

Queensland



Parliamentary Debates
[Hansard]

Legislative Council

WEDNESDAY, 12 OCTOBER 1921

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LEGISLATIVE COUNCIL.

WEDNESDAY, 12 OCTOBER, 1921.

The PRESIDING CHAIRMAN (Hon. T. Nevitt) took the chair at half-past 4 o'clock p.m.

PAPER.

The following paper was laid on the table, and ordered to be printed:—

Return of all Schools in operation, etc., on the 30th June, 1921.

FINANCIAL ADMINISTRATION OF GOVERNMENT.

HON. E. W. H. FOWLES, in moving—

“1. That the people of Queensland be more fully informed concerning the following alarming facts as disclosed in the Auditor-General's report for the financial year 1920-1921:—

(a) While the population of Queensland in 1920-1921, as compared with 1916-1917, increased only 10 per cent.,

there were, over the same periods, the following galloping increases in the burdens imposed on the people—

Increase of taxation, 135 per cent.; increase in interest on public debt, 28 per cent.; increase in railway expenditure, 68 per cent.; increase in other expenditure, 61 per cent. (See Auditor-General's report, p. 7.)

(b) Queensland's total public debt at 30th June, 1911, was £46,613,197; Queensland's total public debt on 30th June, 1915, was £56,896,046; Queensland's total public debt on 30th June, 1920, was £69,930,764; Queensland's total public debt on 30th June, 1921, was £80,382,052. (See reports of 1920-1921, p. 20; and previous years.) In the last six years the public debt of Queensland has leapt up £23,486,006, representing an increase of over 41 per cent.—a perpetual millstone fastened around the necks of electors, by a Government whose declared policy is against borrowing.

(c) The annual interest on the public debt of the State for year ended 30th June, 1911, was £1,670,772; for year ended 30th June, 1915, was £1,975,580; for year ended 30th June, 1920, was £2,665,548; for year ended 30th June, 1921, was £2,930,703. (See report, p. 22.) The State's interest bill for 1921, compared with 1911, shows an increase of £1,259,930, equal to 75.4 per cent. The interest bill for 1921, compared with 1915, shows an increase of £955,123, equal to 48.3 per cent. It is estimated (see report, p. 22) that in interest alone our small community of 750,000 souls will be forced by this Government to pay during the financial year 1921-1922 no less a sum than £3,300,000. (See report, p. 22.) If to that is added the interest cost of converting loans maturing in 1922, 1924, and 1925 (see report, p. 22), and also the interest and redemption charges on other loans, the amount becomes an annual staggering burden tending to impoverish the people and threatening the solvency of the State. The total amount of interest wrested from the people's pockets by the State Government during the past six years is £15,084,802.

(d) The additional annual interest bill now wrung from the people to bolster up costly State enterprises (including the railways) is approximately £2,100,000, an insidious and unnecessary super-tax of £12 a year, inflicted by this Government on every average family in the State.

(e) The railways of Queensland, for the year ended 30th June, 1921, disclose a deficit of £1,739,475. For the year ended 30th June, 1915 (the latest year of Liberal administration), the railways showed a surplus of £48,651.2. For every year of so-called Labour administration there has been a loss, as follows:—

Year.	£
1915-1916	508,244
1916-1917	738,388
1917-1918	1,028,008
1918-1919	1,421,328
1919-1920	1,229,579
1920-1921	1,739,475

The annual interest charge on the railways is £4 5s. 2d. per cent. For the past financial year the railways earned only 9s. 9d. per cent., or less than $\frac{1}{2}$ per cent., wherewith to pay an interest bill of over 4 per cent. To-day, owing mainly to political interference, the railways are a colossal sink to engulf annually £1,750,000 sterling of the hard-won earnings of the people.

(f) The Government's policy of debenture schemes, by which non-paying propositions are purchased on certain terms by the Government, and after being temporarily run at a loss then fall bankrupt, is a disastrous policy, inasmuch as the whole capital expenditure, together with arrears of interest and accumulated losses, threatens to be a permanent charge on the people's purse, thus weakening the State's credit, crushing legitimate enterprise, and piling up the people's burdens. Examples may be found:—Debentures paid for Chillagoe, £225,000 (page 10); for Yampi Sound ore deposits, £30,000 (page 10); for cattle stations (page 18, State Enterprises Report for 1920) and for other similar schemes.

(g) The following aggregate loans (debentures and stocks) will fall due within the next five years:—

In 1922,	£3,366,650;
1924,	£13,160,634;
1925,	£11,999,500;
1926,	£813,300.
Total,	£29,840,084.

(See report, page 22.)

Over £27,000,000 of this is at rates varying from $4\frac{1}{2}$ per cent. to $3\frac{1}{2}$ per cent. What will be Queensland's plight when conversion becomes inevitable?

(h) Altogether the Government manipulated in 1920-1921 a loan expenditure of £4,251,243, and handled an unprecedented revenue of £12,601,031, and utilised a trust fund expenditure of £4,644,224; nevertheless, unemployment and distress, and dislocation of industry are now worse than at any period during the last ten years (see report, pages 3, 12, 13). The outdoor relief for year ended 30th June, 1921, totalled £120,519, over thirteen times what it was in 1913. For two months, July and August, 1921, a total of £30,371 had to be dispensed in public doles, after six years' trial of a Government whose promises included the right to work.

(i) Although the State Government agreed to settle 2,826 soldiers on the land, and has already, up to 30th June, 1921, received from the Commonwealth Government £2,079,451 for this express purpose, nevertheless only 2,413 soldiers have been actually settled on Crown areas as per original schedule to agreement (see report, page 29), and grave dissatisfaction and heavy losses appear among the group settlements (see page 29).

(j) Depositors' money in the Government Savings Bank of Queensland was used in so extraordinary a way by the Government that on 1st April, 1920, the bank, with funds partially exhausted, fell into the hands of the Commonwealth, the transaction resulting in the loss of a great national asset of Queensland, and an increased interest bill on the people of this State. (See report, page 13, and pages 98 to 100.)

(k) Parliament is not duly consulted with regard to the spending of public money; dubious State agreements are made without the knowledge or previous consent of Parliament; and information vital to all electors is often suppressed in cases where the public interest demands the fullest disclosures; and

"2. That, in view of the foregoing increasingly perilous position of the State finances, the electors of Queensland be immediately granted an opportunity of restoring the public credit and securing a sound administration of the affairs of State on a satisfactory financial basis"—

said: This is a motion that rises at once above party politics. It might have been moved by any hon. gentleman in this Council on whichever side he may sit, and by anyone who takes the slightest interest in the present financial position of Queensland. In this place, and also in another place, the time of hon. gentlemen is sometimes taken up fruitlessly on trifling things; but at all events in the serene air of this Chamber we may well find time to discuss what is really the most important thing in Queensland at the present time—that is, the financial position. Everything else is subordinate to that. This motion is moved in the fullest and frankest way. It is quite unnecessary to say there has been no conspiracy at all on the part of any hon. gentleman whatever. It has been moved, like scores of other motions on this side of the Council, without consultation at all, and simply in the interests of Queensland at the present time. That is why I anticipate it will be largely supported by all hon. gentlemen. It is quite non-party, and, although rumour has it that there are some hon. gentlemen in this Council that are tongue-tied and not free to give their votes, yet it pains me to think of that, and I should like to think quite otherwise with regard to it. This is really the most important subject in the last six years of Queensland's history, and must always be an important subject, for, without loan money, the State becomes bankrupt. Unless they can make both ends meet they are steering for the precipice, and unless we can make our revenue equal our expenditure and gradually pay our way in the world we are sinking to the level of a fifth-rate South American republic.

Hon. R. SUMNER: Are they paying their way in England?

Hon. E. W. H. FOWLES: They are trying to do so, and all the nations of the world at present who were engaged in the great war have got their difficulties. If we look dispassionately at the figures, it will be seen that Queensland's position is not to be envied. I do not wish to exaggerate the position one iota. In fact, the figures themselves as contained in the Auditor-General's report are more eloquent than any speech that could come from any member of Parliament in Australia. The figures themselves shriek to heaven, and if they were known throughout the length and breadth of Queensland there would be a revolution. We know that all hon. gentlemen who think about the position know that that is a fact. As a matter of fact, another place is "gagged," and the information cannot leak out.

The PRESIDING CHAIRMAN: Order!

Hon. E. W. H. FOWLES: The Auditor-General's report does not reach the masses

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of the people, and it is only a vigilant Press that can find time to digest the appalling facts in the Auditor-General's report, and even those Press reports, consisting largely of facts, do not enter very much into the every-day thinking of the electors of Queensland. The result is that 90 per cent. of the people of Queensland are absolutely unaware at the present time of the perilous condition of Queensland's finances. They have not the time or the inclination to wade through pages of the Auditor-General's report, and some of them do not pretend to be able to digest the figures if they did, and the result is that all they know of the financial position of Queensland at the present time is the information contained in the Press.

Hon. J. S. HANLON: Our credit is very good in America.

Hon. E. W. H. FOWLES: Fancy the Treasurer, Mr. Fihelly, on his knees to New York's Pierpont Morgans, and saying, "Please, give me a penny, sir; a penny, please, for bread!" Fancy the capitalist leaders of the Labour movement in Queensland going to the Rockefellers, the Schwabs, the Pierpont Morgans, and other millionaires of New York, in order to get a couple of million pounds to run Queensland and steer it for another year! Fancy creeping under the wing of the meat trusts and going to the Swifts and Armour's of America in order to pick up a miserable £2,000,000! This is the democratic Government doing that. This is the Government that cried out, "Boom, borrow, and burst!" This is the Government who said they would not borrow. This is the Government that have exhausted every possible resource in the Empire at the present time, and also nearly all resources out of the Empire. They will try the Japanese next. This Government must go to the plutocrats of Yankeeedom in order to get nearly £3,000,000. I will be glad if they do get £3,000,000; but this is the kind of loan that you begin to pay back before you borrow it. We shall find that out before we go very far. When the microscope is put on the loan, I do not think that anybody on this side of the Atlantic Ocean will be particularly proud of either the terms or the amount of money that Queensland will get. You can always get money if you like to pay the price for it, but this Government is merely in the position of a man who is down and out, and who pawned his trousers in order to get back his boots. I have taken most of the figures in this motion from the Auditor-General's report. I take these figures to be as accurate as can be.

Hon. W. J. DUNSTAN: Would you say the same of any ordinary business man's statement?

Hon. E. W. H. FOWLES: Oh, yes; and I would say the same of any other gentleman's statement. The Auditor-General and bankers are not politicians. I accept their statements very often without the slightest reserve. As a matter of fact, the notice of motion before hon. gentlemen gives line and verse for every statement. The Auditor-General reported fully on those matters, and I have indicated where the statements are to be found. The only thing some politicians do is to draw their salaries; they do not draw conclusions. One thing is quite sure—that the business men of Queensland are embarrassed, I do not know how many times a year, in making out income tax returns; but if they knew all that is in the Auditor-

General's report we should have the business community on strike. According to the income tax report, if about 4,000 people in Queensland went on strike at the present time the whole of the business of the country would be dislocated, and I should not wonder if that contingency happened.

AN HONOURABLE MEMBER: Who would lead them?

HON. E. W. H. FOWLES: If I were not a member of this Council and required to uphold the law and order—bad as it may be—of the present Government, I would lead them. Every new movement must have its martyrs. If the Government only would treat me as they treat other prisoners, giving me 4 o'clock tea and other luxuries, it would be a pleasant experience. But hon. members of this Council must uphold the law as interpreted by the Government. Business men find that the bush fires which are sweeping over Queensland are getting mighty near their own grass paddocks. There are 250 reasons given why we should call a halt at present, and consider most seriously our financial position. If we read "Hansard" for fifty years back we will find that excepting, perhaps, on three occasions there never were worse conditions than now. I think that this has been the worst case. Two of the previous instances, at any rate, were due to drought; but, certainly, in fairness, we must admit there was a big war. It is of no concern to me whether a Minister pilfers a thousand or two. If a boy is put into a chocolate factory, the first thing he does is to dip his hand into the chocolates and then into his pocket. That sort of politician should be hounded out of political life. I have no time for a Government which buys motor-cars at £550 and sells them at £200, or for a Minister who puts his whisky bills into the public account. Such men have not a brain larger than an ordinary gas pipe. If they want to pilfer, let us give them a few thousand pounds to get out.

HON. H. G. MCPHAIL: I rise to a point of order. Is the hon. member in order in saying that Ministers are pilfering from the funds of the State.

THE PRESIDING CHAIRMAN: I did not understand the hon. gentlemen to say that they were pilfering, otherwise I should have taken action. If he did say that, certainly he would be out of order.

HON. E. W. H. FOWLES: I am glad the Chairman heard what I said, even if the Hon. Mr. McPhail did not. I put the word "if" in in each case. I ask: Is it an honest thing that Ministers do not disclose their personal expenses for the last four years?

HON. W. J. RIORDAN: Did you look into the Auditor-General's report?

HON. E. W. H. FOWLES: Yes; and there is not a word about it. If Queensland knew what were the personal expenses of Ministers for the last two years they would stand aghast. They adopt a policy of suppression. It has been asked for in another place, and it was asked for here, but the questions were evaded, and this by a pretended daylight party, democratic party, a free-speech party, which claims to stand for the careful administration of public funds.

HON. G. LAWSON: Was it refused by the Auditor-General?

HON. E. W. H. FOWLES: I am not at liberty to answer that. It does not appear in the Auditor-General's report—probably for very good reasons.

HON. H. G. MCPHAIL: That would imply that the Auditor-General has been denied the information.

HON. E. W. H. FOWLES: No; I get that from "Hansard." If I asked the Minister here what have been the expenses of Ministers for the last four years what answer would I get? Ministers dare not put that information on the table. They dare not give it to the public of Queensland. I cannot say any more because I am tied in one or two directions. There must be something to hide if they do not put it on the table. But I am not worrying about that. I am not worrying because a Minister puts down his lager beer account to the State, or because hon. gentlemen take little excursions to Rockhampton, Charleville, or elsewhere. These trifles would not amount to more than £50,000 per year, and are small compared to the colossal facts in other directions disclosed by the Auditor-General. If a Minister guzzles away his time I suppose his constituents will have something to say about that.

HON. W. R. CRAMPTON: It is not true that they guzzle away their time.

HON. E. W. H. FOWLES: Well, let them put their expenses on the table. This Government, instead of dealing with gigantic things in the Auditor-General's report, are going about the country conducting "Golden Caskets" and pole-axing public servants. What has become of the Bills that are supposed to be vitally necessary for the welfare of Queensland, and which were outlined in the Governor's Speech? Where is the Bill for unemployment?

AN HONOURABLE MEMBER: Have patience.

HON. E. W. H. FOWLES: Patience! Why Parliament did not meet until the middle of August and is to put up the shutters in October. That is only two months in which to carry out the business of the country. We are having a star-chamber method of doing business. Executive minutes record the actions of Cabinets, and that is the Government. I now wish to refer to the motion, which reads—

"That the people of Queensland be more fully informed concerning the alarming facts disclosed in the Auditor-General's report for the financial year 1920-1921."

The reason I used those words, "fully informed," is because the people of Queensland do not know the facts; they have not the slightest idea of the abnormal ideas contained in the report. I suggest that they

might tell us, in the same way as [5 p.m.] they did in the 440,000 copies of the Governor's Speech, which was circulated at a cost of £2,372. That fact is mentioned in the Auditor-General's report—flagrant prostitution of the right of using public funds. Here is a Governor's Speech, which is probably one of the most disgraceful documents ever put before this House, sent broadcast over Queensland at public expense purely for propaganda purposes. They do this, and yet it is their policy at present to absolutely conceal the financial position of Queensland. Another place has not the free speech it should have. This Chamber is the only place—excepting, of course, the Press—which is doing its duty to Queensland, where

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there is free speech to-day. Heaven knows how soon the Government will put the "gag" on in this Council. Then we shall go back four centuries to the day when a man had his head chopped off if he said a word against the Government.

HON. H. G. MCPHAIL: There is no need to put the "gag" on here, because only three or four on that side take an interest in the debates.

HON. E. W. H. FOWLES: The hon. gentleman will find that this side has kept a quorum for the Government when their own lazy members were 1,000 miles away. We now come to the fact that, while the population of Queensland during the last four years has increased only 10 per cent.—which is practically 2 per cent. a year and only accounts for the natural increase in the population—there has been an increase in taxation of no less than 135 per cent.! The people have increased 10 per cent., and taxation 135 per cent.! How long can people stand that? There comes a time when their backs break. The last reports of the Commissioner of Taxes on the Income Tax and the Land Tax, and also the report on Land Tax for 1921, are before me. In regard to the income tax the Government know better than I do.

The SECRETARY FOR MINES: Did you read the "Daily Mail" the other day where it stated that property-owners in Great Britain were selling their properties to avoid taxation?

HON. E. W. H. FOWLES: They have reached the limit of taxation in Queensland, and I doubt if they dare to put another penny on the £1 in taxation in Queensland. They know what a man has to pay—land tax, super tax, income tax, and super income tax. The rate of taxation has leapt up in Queensland enormously.

The SECRETARY FOR MINES: The Commonwealth income tax is the greater.

HON. E. W. H. FOWLES: I would suggest that any Government in imposing income tax, year after year, should not go blindly on, merely piling on the burdens year after year. They should look round and see what sort of people were hit most last year and relieve them of some of their income tax next year. What does this Government do? It does not care on whose shoulders the incidence of taxation falls.

HON. G. PAGE-HANIFY: It falls on the shoulders of those best able to bear it.

HON. E. W. H. FOWLES: We will come to that. I am glad the hon. gentleman mentioned it. On page 12, table H, of the nineteenth annual report of the Commissioner of Taxes, I find that merchants and mercantile companies paid no less than 24.36 per cent. of the income tax; nearly a quarter of the income tax comes from those companies. I find that pastoralists and pastoral companies paid 36.15 per cent. of the taxation; more than one third comes from those people. Why should this Government hit the very people whose pockets provide the income tax? Why should they not seek to foster those industries in order that income tax might be bigger? If the pastoralists and trading companies put their heads together and said, "No more taxes from us," more than half of the income tax in Queensland would vanish. On page 12, table H, employees—supposed to be the pet class of the

present Government—on the taxable income of £1,959,835, paid no less a sum than 5.64 per cent. of the taxation. Nearly 6 per cent. of the taxation comes out of the employees, and all the other classes in the community pay smaller amounts. As a matter of fact, the incidence of income tax in Queensland sadly needs revision. If this country is to recover in a reasonable time, then those classes which help us most quickly to recover should be helped immediately by the Government. We come to the question of taxation and ask why there should be such taxation in Queensland at the present time. There is no intelligent citizen outside this Chamber who does not know that the cost of administration in Queensland at present is far too high. There were in August last year 698 members of Parliament pretending to rule Australia with a population less than that of London. A new batch has been put into the New South Wales Parliament, and that raises the total to more than 700. I admit that the Federal Government has been wasteful, and that is the only argument left to the shattered ammunition of the other side. As a matter of fact, over 700 legislators are pretending to rule and govern a population of 7,000,000. The cost of the Queensland Parliament is £65,450 with a population of 750,000, a greater cost proportionately than in any other State of the Commonwealth. Our members here number 136. As a matter of fact, three or four have passed away since these figures were made, but the number at present is 132. That is the largest number in proportion to population of any State in Australia.

The PRESIDING CHAIRMAN: I wish to call the hon. gentleman's attention to Standing Order No. 109 as follows:—

"No member shall digress from the subject-matter of the question under discussion, or upon the words used by any other member in a previous debate of the same session, or upon any expressions reported to have been used in the Legislative Assembly; and all imputations of improper motives, and all personal reflections on members of either House, shall be considered highly disorderly."

Now the hon. gentleman, to say the least, is sailing close to the wind. I think the hon. gentleman's remarks could be reasonably modified with benefit to himself and with benefit to this Chamber.

HON. E. W. H. FOWLES: I am really surprised at my own moderation.

The SECRETARY FOR MINES: You will get a bigger surprise before the night is out.

HON. E. W. H. FOWLES: If the Auditor-General's report was put before the people of Queensland there would be such a hurricane of indignation—

The SECRETARY FOR MINES: You made a charge in my absence, and I will make one against you. To use a vulgar expression, I will "blow the gaff" on you.

HON. P. J. LEAHY: Fix it up outside.

HON. E. W. H. FOWLES: If there is anything I say which is not in strict accordance with the truth, I will withdraw it. If the hon. gentleman is able to controvert a single statement of mine, I will withdraw it.

HON. H. G. MCPHAIL: You know perfectly well that Ministers do not pilfer State money.

[*Hon. E. W. H. Fowles.*]

HON. W. R. CRAMPTON: You know also that no Minister guzzles away the money.

The SECRETARY FOR MINES: You would be well advised to withdraw it.

HON. E. W. H. FOWLES: There is nothing to withdraw.

CHARGE OF BRIBERY AND CORRUPTION—WORDS TAKEN DOWN.

The SECRETARY FOR MINES: I did not take what you offered me.

HON. E. W. H. FOWLES: No. I offered you a very good bargain, no doubt, and you are sorry now you did not take it.

The SECRETARY FOR MINES: I will tell the people of Queensland who are the bribers and corruptors. I challenge you that you offered me £2,000 in cash to buy your coal mine. That is definite, and the people of Queensland should know it.

HON. E. W. H. FOWLES: Mr. Presiding Chairman,—I would like those words taken down.

HON. P. J. LEAHY: Is that a point of order?

HON. E. W. H. FOWLES: Yes. I would like that to be proved.

The SECRETARY FOR MINES: Yes, and I refused to take it, and told you that the Labour party was built up of honest men, and you slunk out of the door.

HON. E. W. H. FOWLES: There is not an atom of truth in it, and the hon. gentleman knows that very well.

The PRESIDING CHAIRMAN: Order! Order! If the hon. gentleman desires that the words shall be taken down, I have no option but to instruct the Clerk to take them down; but I think the hon. gentleman will be well advised to let the matter go.

HON. A. G. C. HAWTHORN: It is an assertion against his honesty. Why should he let it go?

The SECRETARY FOR MINES: It is the truth.

The PRESIDING CHAIRMAN: Order! Hon. gentlemen must remain quiet while the President or Presiding Chairman is on his feet. I am only doing what I think to be my duty, and I think in the best interests of this Chamber that the hon. gentleman will be wise in allowing the matter to pass; but, if he insists upon it, I shall instruct the Clerk to take the words down.

HON. E. W. H. FOWLES: I hope the hon. gentleman will accept my unqualified denial of his statement. If not, I must insist that the words be taken down.

The SECRETARY FOR MINES: You can take down what you like. The position is nothing to me.

HON. E. W. H. FOWLES: I hope the hon. gentleman will accept my unqualified denial.

The SECRETARY FOR MINES: The people of Queensland know who is speaking the truth. My banking account will prove that.

HON. E. W. H. FOWLES: There is not an atom of truth in it, and I hope the hon. gentleman will give me an opportunity of disproving his statement. The hon. gentleman now is making wild statements to the effect that his banking account will show

that. He knows that there is not an atom of truth in what he says.

HON. A. G. C. HAWTHORN: He says that you offered £2,000, which he did not accept. How can his banking account show that?

HON. F. T. BRENTNALL interjected.

The SECRETARY FOR MINES: You were probably a shareholder, too.

HON. E. W. H. FOWLES: I was a shareholder in the Aberdare Colliery, and I entered into negotiations with the Government for the purchase of that colliery, and those negotiations were turned down.

The PRESIDING CHAIRMAN: The question now before the Council is the motion moved by the hon. gentleman. I understand the hon. gentleman is prepared to allow the matter to go; but, if not, I will instruct the Clerk to take the words down.

HON. E. W. H. FOWLES: If the Minister accepts my unqualified denial, I am quite prepared to allow it to go, because I am sure, when he sees it to-morrow, he will regret having used such hasty words.

The PRESIDING CHAIRMAN: Order! I call upon the hon. gentleman to proceed.

HON. E. W. H. FOWLES: Does the Minister accept my unqualified denial with regard to that statement? If not, I ask that the words be taken down, and proof be given in the proper quarter.

The PRESIDING CHAIRMAN: Under the circumstances, I have no other resort but to instruct the Clerk to take the words down; and I ask the hon. gentleman to state what the words are that he requires to be taken down.

HON. E. W. H. FOWLES: I do not know what the Minister said exactly. He said that I offered him a certain sum of money to purchase a coal mine. I will allow the Minister to state his own terms if he likes.

The PRESIDING CHAIRMAN: The hon. gentleman takes exception to certain words the Minister used, and now he says he does not know what the words were. The Standing Order is very explicit on the point. It says—

“When a member objects to words used in debate, and, stating them, desires them to be taken down, the President shall direct the Clerk to take them down accordingly. Every such objection shall be taken at the time the words are used.”

Now, the hon. gentleman must state the words that he takes exception to.

HON. E. W. H. FOWLES: As far as I remember, the Hon. Mr. Jones said I offered him £2,000 for the Government to purchase a coalmine.

The PRESIDING CHAIRMAN then instructed the Clerk to take the words down.

The PRESIDING CHAIRMAN: The hon. gentleman insists upon the words being taken down. The words that he states he wanted taken down are—

“The Minister stated that I offered him £2,000 to purchase a coalmine.”

“May,” in dealing with matters of this kind, has the following:—

“If the words be taken down in a Committee of the Whole House, they are reported forthwith, to be dealt with by

the House. Failing the tender of explanation or apology, the consideration of the matter is appointed for the next sitting, and the member incriminated is ordered to attend. Immediate complaint to the Chair is, however, the most effective mode of dealing with offensive words."

I ask the Minister if he is prepared to retract or apologise for those words?

The SECRETARY FOR MINES: No, Mr. Presiding Chairman. The hon. gentleman in my absence stated—

The PRESIDING CHAIRMAN: Order! The only question at the present time has regard to the words that the Hon. Mr. Fowles has asked to be taken down. The method of procedure in this case, as the Minister refuses to retract, will be for those words to be placed on the business-paper and the matter dealt with fully to-morrow. That is the best way, and the only way, in which a matter of this kind can be dealt with impartially, carefully, and coolly, and I would ask hon. gentlemen on both sides of the Council, particularly the hon. gentleman who has been speaking on this motion, to use a little more moderate language. If that were followed, I am sure we should not be in the painful position we are in at the present time, and I sincerely hope that the hon. gentleman will use more moderate language in discussing the question before us. The words must be put down on the business-paper and the matter dealt with to-morrow.

The SECRETARY FOR MINES: I was about to state my justification for making the remark. There is a limit to every man's patience and endurance, and I want to say to hon. gentlemen in this Chamber, and I want them to believe me, that the Hon. Mr. Fowles is the only member of Parliament who attempted to bribe me in my office as Secretary for Mines, and he deliberately offered me £2,000 to purchase his coalmine. I repeat that statement.

The PRESIDING CHAIRMAN: Order! Order!

The SECRETARY FOR MINES: I repeat the statement. It is the truth, and the truth will prevail.

The PRESIDING CHAIRMAN: The hon. gentleman is certainly not in order in proceeding in that manner. There is a time and place for everything, and the hon. gentleman will have his opportunity of dealing with this matter to-morrow, and I sincerely hope he will take a firmer grip on himself, and allow us to conduct our business as it should be conducted.

HON. E. W. H. FOWLES: The Presiding Chairman has allowed the Secretary for Mines to persist in his highly defamatory and untrue statement.

The PRESIDING CHAIRMAN: Order! I called the hon. gentleman to order and did not allow him to do so. Although I called him to order I could not restrain him. The question the hon. gentleman has raised will be considered to-morrow. That is the only way in which it can be dealt with, and the hon. gentleman will now proceed to discuss his motion and leave the other matter rest at present.

The SECRETARY FOR MINES: He knows it is true.

[Hon. T. Nevitt.]

HON. E. W. H. FOWLES: I say I give an unqualified denial to the statement.

The PRESIDING CHAIRMAN: Order! You will have that opportunity to-morrow.

The SECRETARY FOR MINES: You know it is true.

HON. A. G. C. HAWTHORN: Can't you be quiet?

HON. E. W. H. FOWLES: We were considering the cost of government in the various States, and I find that Queensland had a higher cost of administration than any other State in Australia, and hence the need for a very large increase in taxation springing up to 135 per cent. It may be asked, who pays that taxation? It is a pet fallacy of some to think that what they call the "fat man" pays that taxation. As a matter of fact, the taxation filters through to everyone in the community. There is not a worker's table in Queensland but what feels the onerous burdens of taxation which are now being levied by the State Government upon our people. Who pays the taxation? The worker does. The consumer does in the long run. Those who have to pay it in the first instance in a direct way—naturally we cannot blame them—pass it on in every possible way. Awards are passed increasing the stewards' pay on the coastal vessels. The shipping companies—and no one can blame them—immediately increase fares and freights. Who pays? The people who travel. The people who eat or consume in other ways goods carried. So really the taxation hits everyone in the community, and there is not a family in Queensland who will not very soon groan under the heap of taxation which is laid upon them by the present Government. The

[5.30 p.m.] second paragraph in the notice of motion deals with the very important matter of the increase of interest on the public debt. I will deal with that later, also the increase in railway expenditure. I would point out, according to the Auditor-General's report, page 7, that the increase in other expenditure in Queensland has gone up to 61.8 per cent. Therefore, in six years it has increased sixfold.

HON. G. PAGE-HANIFY: Worldwide conditions have caused that.

HON. E. W. H. FOWLES: I admit that to a certain extent. The war took from us 47,000 men, some of whom made the supreme sacrifice. But it did not affect very much the economic conditions here, because we were too far away from them. It is a plain fact that this increase had to be paid. It is all very well saying, "We can find money some time." Of course, it may be said that there is an offset in revenue received. I admit that to a certain extent, but it has only gone up by 39 per cent., while railway expenditure has gone up by 68 per cent. That is to say, although the railway has got in 7d., it has spent 1s., so that the expenditure has outrun receipts. Are the Government concerned about this state of affairs? Not one bit. Their finance goes to the extent of buying motor-cars at £550, and selling them at £200 to somebody's friend; their finance goes to the extent of the Acting Premier having a joyride at £4,000, and their finance simply goes to the extent of running Golden Caskets and one or two irrigation schemes, and getting money from whatever source possible. But, with regard to the alarming increase of interest, the

Government does not seem to concern itself very much. We come to a matter that any Government should think of first of all—the galloping increase in the public debt of Queensland. Everyone knows that that debt at the end of June, 1920, was £69,000,000 odd, and that at the end of June this year it had leapt up to £80,000,000 odd. In order to be perfectly fair, we do not presume to say that the public debt, although it would appear so from the Auditor-General's report, leapt up £11,000,000 in one year. That would be extraordinary. The transactions were only debited against the State in that year. That £11,000,000 was being gradually used in the previous years, and, when at last it was impossible to hide the fact any longer, they were handed to the Auditor-General. The public debt of the Commonwealth is £835,000,000. Of that sum £400,000,000 was caused by the war, and if Queensland shoulders her proper proportion she will have to pay £57,000,000 of that. Add that to the £80,000,000 we have at the present time, and the new loan of £2,000,000, and a little more, and we find the public debt of Queensland is, approximately, £140,000,000. That gives £180 per head, or £720 for a family of four. That is the alarming conditions of Queensland's public debt to-day. Australia pays £35,000,000 a year in interest—partly here, and partly overseas. On a population basis, that would make Queensland pay £5,000,000 a year in interest, or £7 a year for every soul in the country, or £23 for every family in Queensland, or approximately 11s. a week. What does Queensland get for its millions of interest which are being taken out of the pockets of the people, and which are being piled up by present politicians? What do Queensland consumers get? That interest vanishes, and the Queensland workers get nothing for it. They have simply this millstone around their neck, and its weight is increasing yearly. On the top of this £138,000,000 of public debt, including £80,000,000 of State debt, we find this Government going across the water in order to pick up 12,000,000 dollars from the National City Bank of New York. It is very early to form an opinion with regard to that, although the Queensland Government, as borrowers, should certainly know all the conditions before they borrowed it. Probably the Cabinet knows only too well what those conditions are. It may be found that there are trade conditions attached to that loan. If so, the loan becomes only a credit on the other side, and we will get American goods here in place of money. As a matter of fact, the loan is floated nominally at 7 per cent. The rate of exchange to-day, I believe, is 3.81 dollars between America and England. This Government gambles upon the rate of exchange becoming more favourable year by year and month by month. As a matter of fact, it is very likely that the rate of exchange will become more favourable, but a good deal depends on where this money is to be spent. Is it to go on Queensland's behalf to London? If so, there will be another ruinous rate across the Atlantic. Is it to go for goods which will come from America into Queensland? In that case, our workers will be defrauded of employment. And also, what special terms are attached to that loan, which may make it almost visionary? I mention two of them. The nominal interest is 7 per cent. As a matter of fact, it will work out at £7 7s. 3d. per cent., about. But, in addition to that,

there is attached to that loan provision for a Sinking Fund. It is unlike any other loan Queensland has ever had; so much so, that at the beginning we have to commence to pay back the loan.

HON. G. PAGE-HANIFY: Don't you think that is a good thing?

HON. E. W. H. FOWLES: In five years the instalments are to be increased. The redemption rate, I understand, is doubled after five years. That means that the Government practically say, "We do not care what happens to Queensland so far as interest is concerned in five years." But the point to be remembered is that any loan which includes redemption and interest suffers in two ways. First of all, the State never gets the full amount of the loan, and the amount has always to be lessened every quarter, until in twenty years it has altogether vanished.

HON. G. PAGE-HANIFY: It is a pity that finance is not always conducted like that.

HON. E. W. H. FOWLES: If it were, new States could never be founded. We may well sympathise with the Government in their attempts to get money. They have exhausted local loans. They have tried to get money in Sydney, but were warned off. They are running Golden Casket stunts. They have used the deposits of the Government Savings Bank. They have exhausted the London market. They have gone to every possible source for money, and, having exhausted all those sources, they go across the Atlantic and pick up these 12,000,000 dollars at a ruinous rate from New York financiers.

HON. J. F. DONOVAN: The Governor of the Commonwealth Bank does not say that.

HON. E. W. H. FOWLES: I mean the whole terms of the loan. The hon. gentleman knows very well that the loan is floated at a discount, and that we pay heavy flotation expenses. No one can tell what the rate of interest will be. We know that it will be a heavy one for some time, also we know that it is a straight-out dollar basis, and when the loan comes to be repaid in New York, it will have to be paid in dollars, and will hit us as a boomerang. The worst part is the small amount of it that the State will get. It is on a rate higher than that on which debentures could be floated in Queensland, and it is higher also than the rate at which the Commonwealth would lead the money. I just wish to point out that it is yet too early to shout "Hooray" with regard to the loan.

HON. W. J. DUNSTAN: Condemn the thing first and say wait afterwards.

HON. E. W. H. FOWLES: We are awaiting further information. We want to know what the flotation expenses of the loan were—whether we have burnt our fingers at the start of the bonfire. At all events, it is pretty clear that the annual interest on the total loans now borrowed by this State—and I do not refer to any Federal loans, only the Queensland loans—will be no less than £3,500,000 a year. That will have to be found from the pockets of the workers of Queensland, and more than a quarter of our present income will go in interest. That is the position of Queensland at the present time. Out of a revenue of a little over £12,000,000, £3,500,000 will be going in interest. That is to say, that for every £1 subscribed by the people of Queensland for the maintenance of government in our State, 5s. immediately goes in the interest bill. Now we come to paragraph (d), which is a short

Hon. E. W. H. Fowles.]

one, but one of great importance. That refers to the amount of interest that has been piled up on our annual interest bill as a result of the costly State enterprises. I will now give some of the losses on State enterprises—including, of course, the railways. The loss on the railways during the past year amounted to £1,739,475. Look at the Auditor-General's report. To take them in their order, on page 29 we find there is a loss of £41,532 on account even of group settlements. That is to say, that soldier settlements cannot be run except at a loss. We find that the Royal Commission on Public Works, which considered a large number of railways, and was a costly luxury—in fact, it was quite an unnecessary Commission, because nobody seems to know what it did except to present voluminous and costly reports that cost £11,407. I am only quoting the smaller things so that we may see that right through the whole of their financial gamble the Government has failed. The Premier's visit to England cost £4,043, and the McCawley case cost £4,508. On the Hamilton cold stores—and nothing seems to be done there—the expenditure at present, without a return of one penny income up to the present, the loss has been £107,749. The "Bar-*ca-mul*" trawler has cost £13,792, and it is out of commission at the present time. The "Douglas Mawson" cost £19,645, and the loss on working of that State enterprise up to 30th June, 1921, was no less than £10,656, and the vessel went out of commission during September of this year. On that little vessel £29,000 was actually frittered away, and now the Government is trying to sell it to New South Wales. Fancy, a total of £29,000 on that item alone; and there are scores of such items. Even in such a good scheme as the Inkerman irrigation scheme what do we find? We find that splendid scheme has been bungled in some way. The total cost of the complete work was supposed to be £142,000. That was the estimate given on 20th June, 1916, under war conditions. Now the estimate is £392,361. That is to say, it has leapt up a quarter of a million. Surely the Government have some experts to guide them in this matter. Page 53 of the Auditor-General's report includes a lime pulveriser for Rockhampton, and the loss on that was £2,678. I mention these items to show that on everything the Government touches it plunges into an everlasting muddle. I will now deal with the Department of Mines. We find that frequently in this Chamber the Minister for Mines has lauded the arsenic proposition of the present Government. Now the facts come out. On the State arsenic mine at Jibbinbar—page 66 of the Auditor-General's report—there is a net debit balance to the Treasury of £46,802, on which no interest has been charged. The cost of the arsenic is £49 1s. 8d. per ton, and it sold 106 tons at £23 per ton. He was glad to see the Secretary for Mines had returned to the Chamber. On page 66 of the Auditor-General's report I was referring to the amount of £46,802 due on account of State arsenic at Jibbinbar on which no interest has been charged to the Treasury.

THE SECRETARY FOR MINES: That is not the loss.

HON. E. W. H. FOWLES: The loss in one year, last year, was no less than—

THE SECRETARY FOR MINES: £4,000.

HON. E. W. H. FOWLES: The actual amount is £4,797. That is the working loss.

[Hon. E. W. H. Fowles.]

THE SECRETARY FOR MINES: Had we sold the arsenic at the market price, there would have been a profit.

HON. A. G. C. HAWTHORN: But you did not.

THE SECRETARY FOR MINES: No, because we wanted to give prickly-pear clearers cheap arsenic.

HON. E. W. H. FOWLES: There is the plain cold fact that the arsenic mine costs the Treasurer £46,000.

THE SECRETARY FOR MINES: I will have an opportunity to reply next week.

HON. E. W. H. FOWLES: Who is going to pay for that? This comes out of the Loan Fund for trust moneys, and the workers have to pay the interest on that amount. That is what we are objecting to. This much lauded proposition, the State arsenic mine, is spending all the taxpayers' money, the loss in one year being close on £5,000. I come now to the Bowen State coal mine. That was supposed to be a paying proposition.

THE SECRETARY FOR MINES: There is no railway there.

HON. E. W. H. FOWLES: The hon. gentleman is making excuses for failures before I have even stated the case. The annual interest bill which has been fastened on the people of Queensland by costly State enterprises amounts to no less than £2,118,000 a year at the present time. That is practically a super-tax of £12 a year on the average family in the State. In referring to the losses on State enterprises, I have mentioned Hamilton cold stores, "Douglas Mawson," Inkerman irrigation scheme, and a few others. I have already dealt with one or two sub-departments of the Mines Department, including the loss on the arsenic proposition, the present indebtedness of the Treasury of £41,000 for the Bowen State mines, the loss of £13,398 on the Baralaba State mines; that is the total indebtedness of the Treasury, and that, of course, is still being worked at a loss. In regard to that, the Auditor-General, on page 68, says—

"Work was commenced in March, 1919, on shaft No. 1, but the coal there proved unsatisfactory, consequently the shaft was abandoned. The total cost of these operations, £3,756 2s. 9d., is, therefore, a loss, and is being written off over a period of twenty years."

The cost of production of that mine is stated to be 17s. 10d. per ton, and the sale price of the coal is 14s. 9d. per ton. Therefore, the State was losing 3s. 1d. per ton on the coal that was raised.

THE SECRETARY FOR MINES: That included developmental work.

HON. E. W. H. FOWLES: I am only going by the Auditor-General's report, and I would ask hon. gentlemen to accept the deliberate figures of the Auditor-General in regard to that matter. With regard to the Styx River State mine, the Treasury overdraft is no less than £7,699. The expenditure on that mine has been charged to the Loan Fund, but no interest has been charged thereon. With regard to some of the propositions in the North of Queensland, it is remarkable that in almost every case there is an annual working loss, and also it is remarkable that the enterprises right up to the present time have represented a big drain upon the Treasury. The amounts in each case only run

to a few thousands, but the aggregate represents a fairly large sum. The net cost, for instance, of the Venus battery is £3,259, excess of expenditure. The Bamford battery cost £13,285, and the Kidston battery £4,362. In regard to the Kidston battery, the Auditor-General's report says—

“Construction work is nearing completion.”

What I am pointing out is that the nearer every one of these State enterprises gets to completion, the bigger the drag it seems to be upon the Treasury, and not only is there an accumulated capital expenditure on it, but there are the accumulated arrears of interest and the annual loss. On page 70 of the report we meet our old friend the Roma bore. The expenditure on that to date is no less than £29,951. That is paid by the unfortunate workers of Queensland, and oil is no nearer to-day than it was when the bore was started. I understand that the Secretary for Mines very wisely has decided to give up the idea, and that boring operations have been discontinued.

The SECRETARY FOR MINES: You are wrong. We are boring just above the obstruction. In Great Britain in searching for oil they put down eleven bores, and only got one little drop of oil.

HON. E. W. H. FOWLES: I think the better plan would be to offer a decent reward and a small royalty.

The SECRETARY FOR MINES: There is a Commonwealth reward offered of £50,000.

HON. E. W. H. FOWLES: That is a Commonwealth matter. The State are doing very little in regard to it, and possibly if a fine stream of oil was discovered the State would commandeer it. No private individual is going to spend £10,000 or £15,000 in boring for oil if he knows immediately he gets it his reward ceases. He will probably get his expenses paid up to date, and a small solatium, and that is the end of it. The terms should be made so attractive that private companies or individuals would have a try at it. With regard to the State iron and steel works, it is quite admitted that those are in their infancy, but even in regard to that, they are fairly healthy infants, and are eating up the public money. Not a single result has come yet from the expenditure of money on the proposed State iron and steel works. The expenses are going on. Up to the 30th June the expenditure in one part was £16,000. Thirty-four per cent. of that was in salaries, and, in addition to that, debentures have been issued for the Yampi Sound iron ore deposit to the extent of £30,000. That is a small island in Western Australia, and Queensland has a lease of that island for twenty-one years, with a right of renewal for a further term of twenty-one years. There is another £30,000 lying out producing nothing. Add that to the £16,000, and you have up to the present time probably £50,000 doing nothing, on which the taxpayers are paying interest. The reply to that, of course, will be that you must lay out a tremendous lot of money on any enterprise before you begin to get any return. But the point is this: The nearer they get to completion in every case the worse they appear. How long is Roma oil bore going on before we get any return? In every case the further they go the worse they get. Just four lines with regard to the Warra State coal mine—

“During the year sales of plant realised £7,041 0s. 10d., making a total of

£8,166 9s. 7d. since 1st July, 1919, which has been credited to Consolidated Revenue Fund as an offset against the amount of £47,453 charged thereto as at 30th June, 1919.”

So that that costly experiment up there has resulted in a net loss of £40,000. That is the end of the chapter with regard to that mine. We write “finis” on it. That is a bad debt. Who pays for it? The money that we have to borrow from our American neighbours goes in these wild-cat schemes in our own State. No one would object if we were getting a decent return in interest on the money so that we could pay the interest we have to send oversea on our loan. In hardly a single instance are there any gleams of brightness about the undertakings that have been entered upon by the Government. I would also draw attention to the very first paragraph in the report, which refers to a paragraph in the 1920 report. In the 1920 report the Auditor-General specifically had to refer to the keeping of accounts in the Mines Department, and he said—

“The inspector's report for the year shows that there is room for improvement in the method of keeping accounts. The Minister proposes to take immediate action to remove the present unsatisfactory state of affairs.”

That is fifteen months ago. In the present report the very first paragraph says—

“The failure of the department, however, to keep closely in touch with the position of the various loans granted

(a) In aid of deep sinking and prospecting;

(b) As advances under the Mining Machinery Advances Act of 1906—cannot be regarded as satisfactory.”

That is in the Minister's own department. We find that enterprise after enterprise has not been charged interest on the capital invested. I do not blame the Minister personally, but here is the record in the Auditor-General's own words, that practically the bookkeeping of the [7.30 p.m.] Mines Department is unsatisfactory. I know that other departments are attacked in almost similar words. The Minister can explain or refute the criticisms of the Auditor-General. Yampi Sound has cost £35,380. First of all, the Government had to pay £3,000 for an option on Cockatoo Island iron deposits. According to the Auditor-General's report, page 71, debentures to the value of £30,000 have been issued; but an additional £5,380 must be added to that amount.

HON. P. J. LEAHY: Was that included in the purchase?

HON. E. W. H. FOWLES: No. It says, “In addition to this expenditure.”

HON. T. L. JONES: That is part of the bargain.

The SECRETARY FOR MINES: That is part of the purchasing price, which was £33,000.

HON. E. W. H. FOWLES: The option is £3,000, and is paid for in cash, and probably £30,000 in debentures. Then we have the expenses of Messrs. Brophy, Cullen, and Jackson—probably, Mr. Jackson, of the Mines Department, Mr. Cullen, of the Harbour and Rivers Department, and Mr.

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Brophy, of the State iron and steel works scheme—£2,048.

THE SECRETARY FOR MINES: There was also the expense of a boring plant and a diamond drill.

HON. E. W. H. FOWLES: The statement is on page 71 of the Auditor-General's report, I suppose it was furnished by the Mines Department. I only point out that another £35,000 was lying idle; but it is not idle so far as interest is concerned; that goes on night and day, holidays and wet days as well.

HON. W. J. RIORDAN: Do you believe in repudiation?

HON. E. W. H. FOWLES: No, nor any party associated with it. I am saying that the money could be put to better use.

HON. W. J. DUNSTAN: Broken Hill Proprietary are very sore that the Government got the deal.

HON. E. W. H. FOWLES: Paragraph (d) deals with the interest bill of £2,118,000, which has been inflicted upon the taxpayers on account of these costly State enterprises, so that really the workers of this country are taxed right from the cradle to the grave. There is not one moment of their breathing existence that they are not taxed and super-taxed. This Government has put up taxes 138 per cent., while the population has increased by only 10 per cent.

HON. W. J. RIORDAN: Do you not believe in taxation?

HON. E. W. H. FOWLES: Not in super-taxation. You can bleed people white, and Australia is going white because she is being bled white. With regard to railways, I propose to say nothing about the next paragraph. The railways are really a colossal sink for the taxpayers' money. I would like to point out two small facts in connection with the Commissioner's report. The newspapers, commenting on the Auditor-General's figures, show that he makes out that railways earned only 9s. 9d. per cent. as against the 10s. 7½d. claimed by the Commissioner. As a matter of fact, both are right. The Auditor-General's figures cover the whole of the expenditure, but the Commissioner's are based on the lines opened for traffic. There is a difference of about £3,000,000 represented by lines under construction. The Commissioner claims that he ought to be charged interest only on working lines, but the Auditor-General says, "No, I do not accept that; all the money that has gone into railways, whether open to traffic or not, has to pay interest." Hon. gentlemen can take what view they like. On page 16 of the Commissioner for Railways' report is a list of the sections in Queensland that are earning money. There are eighty-eight sections of railways in Queensland, and only three of them pay their way. We may just as well immortalise those three. The first is Northgate to Gympie, which carries timber, butter, and fruit; the next is Stewart's Creek to Carstairs, and the third is Mourilyan Tramway. Seventy-two sections neither pay working expenses nor interest on capital.

HON. R. SUMNER: What about the Canadian-Pacific Railway?

HON. E. W. H. FOWLES: I do not propose to give any comparisons, although comparisons have been made between our railways and those of South Africa and of

England, and Mars' canals, and the moon and elsewhere. Our railways paid 4 per cent. six years ago, and now they are just paying ½ per cent.

HON. W. J. RIORDAN: Will you suggest an increase in fares and freights?

HON. E. W. H. FOWLES: The people know very well what is the matter with the railways. They can see a railway station as well as they can see whisky accounts and a railway suspense account.

THE PRESIDING CHAIRMAN: Order!

HON. W. J. RIORDAN: You have not answered my question yet.

HON. E. W. H. FOWLES: I do not propose to answer it. It is not usual to prescribe until the doctor is called in. Then we come to the debentures scheme of this Government. In a time of alarming financial magic, these debenture schemes are one to which the Government should give particular attention. This Government has issued a very large amount of debentures on certain terms. Some of them are not negotiable for five years, but the interest is payable at the end of that period, and when the debentures tumble in, what will be the result? Depreciation of the credit of the Government. This Government pays in debentures instead of purchase money. That is another way of pay by IOU's. This Government will have a history of IOU's behind it. Debentures have an unhappy knack of coming back and wanting to be paid; they are boomerangs. This Government has staved off the evil day as long as possible, but they will have to face it sometime. I do not suppose the Governor of the Commonwealth Bank will allow us to repudiate either loans or interest, because that would damage Australia's credit generally, and he would probably go a good way to help to finance the State. But there seems to be coming a time when he will have to stop, and we will have to depend on ourselves, and not on the good graces of the Governor of the Commonwealth Bank. But we must get his help materially as loans mature. I call hon. gentlemen's attention to two facts as regards these loans. The first is that £29,000,000 will have to be found before the end of 1926 to provide for interest and conversions.

On page 23 of the Auditor-General's report we find the exact list of these loans; but hon. gentlemen will see that the majority of them are at 4½ per cent. Some of them run as low as 3½ per cent., only one small loan of £20,000 is at 6 per cent., and there is one at 5½ per cent. But all the others are at over 4½ per cent. or less than 4½ per cent.

HON. A. G. C. HAWTHORN: Do you think they will get that rate, then?

HON. E. W. H. FOWLES: It is a question what will be Queensland's plight when the time for conversion comes along. A total of £27,000,000 of that, to be quite correct, is at 4½ or less per cent.; that is to say, that £27,000,000 has to be converted. There is no hon. gentleman so optimistic as to think he is going to get money at 4½ per cent. If you look around the world to-day you will probably be lucky to get it at 6 per cent. The experience of the present loan is £7 7s. per cent. Other States are paying 7½.

HON. A. SKIRVING: What do the Commonwealth authorities say—probably under 6 per cent.

[*Hon. E. W. H. Fowles.*]

HON. E. W. H. FOWLES: Probably.

HON. A. SKIRVING: Their probably is better than your certainty.

HON. E. W. H. FOWLES: I am only giving the nominal rate at 7 per cent., and when you add to that flotation expenses, discount, conversion charges, brokerage exchange, they will not make the 7 per cent. less.

HON. T. L. JONES: The exchange is in our favour.

HON. E. W. H. FOWLES: It is in our favour for the moment, but we have to pay back 100,000 dollars every quarter for five years. We begin to pay back at the start, which means that we will not have the full use of the money. Every page of the Auditor-General's report is a storehouse of ammunition. As a matter of fact, at what rate per cent. would hon. gentlemen have to pay if they went on the market to-day, or when loans are maturing?

HON. W. J. DUNSTAN: That is not the fault of this Government.

HON. E. W. H. FOWLES: I am pointing out that these loans are maturing.

HON. H. G. MCPHAIL: Why blame the Government?

HON. E. W. H. FOWLES: They are depreciating our credit on foreign exchanges and making no provision for it. The hon. gentleman knows that this money is all owing in London. Will the hon. gentleman say at what rate of interest they will get that £27,000,000?

HON. T. L. JONES: At probably 5 per cent.

HON. E. W. H. FOWLES: If he gets it at 9 per cent. he will be very fortunate. If you can get that money at 5 per cent., why pay 7 per cent. at the present time?

HON. A. SKIRVING: For the sake of discrediting this Government you only hope that we shall pay 7 or 8 per cent.

HON. E. W. H. FOWLES: I hope we shall not burn our fingers for more than 6½ per cent. As a matter of fact, on a conservative estimate it is found that, if these loans have to be renewed in England, then our total interest bill will be close on £5,000,000 per year from this date. If they have to be renewed in New York, heaven help us. Hon. gentlemen can see at once what would happen if these loans have to be renewed in New York. When money is dear the policy should be to borrow as little money as possible. Paragraph 8 deals with the fact that this Government handled huge amounts in the last year. They had £12,601,000; a loan expenditure of £4,251,000 and a Trust Fund expenditure of £4,644,000; and in spite of the fact that they handled such a large sum of money, we find that this Government are giving public doles to the extent of £30,000 in the two months of July and August of this year, and a total of £123,000 for the year ended 30th June, 1921.

HON. G. PAGE-HANIFY: How much money is Great Britain giving away in the same way?

HON. E. W. H. FOWLES: Yes; but this is after control of six years by a Labour Government. They can do anything they like in another place or in this place; they can spend any amount on propaganda. Members of that Government are going about the

country saying what a glorious land Queensland is.

HON. W. J. RIORDAN: So it is.

HON. E. W. H. FOWLES: They talk about the potentialities—

HON. W. J. DUNSTAN: You admit it is a great country when the united graziers can pay one man £3,500 per year?

HON. E. W. H. FOWLES: It would be a still greater country if every man was in employment, if there were no Mount Morgan strikes, if the meatworks were not closed down at Port Darwin and Townsville, and if, also, the Government had not to dole out £123,000 per year for relief purposes. It would be a still greater country if we paid our way instead of having to borrow from our Yankee cousins. It would be a still greater country if no men were out of work. Ask the builders and bricklayers of Brisbane if they are satisfied with the present Government. Ask them if £450,000 worth of building is hung up in the metropolis at the present time. Ask the meatworks employees who are out of work whether they are satisfied with the present Government. Are the Mount Morgan employees satisfied?

HON. W. J. DUNSTAN: Absolutely.

HON. E. W. H. FOWLES: If the hon. gentleman is satisfied I accept his statement.

HON. T. L. JONES: You spoil your address by misstatements.

HON. E. W. H. FOWLES: Are the Mount Morgan employees all satisfied?

HON. W. J. DUNSTAN: Yes.

HON. T. L. JONES: Is the Government responsible for the closing down of the meatworks?

HON. E. W. H. FOWLES: The Government is governing the country.

HON. T. L. JONES: But they do not govern the price of meat in the old country.

HON. E. W. H. FOWLES: Are the retrenched citizens of Queensland to-day satisfied with the Government? Are the mothers and fathers in Queensland who cannot get their boys and girls any work on account of the tyrannous awards satisfied? Are the people who are out of work because awards are lopsided satisfied? Hon. gentlemen can stuff their ears and still hear what is going on round about.

HON. R. J. CARROLL: Are you attacking the Arbitration Court?

HON. E. W. H. FOWLES: I am stating facts. The Arbitration Court has made previous mistakes. It is a split-the-difference court. So long as the Arbitration Court splits the difference and soars up wages to the sky it is all right. A child in the State school can do that kind of thing; but when it comes to solving an economic problem the Arbitration Court puts a towel round its head and goes out. Take our own returned soldiers: are they satisfied? Are they getting a fair deal from the Government?

HON. W. J. DUNSTAN: Are they getting it from the Commonwealth?

HON. E. W. H. FOWLES: That is your only argument—that the Commonwealth is not quite perfect. I am satisfied that returned soldiers are not getting [8 p.m.] a fair deal from the present Government. We now come to the paragraph which deals with the trans-

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fer of certain funds in the Government Savings Bank to the Commonwealth. That is not a pleasant transaction, and one would think that the Labour party, which has been endeavouring for many years to get hold of the control of money, would have been the last to barter away or forfeit the nucleus of a very strong State bank. One would have thought that they would have considered very long before they did such a suicidal thing as that. What happened? Millions of pounds were taken out of that—I do not say surreptitiously—but they were taken out without them appearing in the Auditor-General's report; and this year what do we find? Suddenly the public debt leaps up from £69,000,000 to £80,000,000. On page 65 of "Hansard" hon. gentlemen will see certain facts which are of interest, and it was forecast then that the public debt on the 30th June this year would be about £80,000,000, and it has turned out to be £80,000,000, and at that time I said the Government Savings Bank deposits were being used by the Government without parliamentary sanction—without the knowledge of Parliament—and that they would have to be disclosed some day, that it would come to light what was being done with those funds; and at last in the agreement which I have here, made on the 1st April, 1920, we find out that the money had been taken away from the Government Savings Bank, and now the empty bank has been handed over for greater security to the Commonwealth. We have lost a big national asset, and we have to pay additional interest every year on the transfer of these IOUs.

I understand hon. gentlemen want to come to the Loan Bill, and, although this is a most important subject for the consideration of hon. members, I do not wish to stand in the way, and if the Minister will allow what few remarks I have to make to be continued next Wednesday I will now stop.

The SECRETARY FOR MINES: I have no objection.

HON. E. W. H. FOWLES: I will stop now on that understanding.

The SECRETARY FOR MINES: I beg to move—That the debate be now adjourned.

HON. E. W. H. FOWLES: It is understood that I will be allowed to continue my remarks on Wednesday next?

The SECRETARY FOR MINES: That is the understanding.

Question put and passed.

The resumption of the debate was made an Order of the Day for Wednesday next.

SUSPENSION OF STANDING RULES AND ORDERS.

GOVERNMENT LOAN BILL.

The SECRETARY FOR MINES: I beg to move—

"That so much of the Standing Rules and Orders be suspended as would otherwise prevent the passing of a Bill through all its stages in one day."

HON. A. J. THYNNE: It is usual on a motion of this kind for the Minister to inform the Council as to what measures the motion is likely to apply to.

The SECRETARY FOR MINES: As I stated yesterday, it will apply to the Government Loan Bill.

Question put and passed.

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APPROPRIATION BILL, No. 2.

The SECRETARY FOR MINES: I ask the leave of the Council to move, without notice, a motion to suspend the Standing Rules and Orders to allow of an Appropriation Bill being put through all its stages in one day.

The PRESIDING CHAIRMAN: Is it the pleasure of the Council that the hon. gentleman be allowed to move a motion without notice?

HON. A. G. C. HAWTHORN: When are you bringing that Bill in?

The SECRETARY FOR MINES: To-morrow.

The PRESIDING CHAIRMAN: Is it the pleasure of the Council that the hon. gentleman be allowed to move this motion without notice?

HON. E. W. H. FOWLES: May I ask what the Appropriation Bill refers to?

The SECRETARY FOR MINES: It is the usual Appropriation Bill.

HON. E. W. H. FOWLES: What term does it cover?

The SECRETARY FOR MINES: It is to cover Supply until the end of November. I move—

"That so much of the Standing Rules and Orders be suspended as would otherwise prevent the passing of Appropriation Bill No. 2 through all its stages in one day."

Question put and passed.

SITTING DAYS.

The SECRETARY FOR MINES moved—

"That, unless otherwise ordered, the Council will meet for the despatch of business at 4.30 o'clock p.m. on Friday in each week in addition to the days already provided for by Sessional Order, and that Government business do take precedence of all other business on that day."

I do not anticipate that it will be necessary to sit on Friday, but I am moving the motion in case it is necessary towards the close of the session to sit on Fridays. It is usual to move a motion similar to this about this period of the session. I do not anticipate that the business of the Council will be exceptionally heavy, and, if possible, we will not sit on Friday, but I would like to have the motion carried.

HON. A. G. C. HAWTHORN: This is a motion that is usually brought on right towards the end of the session. Are we to take it from the Minister that the session is very nearly at an end?

The SECRETARY FOR MINES: Oh, no!

HON. A. G. C. HAWTHORN: When does the hon. gentleman anticipate that the session will end? There seems to be an anxiety on the part of the Government to rush into recess in order to get out of the danger of an awful complication. Can the hon. gentleman tell us when he anticipates the session will close?

The SECRETARY FOR MINES: The hon. gentleman knows that the business of this Council is largely controlled by the Assembly, and, in order to facilitate business, gentlemen opposite only last week mentioned

the necessity of initiating legislation in this Chamber.

HON. A. G. C. HAWTHORN: Are you going to do so?

The SECRETARY FOR MINES: I intend to introduce a Bill to-day, and intend to introduce at least three Bills in this Chamber. I cannot say when the session will end, but certainly not until the programme of Government business is completed.

Question put and passed.

LEGISLATIVE ASSEMBLY ACT — AMENDMENT BILL.

FIRST READING.

The SECRETARY FOR MINES presented a Bill to make provision for the re-election without poll of members of the Legislative Assembly who resign in order to seek election to the Parliament of the Commonwealth and are nominated for such re-election, and moved—

“That the Bill be read a first time.”

Question put and passed.

The second reading was made an Order of the Day for to-morrow.

[8.15 p.m.]

GOVERNMENT LOAN BILL.

FIRST READING.

On the motion of the SECRETARY FOR MINES, this Bill, received by message from the Assembly, was read a first time.

SECOND READING.

The SECRETARY FOR MINES: This is a Bill to authorise the raising of a loan for the public service of this State and for other purposes. I intend to be very brief in moving the second reading of this Bill—firstly, for the reason that we have carried a motion to pass it through all its stages in one day, and secondly, I think it has been sufficiently debated in another place.

HON. P. J. LEAHY: That is not enough for us.

The SECRETARY FOR MINES: And it has been very fully discussed in the Press.

HON. P. J. LEAHY: What are we here for?

The SECRETARY FOR MINES: Hon. members have had this Bill for some time in the House, and they have very carefully studied its provisions and the effect its passing will have on the State. It is the usual Loan Bill, and the amount authorised by the Loan Act of 1918 has been expended. To the 30th June there was disbursed a further sum of £561,165 under the authority of annual loan appropriations, in anticipation of the passing of the Loan Act. This latter amount is being expended in the following way—railways, £276,947; buildings, £93,123; loans to local bodies, £106,516; conservation of water, irrigation, etc., £26,528; Chillagoe smelters and works, £6,299; industrial undertakings, £29,226; forestry, £16,137; main roads, £1,662; cashing war gratuity bonds, £4,727.

This Bill provides for Sinking Funds, and in this respect it differs probably from the Loan Bill passed in 1918. It makes provision to allow, if necessary, a greater sum to be set aside as a Sinking Fund than the usual 10s. per cent. per annum. This Bill authorises the

raising of a total amount of £9,185,915. As hon. gentlemen observe, in clause 3 it provides for the retirement of Treasury bills issued under the Treasury Bills Act, 1911, amounting to £1,124,750; and expenditure on public works and services which may hereafter be approved by Parliament to be defrayed out of moneys standing to the credit of the Loan Fund Account, amounting to £7,500,000. I shall be pleased to give hon. members any information in the Committee stage of the Bill.

I would like to say that the Premier in another place yesterday made a comprehensive statement regarding the loan just raised in America. This has been published very fully in the Press, so that it is not necessary to refer to the matter at length. Hon. gentlemen on both sides of the House must admit, even those who disagree with the Government's policy, that this transaction is a very favourable one for the State.

HON. P. J. LEAHY: That remains to be seen.

The SECRETARY FOR MINES: I think if the hon. gentleman had read the statement made by the Premier he would be satisfied that, considering all the conditions, it is a very favourable loan. I do not intend to further discuss the Bill at this stage.

HON. E. W. H. FOWLES: Is the New York loan part of this Bill?

The SECRETARY FOR MINES: No; it would be quite necessary to pass this Bill even if the loan had not been successfully floated. I beg to move—

“That the Bill be now read a second time.”

HON. A. G. C. HAWTHORN: I am not surprised at the sparse amount of information given by the Minister. We are used to that. Nevertheless, we are not in a position to alter it at present, but I hope the day is not far distant when that will come to pass.

The SECRETARY FOR MINES: You made that statement yesterday. I have made speeches on second reading of Bills in this House of an hour, and an hour and a-half.

HON. A. G. C. HAWTHORN: I repeat the statement. The Minister does not take the trouble to bring the proper information to this House, but shelters himself behind what has been said in the House of Assembly and in the Press.

The SECRETARY FOR MINES: Why do I need to repeat the Premier's statement?

HON. A. G. C. HAWTHORN: It is your business as leader of this House to lay before it full details of everything you want it to pass. We are part of the Constitution of Queensland, although the hon. gentleman and his followers have threatened to wipe us out. The most important part of the Bill is that of the New York loan, but the Minister satisfies himself by saying that if we heard the Premier we would look upon it as a very favourable transaction. I am not at all satisfied that the loan will be favourable on the information given by the Premier, or the statement of the Governor of the Commonwealth Bank. I do not look upon him as absolutely infallible. The Commonwealth Bank Governor has done his best for Australia and the State. He will have the handling of all the loan, and the benefit of all the money which will pass through his hands. I wish to read from statements that

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appeared in the "Telegraph" in yesterday's issue of that paper, which read—

"£250 FOR EVERY £100.

"QUEENSLAND'S COSTLY LOAN.

"£7 7s. 4d. per cent.

"London, 10th October.

"American advices received in London state that the Queensland loan was issued at a minimum of 99 dollars, less 1½ per cent. brokerage. The loan works out at £7 7s. 4d. per cent."

That is very different from the statement regarding 6 per cent.

"The loan is repayable in twenty equal annual instalments. The repayments after the first five years must be at the rate of 102½ per cent.

"A high financial authority points out that so far from making exchange stable, it will have the opposite effect, because, calculating discount, interest, brokerage, and other charges, besides annual repayments at a premium, Queensland will return £250 for every £100 received."

THE SECRETARY FOR MINES: That is only newspaper criticism.

HON. A. G. C. HAWTHORN: The report continues—

"The 'Morning Post' says it is surprising that Queensland's borrowing should be denied officially, when the issuers are actually offering bonds for subscription. Equally curious is the claim that the loan was issued on the dollar basis in order to obtain advantage on the exchange. As the Government will convert the loan into pounds sterling, the loan will cost the borrowers 7½ per cent., and must be paid in dollars whatever their price. The only possible advantage will be derived from the recovery of the American exchange, which will reduce the annual interest and lessen the cost of repayment equally as exchange may fall. No British colony has yet paid 7 per cent. for a loan in Britain. Meanwhile, the firmness of the American exchange is a disadvantage to Queensland as regards meeting London liabilities."

The Government always denies things at first, but they come to pass immediately afterwards.

Then we have another article in the "Telegraph" reading—

"QUEENSLAND DEFENDED.

"STANDS TO GAIN ENORMOUSLY.

"Banker Interviewed.

"Victorian Negotiations.

"London, 11th October.

"A representative of the Australian Press Association to-day interviewed Mr. L. P. Sheldon, the London representative of the Blair Company, of New York, bankers, who are reported to be negotiating with Victoria with reference to the floating of a loan in New York on similar terms to Queensland. Mr. Sheldon refused to discuss the Victorian proposition. He refused even to admit that he made such a proposition, but he warmly defended Queensland's action, although it was not related to his firm. He pointed out that the National City Company was an eminent institution, with a branch in London and world-wide connections. He expressed the opinion

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that Queensland's recourse to New York would have better results than was possible under the terms of the New South Wales loan. He denied that Queensland was gambling upon the future appreciation of exchange, unless the pound sterling further permanently depreciated, which the British authorities regarded as impossible.

"On the other hand, if the pound sterling appreciated, Queensland would gain enormously when the periods of repayments were reached.

"Mr. Sheldon explained that the annual repayments by Queensland were in two periods, five and fifteen years respectively, during the currency of the loan, as follows: During the first five years, Queensland must provide annually 400,000 dollars sinking fund for the repurchase and retirement of Queensland bonds at or below par. During the second period of fifteen years, Queensland must provide a sinking fund estimated at 600,000 dollars annually, for the repurchase and retirement of one-fifteenth of their outstanding indebtedness at or under 102½. If the market price of bonds exceeds par during the first five years or exceeds 2½ per cent premium during the subsequent fifteen years, repurchase is not obligatory.

"Mr. Sheldon points out that there was a similar provision in the recent French loan of 100,000,000 dollars at 7½ per cent. negotiated through the J. P. Morgan Company, under which a sinking fund of 9,000,000 dollars annually was obligatory.

"It is understood that Victoria is not progressing with the American negotiations, the principal obstacle being the annual repayments which are not only unprecedented in British loans, but are regarded as unduly onerous."

These two reports certainly do not put the loan in a favourable light. We stand to lose a very great deal, and the whole thing is a gamble. I suppose, however, the [8.30 p.m.] Government do not care, so long as they get the money; and when they get it they will spend it. And it has come to that—that they are so hard up that they are prepared to pay any amount to get a loan.

THE SECRETARY FOR MINES: This loan will pan out well under 6 per cent.

HON. A. G. C. HAWTHORN: The whole thing is a gamble, and it is impossible to know what it will pan out at.

THE SECRETARY FOR MINES: We have an equally good authority to quote.

HON. W. J. DUNSTAN: Sir Denison Miller.

HON. A. G. C. HAWTHORN: You do not know what the depreciation in exchange will be. It is a gamble pure and simple.

THE SECRETARY FOR MINES: That applies to any loan.

HON. A. G. C. HAWTHORN: It does not. If you get a British loan, you know you are going to pay, say, 6½ per cent., and pay it in so many years, and renew it, instead of having to pay it in instalments as you will in the case of the American loan.

HON. W. J. RIORDAN: Your people prevented us from getting money in London.

HON. A. G. C. HAWTHORN: Your own Government prevented it by its extravagance

and repudiation—repudiation, not once, but many times; also threats by the Premier even to the extent of stopping the interest going out on moneys invested here. Was not that sufficient to destroy Queensland's credit? You have not got the credit in London of a South American State. I say this—that the loan is not as favourable as the hon. gentleman tries to make out. There are onerous conditions right through the piece. We have got to meet a certain amount of redemption and interest every year, and we have got, above all, to put by a Sinking Fund.

HON. W. J. DUNSTAN: Don't you approve of sinking funds?

HON. A. G. C. HAWTHORN: I do; but I am surprised to see the Government agreeing to a Sinking Fund, seeing that three or four years ago it entirely wiped out its Sinking Fund. The hon. the Minister has given us what has been spent to make up the £561,165, but he does not attempt to give us what the £7,500,000 represents.

THE SECRETARY FOR MINES: That is not necessary.

HON. A. G. C. HAWTHORN: I think it is the duty of the Minister to give us some idea for what purpose the money is to be spent. I have never seen a Loan Bill of this size—just on £10,000,000—without a schedule at the end showing on what the money is going to be spent. I think it is only reasonable that the taxpayers should be acquainted with the particulars. The Government can spend that money on any lines it likes, because it says here, "To include such additional sums as may be necessary in order actually to produce to the Treasury the said sum after providing for all costs, charges, and expenses connected with the raising thereof or with the redemption, retirement, or renewal of the Government stock or inscribed stock issued or created in respect thereof; and for that purpose Government stock or inscribed stock in excess of the sum hereby authorised to be raised may be issued or created accordingly. For the purpose of raising the whole or any part of such sum, the Governor in Council may cause Government stock or inscribed stock to be issued or created and sold; and all Government stock or inscribed stock so issued or created and sold shall be secured upon the consolidated revenue of the State." Clause 3 says, "£7,500,000 for expenditure upon public works and services which may hereafter be approved by Parliament to be defrayed out of moneys standing to the credit of the Loan Fund Account."

HON. G. PAGE-HANIFY: What more do you want, "subject to the approval of Parliament."

HON. A. G. C. HAWTHORN: Parliament can spend the money how it likes. There ought to be a schedule at the end showing for what purpose the money is required—for railways or State steel and iron works. There is another weak spot in this, under clause 4, namely, "Shall bear interest at a rate fixed by the Governor in Council according as necessity demands." I think on most loans in the past the minimum has been 6½ per cent., and yet the Government is straight away going to pay over 7 per cent. and will probably run us into a liability of 8 or 8½ per cent. before they have done with the launching of these loans. The Sinking Fund in the past has been 10 per cent. Under this a very much larger Sinking Fund will have

to be raised, and that will be a great liability on the people of Queensland from year to year. The whole Bill, I think, is too vague and indefinite, and I think the Government should have given us more information on it. We find, on looking through the Treasurer's Statement, that he anticipates a deficit of £465,038. The Treasurer did not say how he is going to meet that, and he would like the Minister to give them some information in that regard. Any ordinary Treasurer, when he makes his Budget speech, intimates to the House how he is going to make up any anticipated deficit. It is rather interesting to read a pamphlet that was issued some four or five years ago by Mr. Theodore and Mr. Fihelly and to see how it pans out with respect to the present position. It gives a few simple lessons on a very mysterious subject.

"Finance is a subject that is approached by the uninitiated with awe and reverence. It is enshrouded in darkness and mystery, and none dare try and penetrate the maze unless it be the banker, the big business men, or the politician.

"But finance in the home is different from national finance only in the magnitude of the latter.

"If the breadwinner earns £3 per week and spends £4 per week he is on the way to insolvency.

"If a man borrows £5, pays back £7 to the money-lender in interest, and still owes £3 for the original £5 borrowed, he is a fool. Every man and woman will admit so much."

Thus Messrs. Fihelly and Theodore, five years ago, when they were trying to get into power. It is interesting to work it out on the present basis. What would you say if you found the Government are going to borrow £100 and pay back £250? Would you not say it was a fool? It goes on—

"Some time this year the people of Queensland have to pay back to their creditors a sum of £11,728,800. We can't repay the money, so we must arrange that the loans be renewed. Thus the time is appropriate to inquire into the why and the wherefore of these Liberal loans, and also ascertain the precise blessings of Liberal finance."

Has not the time arrived for Queensland to find out what the Government are going to do in regard to the £3,000,000 falling due next year, and the £25,000,000 due in 1924 and 1925? The Treasurer in his Budget omits all reference to these amounts, and does not give us any information as to how he proposes to meet these maturing loans. It goes on—

"Loans may be very necessary for reproductive works; but is it any wonder that our debt amounts to £52,000,000; that our debt per head of the population is over £80?"

That is six years ago. What is the position at the present time? Instead of owing £52,000,000 of loan money, we are indebted to the amount of £80,382,051, and our debt per head of the population, instead of being £80, is £107, and that under a Labour Government. The pamphlet continues—

"Do you know that a man and wife and family of four owe £490?"

That was looked upon as a crime in those days—

"Do you know that a man who has a

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wife and family of four pays £18 in interest on loans every year, which means 7s. per week? Don't you think the system should be altered?"

How have they altered that? At the present time, instead of paying £18 per head, a man with a family of four pays £26 8s. per head, and, instead of paying 7s. a week, he pays 10s. a week. That is how they have altered it. Instead of bringing it down and making Queensland a better place to live in, they have increased his liability by £8 8s. per annum.

HON. W. J. RIORDAN: We have had a great war since then.

HON. A. G. C. HAWTHORN: The war has not affected the position in any way. We have had bigger revenues than ever we had; but, unfortunately, the expenditure has been increasingly excessive. This pamphlet goes on—

"Just ponder on the awful stupidity of a policy that permits of our receiving about eleven millions of money, paying back in interest sixteen and a-half millions, and still owing just about twelve millions! That is the sort of Liberal finance that caused the great bank smash of '93."

Have their finances improved at all? They have gone on recklessly, and the position is far worse to-day than it was in those days. It continues—

"That is Liberal finance. What do you think about it? Could you conduct your own private affairs on such a ridiculous basis and have any respect left?"

I wonder if they have any respect left after the way they have conducted the business.

"Does a business man take a loan from a banker in the same way? Is it the sort of finance that young Queensland and young Australia stand for?"

"Is not the present an opportune time to wipe out for ever the Liberalism which is responsible for this calamitous condition of things? Mr. Denham's Ministry and their predecessors are the responsible parties. On their Liberal shoulders rests the blame."

What did we find last year? The expenditure last year exceeded the Estimates by £420,589, and this year he proposes to exceed that by £144,000. The railway deficit last year was £1,759,475, and on six years it has gone back £6,500,000. As the Hon. Mr. Fowles has already shown, according to the Auditor-General's report, the railways last year paid 9s. 9d. per cent. This pamphlet also says—

"THE LATEST RETURNS. WHERE WILL IT ALL END?"

"Let us take the figures for June, 1914, to December, 1914, which are the latest available, to see Liberal finance in its true light once more.

"Although revenue increased by £36,000, and the State Government refused increases to public servants, the expenditure out of revenue alone for the six months rose by £160,000 over that of the corresponding period of the previous year."

The revenue last year increased by £1,307,288. They got £419,031 more than they estimated, and yet they could not keep within bounds.

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Expenditure from Trust Funds rose by £100,000, the expenditure from Loan Funds by £117,000. These small items were looked upon as calamitous in those days by the Labour party. Last year, out of Trust Funds they spent £4,849,461, an increase of £1,500,000, and out of loan they spent £4,251,248, and within six years they ran up a debt of over £20,000,000. This pamphlet goes on to say—

"This extra expenditure was not occasioned through the commencement of relief works for the unemployed or through extra expenditure entailed by the war. The State Government has not lifted a hand to reduce unemployment, and no direct charge has fallen on its shoulders through the European crisis. The fact that revenue actually increased shows how favourably the Government was situated, and proves the wasteful habits adopted."

Word for word, that is the position to-day. It shows wasteful habits on the part of the Government, and, although revenue has actually increased at the present time, there is twice as much unemployment in Queensland as there is in any other State of Australia. What have the Government done to avoid that? Last year they spent £120,000—£320 a day—on poor relief. Seven years ago an expenditure of £3,200 filled the whole bill for the year. There was plenty of employment in those days, plenty of money, and everybody was doing well. In ten days of last year this Government spent £3,200, which was the total amount the previous Government spent in the whole year. It goes on—

"It is an eminently fair and just statement to make that the result is due entirely to the wanton recklessness and astounding extravagance of the Denham Liberal Government."

What is the present position due to? Is it not an eminently fair and just statement to make that the result is due entirely to the extravagance of the present Government? What applied at that time applies to the Government at the present day. It goes on—

"No matter how you look at Liberal finance, its blunders are amazing and appalling. Those who reap the advantages of its looseness are the land monopolists, the powerful financial institutions who opposed the formation of the Commonwealth Bank, and vested interests generally.

"It is to their advantage to have this scandalous deficit and loan system perpetuated.

"The worker is the person who suffers; the producer is the person who pays."

Is that not true to-day? Is it not the worker who is suffering all this unemployment? And is not the producer the man who has to pay? The very words put in that pamphlet by Messrs. Theodore and Fihelly are as true to-day as they were then. This Government came in pledged to alter all that, and how have they done it? They have gone on with far more reckless expenditure, and the position to-day is worse than it was when the Denham Government were in power. The pamphlet says—

"Finance is the basis of government; it is also the test of Governments. Apply it to the financial records of the two parties who are now before you.

"The financial record of the Liberals is the financial recklessness that spells national bankruptcy.

"Let the electors ponder over it well, and compare it with that of Labour."

Let the electors ponder over it well and compare Labour extravagance with the position five years ago! If the electors had the opportunity of voting on the Labour Government at the present time they would not get back with a dozen seats. The Hon. Mr. Fowles went a good deal into the extravagances of the Government, especially in the Mines Department, but he omitted one or two things, particularly as to Chillagoe. The loss on Chillagoe last year was £48,075, and it is very significant that the Auditor-General says—

"It is advisable to get full information as to how this loss comes about."

There is something wrong when the Auditor-General says it is advisable to get full information. It shows that he evidently has not had full information, and he thinks probably that if full information were obtained there would be some surprises for somebody. Further on he talks about the Irvinebank State treatment works, and he says there was a loss there of £72,780. He says—

"The financial position is unsatisfactory as disclosed by the balance-sheet, etc., and merits serious consideration."

There are two items that certainly ought not to have remarks of that kind from the Auditor-General.

The SECRETARY FOR MINES: There was a fall in the price of tin of over £400.

HON. A. G. C. HAWTHORN: The Hon. Mr. Fowles has gone very fully into the financial position, and it is not necessary for me to say anything further. He has shown exactly how the increases have come in regard to taxation and how on the population basis you have a 9 per cent. increase. On the income tax there is a 214 per cent. increase, land tax 90 per cent. increase, stamp duty 105 per cent. increase, other taxes 18 per cent. increase, and that the tax per head has gone up from £2 2s. to £4 18s.—an increase of 133 per cent. They are still going on in the same old way. I notice by the return to the end of September that for the three months the expenditure over the revenue in 1920 was £65,590, and in 1921 it was £209,330. The Hon. Mr. Fowles has gone very fully into the position of the railways, which show the cost of running per train mile increased from 8s. 3½d. to 9s. 4½d., and the Commissioner himself says the railways are over-capitalised. That

certainly wants looking into, [9 p.m.] when we see that the Government lost on the railways such a large amount, and that the railways are over-capitalised. It is also stated that the expenditure is at the irreducible minimum, yet there is a deficit of £465,000 on the year. Unfortunately we have not the report of the Commissioner of State Enterprises, or the Auditor-General's report on them. I have no doubt when we get them they will be very illuminating. I do not see why we should not have them. The Government by their extravagance have got us into the present position. They have been going on the old spendthrift lines instead of looking round for economies. Now, instead of economising, they are out after more loan money.

HON. W. J. DUNSTAN: You would not get out of a Government which was over-spending?

HON. A. G. C. HAWTHORN: I resigned from the Ministry on my own account, and I also resigned my seat for Enoggera, which I could have held to this day. The Government still are unable to appreciate the position. When you read their pamphlet six years ago and compare it with the position to-day you will see that not one promise which they then made has been carried out, although they have assisted a good many of their supporters.

HON. P. J. LEAHY: I do not intend at this comparatively late hour to speak at any length. We may take it for granted that it is necessary for this or any other Government to get a certain amount of loan money, but we ask is not the amount too much, and would it not be much wiser if the Government spent less money than they have done since they have been in office. What we have to consider most particularly is that the Government have borrowed £20,000,000 during their six years of office. Some of that money they have had to pay 6 per cent. for, and, roughly speaking, this money has not been fully reproductive, and is only earning about 3 per cent. That means that the remainder must be made up by the taxpayer. Three per cent. on £20,000,000 is £600,000, and that amount has to be added to what the taxpayer has to pay every year, and if we continue on these lines it means that we are building up a huge interest bill for the taxpayer to make up. How long can this continue? Taxation has gone up enormously. We have had evidence given by the Income Tax Commissioner, before the recent Commission, that it has reached its limit. If money is not reproductively used, the taxpayer has to make up the loss. We all like to see money in circulation, but on a remunerative basis, and that applies to Governments as well as to firms and individuals. If a man borrows money, he expects it at least to pay interest, and possibly something in the way of profit.

The SECRETARY FOR MINES: That is why we borrow.

HON. P. J. LEAHY: If that is your motive, you do not carry it out. If you do not make ends meet, the balance has to come from the taxpayer. Is it to be wondered at that this is so, seeing that every State enterprise founded by this Government is making either a nominal profit or no profit, or in some cases a serious loss? If this money is to be expended in the way in which money has been expended for the last six years, it would be better for us to borrow no money at all. That is the particular thing I want to emphasise, also that this loan money should be employed on reproductive works. In regard to this loan floated in America, for which the Government takes so much credit, I am inclined to think that it will be found that it will cost 7 per cent. if it does not exceed that. Nobody can say what it will cost, because of the uncertain factor of exchange. So far as I can form any opinion I think it is likely to cost 7 per cent. or more.

The SECRETARY FOR MINES: Do you suggest we should not borrow from America?

HON. P. J. LEAHY: I object to your being in such a position that you are compelled to borrow from America because you cannot get it elsewhere. You are compelled to borrow from America because of the repudiatory actions of your Government, so that the British investor has turned you down. Several interjections were made regarding

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the delegation. I repeat that that delegation had nothing to do with the decision of the British investor in refusing to lend the Government money.

The SECRETARY FOR MINES: Why did the "Courier" interview that delegation?

HON. P. J. LEAHY: I know nothing about that, and I do not think that that statement has anything to do with the matter. I should imagine that these gentlemen having spent six months in the old country must have been conversant with financial conditions there, and naturally a newspaper would wish to get their news.

The SECRETARY FOR MINES: What does the "Times" say?

HON. P. J. LEAHY: I do not know, but I know the reason why they went home, because I was one of the parties responsible for sending them, and I say emphatically that it was no part of their mission to interfere with the credit of the State or prevent the flotation of a loan.

The SECRETARY FOR MINES: Do you suggest that it was because the delegation wished to secure the appointment of a Governor they went home.

HON. P. J. LEAHY: Yes; and also to protest to the Secretary of State for the Colonies against repudiatory legislation.

The SECRETARY FOR MINES: That was an impertinence for those people to do that.

HON. P. J. LEAHY: It was not. It is unfortunate that you are compelled to go outside the Empire, but it was entirely your own fault. It is well known that representatives of British investors had several interviews with the Premier, but that they did not attempt to influence legislation in Queensland. They took up this position: "Pass any legislation you like; you have a legal, if not a moral, right to do so; but if you pass legislation that adversely affects the interests of the people of England who have interests in Queensland, you cannot expect us to lend you money." The investors at home had a legal and moral right of refusal. What happened in New South Wales? A year or two ago it was intended to resume large areas of land near railways. It was proposed that they should be resumed, and the price should be based on the cash value, but, although money was worth 6 per cent. at that time, debentures bearing $4\frac{1}{2}$ per cent. should be given to the owners. The late Mr. Storey, whose passing I am sure we all regret, went to the old country. Investors there told him what they told the Queensland Government. What is the result? His Government decided that they would not resume on the $4\frac{1}{2}$ per cent. debenture basis, but would pay cash, and Mr. Storey was promised all the money he wanted.

HON. E. W. J. DUNSTAN: Not until the Queensland Government—

HON. P. J. LEAHY: Mr. Storey made the statement, and I do not think we can contradict it. Men who have money do not have to go looking for borrowers—borrowers look for them. We have been told that the flotation of this loan was an expression of confidence in this Government. It is highly probable that the American people did not know anything about the repudiatory actions of this Government.

The SECRETARY FOR MINES: You had better send a delegation there.

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HON. P. J. LEAHY: The fact that you are getting this money is, in my opinion, largely owing to the fact that you are part of the British Dominion.

The SECRETARY FOR MINES: Do you suggest that Great Britain might pay it?

HON. P. J. LEAHY: I feel certain that Great Britain would pay the money in the event of default rather than that there should be trouble. We are asked to authorise the borrowing of £9,000,000 or £10,000,000. I take it for granted that this Government cannot very well spend more than £4,000,000 this year. That being so, why not ask for £4,000,000, and ask for another loan next year? Is it the object of the Government to spend the whole £10,000,000 this year? Another thing I notice that there is no limit as to the amount of interest. The Governor in Council can decide on any rate of interest. All I can say is that I hope the Government will not increase the already heavy burdens on the taxpayers. Any private individual who is extravagant, and borrows rashly, and spends money lavishly, usually comes to grief, and the same thing applies to this or any other Government.

Question put and passed.

COMMITTEE.

(Hon. L. McDonald, Temporary Chairman, in the chair.)

Clauses 1 and 2 put and passed.

Clause 3—"Power to raise £9,185,915"—

HON. A. G. C. HAWTHORN: The Minister had promised them he would be pleased to give information in Committee. He wanted to know how it was proposed to spend the £7,500,000 referred to in clause 3?

The SECRETARY FOR MINES: He would like to inform the hon. gentleman that usually the amount to be expended was provided annually on the Estimates. That had been the practice since the year 1890. The hon. gentleman knew very well it would be impossible for him to give the details of the expenditure of such a huge sum of money as £7,500,000. He knew very well that, according to practice, Parliamentary approval must be got, and the amount would be stated on the Estimates.

HON. A. G. C. HAWTHORN: As far as he recollected, he thought the hon. gentleman was making a mistake as to practice. He remembered the Bill that was brought in when Dr. Kidston was Premier for a similar amount, and he thought it was set out in the schedule as to how the money was to be expended. He might be wrong; probably the Under Secretary would be able to inform the Minister if that was so.

The SECRETARY FOR MINES: I do not think that is necessary.

HON. A. G. C. HAWTHORN: In proposing to borrow an amount of that magnitude some detail should be given. There was another question—How was it proposed to meet the deficit of £464,000 on the present Estimates?

The SECRETARY FOR MINES: With regard to that question, the hon. gentleman should know that was really an estimate, and that the revenue might improve, and there would be no deficit.

HON. A. G. C. HAWTHORN: It is a gamble.

The SECRETARY FOR MINES: If, at the end of the financial year, there was a

deficit, and it was hoped it would be a reduced deficit, the Treasurer would then, of course, be able to deal with it.

HON. A. G. C. HAWTHORN: Add it to the accumulated deficits.

The SECRETARY FOR MINES: It was quite possible that with normal times there would be no deficit.

HON. E. W. H. FOWLES: There were £2,000,000 or more maturing next year. What provision had the Government made to meet that?

The SECRETARY FOR MINES: I would like to call the hon. gentleman's attention to the fact that provision has already been made.

HON. E. W. H. FOWLES: In what Bill, or in what way?

The SECRETARY FOR MINES: I think the statement was made by the Premier or the Treasurer in the Legislative Assembly that provision had been made.

HON. E. W. H. FOWLES: The loan expenditure for the year ended 1920 was £4,797,864. The loan expenditure for the year ended 21st June last was £4,251,248. Was it proposed that there should be a similar amount of loan expenditure this year? If so, the £7,500,000 would have to be raised between now and next June.

The SECRETARY FOR MINES: He thought the Treasurer made this statement in the Legislative Assembly—that approximately £5,500,000 of the loan would be expended upon railways and £2,000,000 upon loans to local bodies, water conservation, and other reproductive works, and it was intended that the expenditure of £7,500,000 would be spread over a period of about three years. Before resuming his seat he would like to say that Mr. Hawthorn had, on the second reading of the Bill, endeavoured to impress the Chamber with the fact that the recent loan floated in America would be expensive.

HON. A. G. C. HAWTHORN: I gave you my authority.

The SECRETARY FOR MINES: The hon. gentleman had quoted certain authorities. He would like also to quote from a very high authority, probably the highest on this particular matter. The Commonwealth Bank sent the following telegram to the Premier:—

“We are advised subscriptions Queensland loan closed within one hour, and sales have since been made on exchange at three-eighths per cent. premium on issue price. Transaction is straight out dollar loan, interest, and Sinking Fund payments on dollar basis, thus ensuring that Queensland will get full benefit of inevitable improvement in rate of dollar exchange over period of twenty years—”

The SECRETARY FOR MINES: The hon. gentleman quoted an authority to the effect that the Government would have to pay back £250 for each £100.

[9.30 p.m.] That could only be arrived at by taking the whole period of the loan and the annual rate of interest, and that argument could apply to any loan. If the Government borrowed £1,000,000 at 6 per cent. interest for twenty years, it would mean £1,200,000 in interest alone. The telegram went on to say—

“As rate improves the cost of remittance of interest and Sinking Fund payments will decrease, and it is more than

probable that this factor will result in the cost of the loan to Queensland over the whole period of twenty years working out at well under 6 per cent., which is materially better than borrowing in London on the present market. Furthermore, the underwriting terms on which the Government's bankers have been able to arrange this transaction are particularly favourable, and the cost to the Government in underwriting and similar charges is very little more than the usual London charges.”

HON. E. W. H. FOWLES: Last year the Treasurer issued a local loan which resulted in a little over £2,000,000 being received by the Treasurer, and when that was issued it was supposed to be issued for certain specific purposes. If he remembered aright, those specific purposes were put on the prospectus of the loan. Would the Minister say whether the loan had been expended, and if so, had it been expended on the purposes for which it was raised?

The SECRETARY FOR MINES: For the information of the hon. gentleman, he would draw his attention to the Treasurer's Financial Statement, which evidently the hon. gentleman had not read. The Treasurer in his Financial Statement, said—

“For the information of those who invested in the local loan, I have had compiled the following statement showing the expenditure for the period December to June for each of the services mentioned in the prospectus:—

	£
North Coast Railway	318,268
Merinda to Bowen Coalfields ...	96,627
Rolling stock, all railways ...	192,212
Total railways	607,107
Water conservation	69,146
Loans to local bodies	459,677

£1,135,930”

That was up to the 30th June last, and the balance of the loan has been expended in accordance with the prospectus issued.

Clause put and passed.

Clauses 4 to 11, both inclusive, put and passed.

Clause 11—“Interest and Sinking Fund to be primary charges on revenue”—

HON. E. W. H. FOWLES asked had any provision been made by which the money loaned by the Government to local authorities should have a prior claim over money borrowed by local authorities from other sources. If that were not so, the Government would be weakening their own security. The clause safeguarded the Government in regard to all its own loans, but it said nothing about any other securities.

Clause put and passed.

Clause 12—“Special provision as to Government stock”—put and passed.

Clause 13—“Sinking Fund to be established”—

HON. E. W. H. FOWLES: The clause provided that a Sinking Fund had to be established, but it specially exempted Government stock, and he would like to know whether the amount raised in New York

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was on Government stock. Government stock evidently could be borrowed under any terms you could get the money for.

The SECRETARY FOR MINES: There was a special provision in the Bill providing for a Sinking Fund higher than 10s. per cent., but it must not be less than 10s. per cent. He explained on the second reading that the provisions in that Bill were slightly different to those in the Act of 1913.

Clause put and passed.

Clause 14—"Further provisions as to Sinking Fund" and preamble—put and passed.

The SECRETARY FOR MINES moved—That the Chairman do now leave the chair and report the Bill without amendment to the House.

HON. E. W. H. FOWLES asked whether there was any provision for the Auditor-General auditing accounts with regard to the present New York loan? The Bill was very clear that the Auditor-General had to audit everything else except inscribed stock. It was most necessary for the credit of the State that the accounts with regard to loans outside England should be looked after most carefully.

Question put and passed.

The Council resumed. The TEMPORARY CHAIRMAN reported the Bill without amendment. The report was adopted.

THIRD READING.

On the motion of the SECRETARY FOR MINES, the Bill was read a third time, passed, and ordered to be returned to the Assembly by message in the usual form.

ADJOURNMENT.

The SECRETARY FOR MINES: I beg to move—That the Council do now adjourn. The first business to-morrow will be the Appropriation Bill, all stages; then the second reading of the Judges' Retirement Bill; then the second reading of the Cane Prices Act Amendment Bill.

HON. P. J. LEAHY: I would like to ask the Secretary for Mines what he means by the "second reading"? I take it that he will not attempt to take the Committee stage of the Judges' Retirement Bill to-morrow, in the event of the second reading being passed. If he did that, it would not give us time to prepare any amendments we may wish to propose in Committee. This is a very important Bill, and if the Minister, after making his second reading speech, would allow the debate to be adjourned, it would give us time to prepare our arguments. How far does the Minister intend to go in regard to the Judges' Retirement Bill to-morrow?

The SECRETARY FOR MINES: It all depends on circumstances. I have no desire to rush that Bill, or any other Bill, through this Council. I am quite agreeable to finish the second reading stage and then go on with other Bills. There is no great hurry to rush it through to-morrow, but I do not wish to adjourn an hour after we meet. I intend to sit until 10 o'clock to-morrow night, then we will probably not need to sit on Friday. I want to avoid sitting on Friday, if possible.

Question put and passed.

The Council adjourned at 9.50 p.m.

[Hon. E. W. H. Fowles.]