially in regard to paper. He was instructed also to bring about savings by adopting, as far as possible, uniform systems and forms throughout the service. The inquiries occupied nearly seven months, and the officer has submitted a comprehensive report and recommendations which have been adopted, and which it is hoped will result in a considerable saving.

TRUST FUNDS.

At 30th June, 1918, the aggregate debit balance of the Trust Funds was £657,037, whereas at 30th June, 1919, it had been reduced to £188,258, so that the position improved by the sum of £468,779. This improvement, however, was mainly brought about by the introduction of a simpler and more satisfactory system of dealing with the State enterprises accounts, which necessitated an adjustment of the advances made by the Treasury from Loan and Trust Funds. The matter is fully dealt with in the reports of

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the Auditor-General and the Commissioner for Trade. The details of the transactions of the various funds for the year will be found on reference to the Treasurer's financial tables. The operations of the Trust Funds have very largely increased during the term of office of the present Government, and, except for the Closer Settlement Acts account, which is a legacy from our predecessors, the various funds are now in a sound position. (Hear, hear!) It may be mentioned that the transactions for the year 1918-1919 totalled £5,408,994, as against £2,561,458 for the year 1914-1915.

LOAN FUND.

The following statement shows the transactions of the fund during the year 1918-1919:—

	£	£
The balance at 30th June, 1918, was		1,919,434
The receipts during 1918-1919 were—		
1. Loans from Commonwealth ...	2,167,524	
2. Net proceeds of sales of debentures	300,800	
3. Repayments by local authorities, etc.	318,954	
4. Receipts under Land Sales Proceeds Act	12,847	
	2,800,105	
		£4,719,539

LOANS RAISED BY COMMONWEALTH IN LONDON ON BEHALF OF THE STATES.

Date when Raised.	Total Amount Raised.	Issue Price.	Rate of Interest.	Queensland's Proport on of Amount Raised.	Net Proceeds, Queensland's Proportion.	Rate of Interest on Net Proceeds.
	£	£	Per Cent.	£	£	Per Cent. £ s. d.
June, 1916	4,000,000	100	5½	1,275,000	1,239,654	5 8 0
April, 1917	3,500,000	98	5½	909,000	893,660	5 11 10
August, 1917	4,500,000	98½	5½	1,361,000	1,275,566	5 17 4
August, 1918	4,750,000	99½	5½	1,917,500	1,858,374	5 13 6

The Commonwealth has yet to raise on account of loans to States—

	£	£
Balance on account of year 1918	410,000	
Amount for year 1919 ...	3,000,000	
Queensland's proportion of above is—		3,410,000
	£	£
Balance on account of year 1918	184,500	
Amount for year 1919 ...	1,350,000	
		1,534,500
Against which we have had advances totaling		1,490,000
The balance being Queensland's share of estimated flotation expenses		£44,500

We have been in close touch with our London advisers for some time with reference to floating a loan, and early in December it was decided to make an issue of £2,000,000 at £98 10s., carrying interest at a nominal rate of 6 per cent. and redeemable in 1940,

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The Expenditure was—

Railways	1,416,302
Loans to local bodies	414,883
Industrial under-takings	358,627
Soldiers' settlement ...	232,957
Buildings	113,660
Sugar-mills	77,327
Water supply and conservation	64,131
Miscellaneous	58,525
	2,736,412
Adjustment made under clause 2 of schedule to the State Enterprises Act of 1918 ...	534,738
Debentures redeemed	50,000
	3,321,150

Balance, 30th June, 1919 £1,398,389

Under the arrangement between the Commonwealth and the States, as set forth in the agreement of November, 1915, the Commonwealth was to be the sole borrower overseas during the period of the war and for one year after. At the Treasurers' Conference in July, 1918, it was agreed that the amount to be raised on behalf of Queensland for the year 1919 should be £1,350,000, being the same as for the previous year. There was owing to the State at 30th June last £690,000, which the Commonwealth has since remitted. This completed the payments due to Queensland under the agreement.

The following statement shows the loans raised on behalf of the States during the operation of the financial agreement:—

the Government having the option of redeeming at any time after 1930. Assuming the Government does not exercise its option in regard to the redemption date, and the loan runs the full term to 1940, the return to investors will be £6 2s. 6d. per cent. and the cost to the Government approximately £6 5s. 2d. per cent. The loan was largely oversubscribed, £4,080,000 being offered although the lists closed a day earlier than intended. An outstanding feature of the flotation was the great number of applications for small amounts. Taking into consideration the condition of the money market, the fact that at the time of the issue colonial stock could be purchased in London returning from 6½ to 7 per cent., together with the extraordinary rush of capital for company flotation purposes, the issue cannot be considered as anything but very satisfactory, and is a fitting reply to those who were continually decrying the financial management of the State and predicting disaster to its credit whenever the Government approached the London market.

GOVERNMENT MEMBERS: Hear, hear!

Mr. KIRWAN: They don't agree with the calamity howlers, at any rate.

PUBLIC WORKS LOAN POLICY.

The TREASURER :

In ordinary times a very active public works policy is warranted in this State in order to provide land for settlement, water conservation, irrigation schemes, harbour development, and road construction.

A large sum of money would be required each year to finance sound and promising schemes under this heading, and in normal times a heavy outlay would be in every way justified; but at the present time not only is money costly and scarce, but materials of all descriptions used in building, construction, and development works of all kinds are at prices which are almost prohibitive.

The unavoidable result is that development operations are much more expensive now than in former years. These considerations have weighed with the Government in limiting their programme to those works which are considered to be indispensable to the maintenance of a reasonably progressive land settlement and development policy.

RAILWAYS.

During the past year (1918-19), 71 miles were added to open lines, viz. :—

	Miles.
Southern Division	36
Central Division	23
Northern Division	12

In addition to the above, the following lines were vested in the Commissioner, viz. :—

	Miles.
Chillagoe Railway	103
Etheridge Railway	143

and since July, 1919, the following extensions have been opened to public traffic, viz. :—

Date opened.	Miles.	Chains.
21st July—Bamberoo to Toobanna	10	58
13th September—Mooliba to Daradgee	8	76
3rd November—Samsonvale to Kobbie	2	66
24th November—Daradgee to Innisfail	3	23
1st December—Toobanna to Ingham	4	74

The total mileage at present open for traffic is 5,642 miles, in addition to which there are 131 miles of private railway.

The following mileage is under construction, viz. :—

	Miles.
Southern Division	106
Central Division	47
Northern Division	290

It is intended to proceed, with all possible expedition, toward the completion of the various sections of the North Coast Railway in order to obtain for the railways the advantage of the through traffic between the principal coastal towns from Brisbane to Cairns, and thus enable the large amount of capital invested in this work to become productive. (Hear, hear!) The completion of various sections of this line will render accessible extensive areas of Crown land for settlement purposes.

The railway to the Bowen coalfield will be pushed on to completion as early as possible. (Hear, hear!) The quality of the coal on this field and the possibility of its production in large quantities at low cost have

been demonstrated beyond doubt. A remunerative traffic is, therefore, assured for this line as soon as it is opened. (Hear, hear!)

The linking up of Longreach with Winton will be commenced so soon as sufficient material is at hand.

During the session Parliamentary authority will be sought for the extension of railways to the Northern Burnett and Callide Valley, where large areas of land are to be made available for selection.

Approval will also be sought for a Gulf railway as recommended by the Royal Commission on Public Works—(hear, hear!)—and, if approval is obtained, it is intended to proceed at an early date with the first section of this line, commencing at the present terminus at Dobbyn.

A considerable expenditure has been undertaken in strengthening bridges and reducing grades on open lines with a view to the more economic handling of heavy traffic.

WATER SUPPLY.

Surveys of the Mount Edwards and Upper Burnett districts are now in progress, for the purpose of ascertaining whether the establishment of works for the conservation of water for irrigation purposes is practicable in those districts. Reconnaissance surveys have been carried out in other localities. The Inkerman (Burdekin River) irrigation scheme is being pushed on to completion, and the indications are that the scheme will be successful and fulfil expectations. There is abundant evidence that Queensland has ample means and opportunities for water conservation and irrigation, and several promising schemes for such enterprise are under consideration. The work of surveying and reporting upon these will be continued, and where practical schemes can be established they will be developed as part of the settled policy of the Government. (Hear, hear!) A survey of the streams of the State, with a view to ascertaining their hydro-electric potentialities is also in hand. (Hear, hear!)

The making available by the Government of artesian water for pastoral purposes continues to receive attention. During the year four artesian bores were completed and handed over to the boards constituted to control them. Fourteen schemes are nearing completion and thirteen applications are receiving consideration. Since the Act came into operation boards have been constituted under it and thirty bores sunk at a total cost of £134,819.

SOLDIER SETTLEMENTS.

The soldier settlement policy is being vigorously developed. An appropriation of £400,000 is being asked for this year to finance the extensive and varied activities under this head.

LOANS TO LOCAL BODIES.

An effort is being made to finance the Metropolitan Water Supply and Sewerage Board and the various harbour boards and local authorities in the undertakings in which they are concerned. These bodies were considerably restricted in their work during the war in consequence of the limitation of Loan Funds. An attempt is now being made to provide funds for their urgent requirements. An appropriation of £700,000 is being asked for.

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IRON AND STEEL WORKS.

Full consideration of the proposal to establish State iron and steel works has shown that the initial outlay as well as the ultimate cost of these works will be very considerable. In view of the magnitude of the undertaking, the Government have not felt justified in launching the venture without fuller data with regard to iron ore supplies, markets for the products, and the probability of financial success. The additional information is now in the hands of the Government, and it is hoped that a final decision on the matter will shortly be arrived at.

LAND SETTLEMENT.

There was a considerable increase in the number and area of selections taken up during the financial year ended on 30th June last, and the improvement is being well maintained. The total area selected was 6,725,339 acres in 1,798 selections, compared with a total area of 5,173,620 acres in 1,218 selections in the year ended 30th June, 1918, an increase of 580 selections and 1,551,719 acres. The area selected as perpetual lease selections was 478,465 acres, an increase of 253,204 acres, or over 113 per cent. The other forms of selection tenure also showed substantial increases—1,242,687 acres or 25 per cent. in the case of grazing selections and 55,828 acres or 39 per cent. in the case of perpetual lease prickly-pear selection. The total area made available for selection in 1918-1919 was 6,722,953 acres, as against 8,928,142 acres in the previous year.

Sales of land at auction were confined to perpetual lease tenure, as required by law. Competition in some cases has been keen, and, as exemplifying this, ten cases may be taken in which the upset prices of the lots sold totalled £8,282, and the prices bid at auction totalled £14,514, the advance being equal to 75 per cent.

The total number of selectors known to have enlisted for active service is 2,499. They held 2,796 selections, with a total area of 8,631,755 acres, returning an annual rental of £60,596. Payment of the rents of the selections as they fell due from year to year has not been demanded, the total sum involved being £139,410. The total number of selectors whose accounts have been finally adjusted in terms of section 93A of the Land Act of 1910 is 954, comprising 195 killed in action or died from other causes, and 759 discharged. The leases of their selections have been extended for periods ranging up to five and a-half years, and the rents accruing in their absence, payment of which has been suspended under the section referred to, amount to £78,934.

FORESTRY.

Of £685,502 taken from the forests of Queensland during the past fifteen years, only £37,619 has been re-spent in the business of forest reproduction, and of this amount £52,696 has been invested in the past four years.

The enormous proceeds of the previous exploitation of an important national resource have vanished, but upon the present Government has devolved the responsibility of creating a Crown timber estate capable of yielding in perpetuity the raw material necessary for the continued existence of the wood-working and wood-using industries of Queensland. (Hear, hear!)

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£10,000 is provided on the current year's Loan Estimates for the repurchase of timberland lost to the community by reckless alienation, which makes private enterprise the present suppliers of three-fourths of the log requirements of the State.

The sum of £20,000 is also provided from Loan Fund for the payment of wages of returned soldiers engaged in timber-farming operations on the State forests. Approximately, 100 returned soldiers are now employed. Provision is made for the payment from Revenue Fund of the costs of hauling and marketing the timber cut during the above and other operations, under which, incidentally, the log middleman is eliminated and the Government enabled better to control its State forests and regulate the flow of logs to the mills so that continuous operation and continuous employment may become possible. This expenditure will be recouped handsomely within the financial year by sale of the products.

AGRICULTURE.

Unfortunately, the seasons for the last year or two have been anything but encouraging to agriculturists and dairymen. The present drought is quite as bad as that of 1902. In consequence of the scarcity and high prices of food for stock, the Government have taken action to procure from the Southern States supplies of fodder which will be made available to dairy farmers at cost price. (Opposition laughter and Government interjections.)

A reorganisation and extension of the measures necessary for the eradication of cattle-tick have been undertaken by the Department of Agriculture and Stock. This work involves the expenditure of a considerable sum of money, but the ultimate benefits to the graziers and pastoralists by the saving of stock will repay the State many times over.

A large sum will be required to finance the new scheme of assistance to small farmers under the Co-operative Agricultural Production Act which was recently approved by Parliament; but, as the judicious granting of assistance for the erection of silos and the purchase of stock, which is authorised under the Act, will lead to increased production within the State, the expenditure is amply justified.

SUGAR.

The sugar season of 1918 promised favourably, but cyclonic disturbances, frost, and drought all adversely affected the cane, with the result that the production for that year was much diminished. The 1919 season now closing again shows the effects of these visitations, and it is certain that over 100,000 tons of sugar must be imported to supply Australia's requirements until the next crop is available.

Recognising that the conditions are such that the producers are entitled to an increased price for their product, the Government are negotiating with the Commonwealth authorities with the object of securing an increased price for raw sugar. Without any desire to impose on the consumer, and disclaiming any wish for present world's parity—provided we receive due recognition when or if the world's prices decline—this Government stand for increased production, and to make Australia self-supporting—and an increased price and a stabilised sugar policy are vital

factors in this connection—as well as for the permanent settlement of a white population along our northern coastal belt.

GOVERNMENT MEMBERS: Hear, hear!

MINING.

The TREASURER: Notwithstanding the continued falling-off in the State's gold yield, the aggregate mineral production of 1918 very nearly approached in value that of the preceding twelve months. Unfortunately, however, early in 1919 all our principal copper mines except one were compelled, as a result of a serious decline in the price of copper, to close down and remain inoperative for several months. Late cable advices, however, have shown a steady improvement of metal prices in the London market. Already two of the large copper-mining companies of the Cloncurry district have resumed work, and there seems to be a good prospect of others following their example. As copper is now the chief amongst the metals produced in Queensland, the result of an almost total suspension of production during the greater part of the term must have a seriously detrimental effect upon the State's total mineral production for the year, but it is hoped that the industry will ere long regain its previous state of prosperity.

Among the State enterprises connected with mining, the arsenic mine at Jibbinbar, which was started to afford relief from the almost prohibitive prices ruling for the arsenical products during the war, is now in full operation. The treatment plant is working satisfactorily, and good supplies of ore have been developed in the mine. Sufficient ore has been disclosed to ensure continuous production for a considerable time. The arsenic produced is being supplied for cattle dips in Queensland at a price far below that ruling here for some years past, and for prickly-pear destruction in the State at the low price of £10 per ton. The price ruling at the present time for arsenic produced by private enterprise is from £58 to £60 per ton. (Hear, hear!)

The starting by the State of the Chillagoe smelters, purchased under the special legislation passed last year, has been delayed somewhat owing to difficulty in obtaining an adequate quantity of coke for the furnaces, but arrangements have now been made to obtain supplies from the South pending the erection of a cokemaking plant at the Mount Mulligan Colliery and of possibly another in connection with the State coalmine at Bowen—(Hear, hear!)—and it is expected that the smelters will be in operation very shortly. At the Einasleigh copper mine, which was purchased by the Government with the Chillagoe works and mines, preparations have been made to start productive operations. The reopening of the Chillagoe smelters will give a great fillip to copper and silver-lead mining throughout the North, and already there is much activity in the Chillagoe, Etheridge, and Herberton fields in anticipation of the starting of the furnaces. (Hear, hear!)

While the running of the Bamford State battery with the full number of shifts has necessarily been curtailed owing to the scarcity of water usual at this time of the year, these works have continued to do good service. In order to ensure that crushing power shall be available at Charters Towers,

the Government have recently bought the Venus Mill on that goldfield for £2,100 and the plant is now in commission. (Hear, hear!)

At the Bowen State coal areas development work has been steadily pushed forward, and machinery is being installed to carry on that work more expeditiously. Samples from the different faces tested and analysed show the coal to be of a high value both for steaming and coking purposes. (Hear, hear!) It is evident that this mine is a valuable acquisition to the State, and will prove of immeasurable benefit to North Queensland industries. At the Styx River coal is being produced from development work, and small quantities are being supplied to the Railway Department.

With a view to ensure the continuance of tin production at Irvinebank and the surrounding district, as well as to assist generally in the locality, the Government recently purchased the Irvinebank company's tin-dressing plant and tin smelter at that place, together with 16 miles of mining tramway, at a cost of £22,500. These works, which include the only plant in the State for the production of ingot tin, have been formally taken over, and have for some time been in active operation under Government control. (Hear, hear!)

STATE ENTERPRISES.

Prior to the passing of the State Enterprises Act of 1918, the control of the enterprises was under various Ministers; now, however, one Minister is charged with the administration of the Act, and the general management of the various businesses is under the control of a Commissioner. Full details of the transactions for the year 1918-1919 have already been published, so that it is not necessary for me to repeat them.

Six out of the seven enterprises made a profit on the year's transactions, and the accounts show that the net profit for the year, after allowing for depreciation and interest on capital, was £86,102. The accumulated profits total £262,940, and have been dealt with as follows:—

	£
Carried to reserves	100,000
Used in reduction of loan indebtedness to Treasury	60,000
Paid to Treasury for credit of consolidated revenue	11,000
Balance remaining in Profit and Loss Account	91,940
	<hr/> 262,940
The advances from Treasury total	1,120,869
Sundry creditors amount to	61,360
	<hr/> 1,182,229
Making total liability	1,182,229
Against this the assets total	1,445,170
made up as follows:—	£
Land and buildings	336,490
Plant and machinery	78,648
Stocks	964,689
Book debts	50,430
Cash	14,913
	<hr/> 1,445,170

As above

It will thus be seen that there is a surplus of assets over liabilities of £262,940.

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At half-past 4 o'clock p.m.,

Mr. SMITH replaced the Chairman in the chair.

ESTIMATES, 1919-1920.

REVENUE.

The TREASURER: In considering the Estimates of Revenue and Expenditure for the current financial year it was soon apparent to Ministers that the revenue anticipated from all ordinary sources would fall very much below the requirements to meet the year's expenditure, and it became obvious that if a further heavy deficit was to be avoided new revenue must be raised. (Hear, hear!)

The Expenditure Estimates have been carefully scrutinised and all avoidable and non-essential expenditure has been omitted. The utmost economy in all departments has been insisted upon, and departmental heads have been informed that the Estimates as finally approved must not be exceeded except under the direst necessity.

Notwithstanding this care in the preparation of the Estimates, a large sum by way of new revenue must be found in order to enable the accounts for the year to be balanced. Particulars of these, together with explanations of the expected fluctuations in the ordinary revenue and expenditure as compared with last year, will be found below.

My estimate for the current year for revenue from ordinary sources is as follows:—

	£	£
From Commonwealth Taxation—	...	900,000
Income tax ...	1,250,000	
Land tax ...	445,000	
Licenses ...	85,000	
Stamp duty ...	575,000	
Totalisator tax ...	50,000	
		2,405,000
Land revenue	1,128,800
Mining receipts	28,000
Railways	4,123,000
Other receipts	740,000
		£9,324,800

It will be seen that the total revenue expected from ordinary sources is actually less than that received last year. It must be remembered that last year's revenue included retrospective income and land tax; but, even making allowance for that, the revenue of the State is seen to be almost stationary. This unfortunate state of affairs is brought about by various causes, the chief of which is the prevailing drought which has seriously diminished the revenue of several departments.

Amount from Commonwealth shows an increase of £46,600 and is based upon the estimated population of the State at 31st December, 1919. Under the Surplus Revenue Act of 1910 the payment to the States of the 25s. per capita is for a fixed period of ten years from 1st July, 1910, "and thereafter until the Parliament otherwise provides."

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It will be noted that the ten-year period expires at 30th June next, and in anticipation of this the Commonwealth submitted a proposal to the States which provided for the payments to diminish progressively by 2s. 6d. per head of the population in each year until the 25s. is reduced to 10s.; the latter payment will continue definitely for five years and be subject to alteration at the end of that period as the Federal Parliament determines. The proposal means that, starting at 1st July next, there will be a reduction of 2s. 6d. each year in the per capita payment to the States until in 1925 the payment is reduced to 10s., at which it remains for five years.

Under the proposal it is estimated that the Commonwealth's gain and Queensland's loss will be as follows:—

Fiscal Year.	Commonwealth's Gain.	Queensland's Loss.
	£	£
1920-1921 ...	683,891 ...	94,875
1921-1922 ...	1,406,840 ...	195,479
1922-1923 ...	2,170,518 ...	301,591
1923-1924 ...	2,976,662 ...	413,605
1924-1925 ...	3,827,078 ...	531,770
1925-1926 ...	4,723,632 ...	656,345
Total for six years ...	£15,788,621 ...	£2,193,665

It will be seen that the Commonwealth proposes to take from the States during the six years to 1925-1926 over £15,000,000, and for the succeeding five years to practically allow only two-fifths of the present per capita payment.

The proposals were considered at a conference of Commonwealth and State Ministers, but no definite decision was given upon them. It is understood that the matter will be further considered at the next conference of Premiers.

Income Tax.—The revenue from this source at the existing rates is expected to suffer a serious diminution, but the rates and the incidence are both being altered and are referred to later.

Land Tax.—After allowing for the retrospective tax of last year a slight diminution of this revenue is anticipated, due principally to the subdivision of some of the larger estates. It is proposed to lighten the burden of this tax upon the small farmers by reducing the rates materially on grazing and agricultural lands of an unimproved taxable value not exceeding £750. This will result in a further diminution of revenue to the extent of £5,000 or more.

Licenses.—Receipts under this head are estimated at practically the same as last year's amount.

Stamp Duty.—Increase £188,000. The greater portion of this amount is due to the recent legislation, and the balance to a payment which is expected in connection with a very large estate, and to obtain which it will be necessary to introduce an amendment of the Succession and Probate Duties Act. The resolution to effect this will be moved in this Committee at a later date.

Totalisator Tax.—We received £44,000 last year, and it is anticipated, in view of the receipts during the first six months of the current year, that we shall receive £50,000 from this source.

Land Revenue.—There is an increase of £58,000 allowed for in respect of rents of selections, and a small increase from pastoral rents.

Railways.—An increase of £140,000 is expected from a natural but somewhat tardy expansion of the railway revenue.

Other Receipts.—The increase anticipated under this head is £17,000.

EXPENDITURE.

The following statement shows the expenditure for last year and that estimated for the current year:—

	Expenditure, 1918-19. £	Estimated Require- ments, 1919-20. £
Schedules	112,140	128,292
Interest on public debt	2,557,687	2,692,766
Executive and Legislative	35,032	23,738
Chief Secretary ...	133,672	223,755
Home Secretary ...	1,169,419	1,276,917
Public Works	202,882	192,854
Justice	127,208	129,994
Treasurer	341,938	376,219
Lands	231,850	255,083
Agriculture and Stock	81,581	89,584
Public Instruction	804,744	983,509
Mines	88,244	88,215
Railways	3,701,134	3,956,601
	£9,587,531	£10,418,527

Compared with the expenditure of last year, the Estimates for 1919-1920 show increases under all heads, with the exception of Executive and Legislative, Public Works and Mines, the total amounting to £830,996.

The increase in schedules and decrease in Executive and Legislative are brought about by the extra remuneration to members of the Assembly being now charged to the former, under authority of the amendment of the Constitution Act recently passed.

Interest on Public Debt.—£135,000. The raising of additional loans must naturally increase our interest bill. As previously stated, we raised loans totalling £2,468,000 last financial year.

Chief Secretary.—Increase £90,000. An amount of £100,000 is provided for payments to Railway Department for "station to station" passes issued to returned soldiers. There is a net reduction of £10,000 in the other votes of this department.

Home Secretary's Department.—Aboriginals vote shows an increase of £6,000 due to the increase in aboriginal staffs at settlements and the increased price of provisions, blankets, clothing, &c. Hospitals and charitable institutions vote is increased by £23,000 over last year's expenditure, owing to provision being made to better the conditions

of employees of the Blind Institution and Brisbane Hospital, and the increased amount of endowment which will have to be paid to hospitals and ambulance brigades. The insanity vote is increased by £12,000 due to higher rates payable to employees under the asylum award, and the increased cost of drugs and provisions; also the fact that, owing to the drought, asylum crops have failed and forage has to be purchased. The police vote is increased by £65,000, the greater part of which is the result of a recent industrial agreement under the Arbitration Act, whereby the pay and conditions generally of the force are very materially improved. The State children vote shows an increase on the previous year's expenditure of £17,000, owing to the increase in the number of children brought under the control of the department, and the increased cost of provisions and clothing for the various institutions.

Public Works.—Decrease £10,000. The Estimates provide £8,000 less than was spent last year on buildings.

Justice.—Increase £2,000, which is more than accounted for by the extra provision for electoral registration.

Treasurer.—Increase £35,000. An item of £55,000 to meet increases to public servants is provided under Treasury; also £8,500 for compensation, etc., in connection with the loss of the steamer "Llewellyn." Allowing for these two items and deducting from last year's expenditure the £47,000 charged for adjusting the debit balance of the Warra Coal Mine, the Head Office votes show a reduction of £6,000. Water Supply Department shows an increase of £8,000 over expenditure of last year owing to the expansion of the work of this important service.

Public Lands.—Increase £24,000. Of this amount increased activities in the Forestry Branch account for £15,000 and district offices £5,000.

Agriculture and Stock.—Increase £8,000. A new item of £4,000 towards the establishment of a State farm at Inkerman absorbs half the increase, and the balance is distributed over the various votes of the department.

Public Instruction.—Increase £179,000. The recent award for teachers, which operates from 10th November last, is accountable for £110,000 of this amount, the annual sum involved in the award being £165,000.

Mines.—The proposed expenditure by this department for 1919-1920 is the same as for the previous year—namely, £88,000.

Railways.—Increase £255,000. The excess is more than accounted for by the following items:—Recent arbitration award, £200,000; increased price of fuel, £60,000; automatic increases to lower-paid employees, £35,000. Economies have been effected which have resulted in a saving of expenditure in other directions.

It will be noticed that the total expenditure in all departments is estimated to reach, for this year, £3,456,000 more than the total

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expenditure for 1913-1914, the last pre-war year. The general reasons for this great increase in the cost of government are too well known to need recapitulation, but it is

advisable, I think, to call attention to the heads of expenditure which have been responsible; and the information is set out in the table hereunder:—

STATEMENT SHOWING THE INCREASED COST OF CERTAIN SERVICES IN EACH OF THE YEARS 1914-1915 TO 1919-1920, INCLUSIVE, COMPARED WITH THE YEAR 1913-1914.

Services.	Increase over Year 1913-1914.					1919-20. (Estimated.)
	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	
INTEREST ON PUBLIC DEBT ...	£ 2,755	£ 224,343	£ 306,006	£ 482,037	£ 584,861	£ 719,940
CHIEF SECRETARY— Expenditure for the benefit of returned soldiers, &c.	...	32,509	22,301	48,592	62,825	160,000
HOME DEPARTMENT—						
Aboriginals	486	901	5,481	5,308	8,930	14,702
Dunwich	507	6,927	7,426	5,918	12,136	13,309
Hospitals, &c.	22,692	5,186	24,322	57,051	95,577	118,281
Insanity	9,146	29,889	28,831	46,794	79,912	91,438
Outdoor Relief	1,778	12,096	5,287	5,061	22,320	37,486
Police	*5,633	*10,566	6,253	21,593	33,733	98,918
Police Superannuation	2,000	4,000	8,000	9,500	11,450	13,500
Prisons	720	2,998	2,223	4,473	6,963	6,847
State Children	7,114	36,824	55,476	65,224	82,662	100,421
PUBLIC INSTRUCTION—						
State Schools	22,473	39,256	95,066	158,218	216,222	374,368
University	945	1,143	1,963	11,740	13,211	15,445
Secondary Education	4,488	13,430	21,905	24,850	27,892	37,321
Technical Education	2,926	3,357	9,271	14,795	10,330	26,655
RAILWAYS	19,320	359,076	612,598	1,029,619	1,309,989	1,565,456
Increased Salaries and Allowances of State Employees	72,985	260,919	319,112	948,322	1,226,946	1,718,462
	164,652	1,024,492	1,531,611	2,939,095	3,814,473	5,112,621
Less amount of Increased Salaries and Allowances included in departments above	63,178	240,622	284,272	865,116	1,100,477	1,527,949
	£101,474	£783,860	£1,247,339	£2,073,979	£2,713,976	£3,584,672

* Decrease.

NEW REVENUE PROPOSALS.

I may summarise the position as follows:—

Estimated expenditure 1919-1920	£10,418,527
Anticipated revenue from existing sources	9,324,800
Shortage	£1,093,727

It is intended to make good this shortage in the following way:—

	£
Increased rates and adjustments of income tax; estimated to realise ...	590,000
Amendment of the Land Act to permit the Land Court to fix fair rents for the pastoral holdings; estimated to return an additional revenue for the financial year of	258,000
Increased railway fares and freights which are expected to yield, for the half-year	250,000
	£1,098,000

Leaving a surplus of £4,273

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INCOME TAX.

It is proposed to increase the income tax rates in all the schedules—i.e., personal exertion, property, absentee, and company incomes. The new rates have been settled with due regard to the abilities of the respective classes of taxpayers to bear the extra burden; and, at the same time, the opportunity has been availed of to correct anomalies in the existing Acts and to establish a more convenient, workable, and satisfactory system. Some of the principal alterations are explained hereunder:—

PROPOSED NEW METHOD OF OPERATING THE GRADUATED SCALE.

The existing schedule of income tax on individuals is unsatisfactory, and operates inequitably in many instances. The rates and the resting places are too arbitrary, and are not graded in any settled ratio.

For instance, the personal exertion incomes from £1 to £500 pay at 7½d. in the £1, then from £501 to £1,000 at 9d. in the £1, and from £1,001 to £1,500 at 1s. in the £1.

The increase for the first £500 is at the rate of 1½d., and for the second £500 at 3d.; whereas for incomes ranging from £1,501 to

£5,001 the increased tax is only at the rate of 3d. for each £1,500 of additional income.

In addition to the lack of proper graduation in the schedules, the system now in operation is responsible for certain anomalies. For instance, a taxpayer with an income of £6,001 derived from personal exertion would pay £600 2s., whereas a taxpayer whose income was £6,000 would pay only £525.

Under the new proposals the existing method will be discontinued and the Government is adopting the plan which is used by the Commonwealth authorities—namely, the minimum rate will commence at the first £1 of taxable income and the rate will increase arithmetically in definite ratio with each additional £1 of taxable income until the maximum rate of tax is reached. The rate proposed for personal exertion commences at 6 and 6-1,000d. in the £ instead of 7½d.

INCOME FROM PROPERTY.

At present personal exertion income is defined as including "all income arising or accruing from any business carried on in Queensland." As a consequence of this, business men in receipt of large incomes pay at the lower rates prescribed for incomes derived from personal exertion, notwithstanding that in many cases a portion of the incomes received is obviously a return on capital invested in property.

It would be difficult and wellnigh impracticable to separately allocate on every business man's assessment the portion of his income which should be regarded as earned from personal exertion and the portion derived from property. Any such allocation by the taxation officers must necessarily be arbitrary, and lead to many anomalies.

It is intended in the new proposals to remedy the defect to some extent by taxing both personal exertion and property incomes at the same rate where the amount of income totals or exceeds £3,000.

PROPOSED NEW METHOD OF COMPUTING THE RATE PAYABLE WHEN A TAXPAYER RECEIVES INCOME FROM BOTH PERSONAL EXERTION AND PROPERTY.

At present, if a taxpayer has income from both personal exertion and from property, he is assessed on each as if that were the only income he received. Under the new proposals such a taxpayer will be assessed on his personal exertion income at the rate that would have applied if his total income had been derived from that source, and the property income will be charged tax at the rate that would have applied if his total income had been derived from property.

INCLUSION IN INCOME TAX RETURNS OF EXEMPT INCOMES FOR THE PURPOSE OF FIXING A PROPER RATE FOR TAXABLE INCOME.

Taxpayers in future will be required to include in their returns amounts received which are exempt from taxation, such as dividends from companies and interest from Government securities. Taxpayers may return the expenses incurred in earning the exempt income which will be deducted in arriving at the net exempt income. Tax will be charged only on the non-exempt income, but the rate will be ascertained by adding the taxable to the net exempt income.

ASSESSMENT OF COMPANIES.

The present method of assessing companies can be much improved. One of the difficulties existing at present is caused by the system of charging only 1s. in the £ on that part of the income which represents a profit to the company of 6 per cent. on its capital and charging a higher rate on the balance. The same method will be applied to companies as is applied to individual taxpayers—namely, to charge one rate on the whole income. That is, if the profits represent over 8 per cent. on the capital, the rate applicable to the whole of such profits would be 1s. 7½d. in the £ under the new schedule.

UNDISTRIBUTED PROFITS.

By the system of charging a low rate on undistributed profits, opportunities are given to some companies to avoid their full liability. It is proposed to increase the tax on undistributed profits to a rate equal to that chargeable against distributed profits, but undistributed profits earned prior to 30th June, 1918, will only be charged tax, when distributed, at the rate payable when earned.

THE £200 EXEMPTION.

Under the existing Act all taxpayers except absentees and companies, no matter how large their incomes are allowed a basic exemption of £200. This is considered to be unwarranted so far as large incomes are concerned, and therefore the Government have adopted the principle of a disappearing exemption reaching only to incomes of £1,000.

DEDUCTIONS FOR WIFE, CHILDREN, AND DEPENDENT RELATIVES.

The Government has decided in the new proposals to allow a deduction of £26 per annum for the wife of the taxpayer if he resides in Queensland, and for each dependent relative, in addition to the deduction for each child. The deduction for children, wife, and dependent relatives is a diminishing amount, and will only be allowed in full to taxpayers whose net incomes do not exceed £800; beyond that sum the deduction is a diminishing amount disappearing upon incomes reaching £1,000.

TRUST ESTATES AND PARTNERSHIPS.

It has been the practice in the past to allow a separate exemption and separate deductions in respect to each beneficiary under a trust estate, and to each member of a partnership. In future all incomes from trust estates and partnerships yielding £2,500 shall be treated as a single income, entitled to only one set of deductions.

NEW YEAR.

In order to bring the taxable year into conformity with the Federal year, the assessments for the present financial year will be based on incomes earned between 1st July, 1918, and 30th June, 1919. Adjustments will be made if these incomes exceed those earned during the calendar year 1919.

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GENERAL.

The Income Tax Act will be amended on the lines set out above, and in many directions which have not been dealt with here but which will be fully explained when the Bill is introduced. The amendments generally, while securing to the State additional revenue, will do away with discrimination between taxpayers, will result in a more equitable incidence, and will bring our system more into conformity with the established principles of income taxation as endorsed by leading economists of this and other countries.

PASTORAL RENTS.

It is well known that the majority of the pastoral lessees in this State do not pay to the Crown a fair rent for the land they occupy. Information in the possession of the Lands Department shows that, taking the whole State, the average rental paid on pastoral holdings is 18s. 11½d. per square mile, while the average rental paid on grazing selections is approximately 59s. per square mile. That is to say, the pastoral lessees pay on an average less than one-third the rent paid by grazing farmers for land similarly situated, used for the same purposes, and whose products go to the same market; and notwithstanding that all the advantage of tenure is with the pastoral lessees. This unfair advantage to the large pastoralists is the result of an unwise provision inserted in an early Land Act which prevents the Land Court from increasing the pastoralists' rent, at the time of reappraisal, by more than 50 per cent. beyond the rent paid in the preceding term. It is proposed to amend the Act to permit the Land Court to fix, without any limitation, fair rents for pastoral holdings; and it is proposed to give the court power to revise the rents of all those holdings the rents of which were fixed for the second period reappraisal under the 50 per cent. restriction.

RAILWAY FARES AND FREIGHTS.

The increased cost of fuel and materials of all kinds, which is largely attributable to the war, and the high cost of living, which is attributable to many causes, have had the effect of greatly increasing the cost of the railway services. The estimated expenditure of the Railway Department for this year shows that the amount required has increased by more than £1,500,000 as compared with the year before the war. Increased wages and improved conditions for the railway employees account for an increase of approximately £1,000,000 per annum, and fuel alone costs about £135,000 per annum more now than in 1914-1915, whilst a perusal of the last annual report of the Commissioner for Railways will show that the cost of other materials largely used in working the railways has increased enormously (in some cases by as much as 500 per cent.) since 1914-1915. The falling-off in traffic is accounted for by the very severe drought which the State has experienced. Not only has the revenue been reduced, but working expenses have increased owing to more frequent boiler repairs, due to the use of bad water, which in many instances has had to be hauled long distances, as many as 250 water trucks being continuously in use. At the same time, the Commissioner's report shows that the earnings from the principal goods traffic and

other services of the Railway Department have been practically stationary during the last five years; the total goods revenue (including live stock) declined from £2,516,380 five years ago to £2,483,698 last year.

The Railway Department is not affected in this respect differently from other business concerns carried on in the State. All have been affected by the enormous increase in the cost of management and administration, but other businesses have met the situation by increasing the price of their products or their services. A striking example of this exists with regard to the shipping companies. During the last five years the fares and freights from Brisbane to the various Queensland ports have been increased in the case of fares by amounts varying from 10 to 27 per cent. and freights by 10 to 74 per cent.

The railway freights on live stock, coal, minerals, timber, and certain lines of general merchandise were to some extent increased during the last three years, but the additional receipts derived therefrom have been not much more than sufficient to keep the railway revenue up to the level of former years. Taking into account the smallness of the population in the State and the great mileage of railways—over 5,600 miles—the freight charges here are comparatively the lowest to be found in any country with a white population. The Commissioner for Railways found that the freightage and fares charged in Queensland were actually much lower than those charged for similar services on some of the railways in the United States, notwithstanding the dense population of the latter country.

With a view, therefore, to charging something more approximating to the value of the services rendered by the railways, the Government has authorised the Commissioner to revise the freights and fares on the basis set out below.

Suburban fares (including monthly season tickets) have been increased by 30 per cent., but the increase in country fares is tapered down very much, until for distances of 401 miles and over the increase is only 2½ per cent. General goods rates have been increased by 17½ per cent. for short distances, but for over 300 miles the increase is only 5 per cent., and the charges for flour, sugar, and other common necessities of life going to country districts have not been raised. Wool and live stock have been increased by 20 per cent.

Mr. BEBBINGTON: Dairy produce rates raised again?

The TREASURER: You can see by the table. The new rates came into operation as from the 1st January, 1920.

CONCLUSION.

The proposals outlined above will bring in a comparatively large sum, but not more than is necessary to enable the year's accounts to be balanced. It is considered to be an axiom of good government that a genuine attempt should be made to finance the year's operations out of the year's revenue, and thus avoid, so far as practicable, the passing on to the future of the obligations of the present.

A heavy deficit is the only alternative to new taxation at present.

[Hon. E. G. Theodore.

Rigid economy is being exercised, and no wasteful expenditure in any department will be tolerated. I am convinced that any further cutting down of the Estimates would result in starving the departments or in hampering their natural and beneficial expansion; or, alternatively, would result in retrenchment of the officers of the public service, or lead to a regrettable diminution of those humane, educational, and charitable State activities which it is the duty of every community to support. (Hear, hear!)

In common with all other countries, Queensland is passing through a period of financial stress and difficulty which is the inevitable aftermath of war. Our troubles are accentuated by adverse seasons, but we have the consolation of knowing, so great are the recuperative powers of our State, and so boundless her industrial resources, that, given the blessing of a few good seasons, our difficulties will vanish and a new era of prosperity will ensue.

Mr. Smith, I propose to move—

“That towards making good the Supplies necessary to defray His Majesty's public expenses and making an addition to the public revenue, it is desirable that—”

Before moving these resolutions, I should like to ask the permission of the Committee to take them as read, for the reason that they will be before the Committee during the whole of the discussion of [4.30 p.m.] the Financial Statement, so that members will have an ample opportunity of studying them carefully without me reading them now in detail.

The TEMPORARY CHAIRMAN: Is it the pleasure of the Committee that the resolutions be taken as read?

Mr. MACARTNEY: Before that question is decided, I should like to point out to the hon. gentleman that the resolutions are of what we might term inordinate length. Various subjects are dealt with, and it would be impossible, within the ordinary limits of debate, to deal with these matters as they ought to be dealt with. I suggest to the hon. gentleman that, before he asks the Committee for this permission, he should give us an understanding that the resolutions will be subdivided, so that we can have a reasonable opportunity, at any rate, of considering the very important matters that are involved.

The TREASURER: I would point out to the leader of the Opposition that I have embodied in the Financial Statement which I have just read a brief explanation of the alterations proposed in regard to the Income Tax Act. It will be noted that the principal resolution which I have asked permission to be taken as read relates to the new income tax, and the amount dealt with there will be found in the Financial Statement, page 20, and the following two or three pages which I have just read at length. In that statement I referred to all the principal matters which will be embodied in the new Income Tax Bill, but an opportunity of discussing them in greater detail, or of asking questions about the proposed amendments, will be afforded when the Bill itself is before the House. Therefore, I suggest that the hon. gentleman might allow the motion I have moved to go through, and when the Bill is before us the matter can be considered in Committee. I do not know whether the hon. gentleman wants, in addition to the

discussion of the Financial Statement, a discussion in Committee of Ways and Means on the proposed Income Tax Bill. Ample opportunity, I take it, will be afforded both on the second reading and the Committee stages to traverse the whole subject.

Mr. MACARTNEY: I realise that we shall have that opportunity, but the passing of this motion, after all, at this period at any rate, is the important matter—the adoption of it. I suggest that the hon. gentleman should give us the opportunity afterwards to subdivide the subject.

The TREASURER: There is no objection.

Mr. MACARTNEY: It will form perhaps forty or fifty clauses of the Bill. The hon. gentleman will realise how important it is that we should have a full opportunity of discussing the resolutions at an early stage.

The TREASURER: I suggest that, if the hon. gentleman wants to consider the details of the proposed Income Tax Bill on these resolutions, we might agree, if it is acceptable to the hon. gentleman, to have a day devoted to the consideration of these matters alone, before the Bill is introduced.

Mr. MACARTNEY: If the Standing Orders will permit.

The TREASURER: I think there will be perfect latitude to discuss every matter in reference to the Income Tax Schedule. What I mean is, that after the Financial Statement is disposed of, we will have one day for the resolutions.

The TEMPORARY CHAIRMAN: Is it the wish of hon. members that the resolutions be taken as read?

HONOURABLE MEMBERS: Hear, hear!

The House resumed. The TEMPORARY CHAIRMAN reported progress, and the Committee obtained leave to sit again to-morrow.

ADJOURNMENT.

The PREMIER: I move that the House do now adjourn. The business to-morrow will be the resumption of the debate on the Financial Statement.

Mr. MACARTNEY: Before the House adjourns, I would like to tell the Premier that I have been informed that some of the afternoon papers have been examined, and I understand there is no announcement with reference to the appointment of the new Lieutenant-Governor, such as the hon. gentleman has mentioned.

Mr. COLLINS: The King is more democratic than what your party is. (Government laughter.)

Mr. MACARTNEY: I do not understand the hon. member.

The PREMIER: The announcement is in this newspaper which I have in my hand.

Mr. MACARTNEY: Where does it appear? (The Premier hereupon handed Mr. Macartney a newspaper containing the announcement.) I take it then that Parliament is not to be entitled to information, which is given only to a section of the Press.

The PREMIER: It was given to every section of the Press—a public announcement.

Mr. MACARTNEY: I have been unable to find it.

Question put and passed.

The House adjourned at five minutes to 5 o'clock p.m.

Mr. Macartney.]