

Queensland



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[Hansard]

Legislative Assembly

FRIDAY, 15 SEPTEMBER 1922

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The SPEAKER (Hon. W. Bertram, *Maree*) took the chair at 11 a.m.

BRISBANE TRAMWAY TRUST BILL.

SECOND READING—RESUMPTION OF DEBATE.

Mr. VOWLES (*Dalby*): Ever since I have been in this House—at any rate, since 1913—periodically we have been considering matters affecting the Brisbane Tramways Company in the form of legislation and agreements and in other directions to such an extent that it has made confusion more confounded. When anybody attempts to trace the history of the business and find what the position is as between the company and the Government, it is very intricate, very involved, and very dense. Mr. Denham, in 1913, introduced certain legislation, the effect of which was that in 1920 the local authorities would be empowered to purchase the plant of the Brisbane Tramways Company as a going concern. The principle laid down there was municipalisation—the municipal bodies were to control it. The legislation which has now been brought forward is an attempt on the part of the Government to bring that principle into effect, but without consulting the local authorities, without giving them the consideration to which they are entitled in the matter, and more particularly without consulting the people who are chiefly interested—the people who eventually will have to foot the bill, if there is any liability—that is the property-owners, who are electors under our Local Authorities Act. The Premier, in speaking the other day, said it was not the function of the Government to run street cars or public utilities.

The PREMIER: "Or such public utilities as street cars."

Mr. VOWLES: On reference to the Labour platform, I find, under the heading of "National Work," that one of their objects is—

"State ownership, construction, and maintenance of all railways and tram-cars."

Mr. COLLINS: Read plank 4 of our platform—"Municipal Control."

Mr. VOWLES: This is only mentioned now because you are foisting it on to the local authorities against their wishes. According to the Premier, there has been an agitation on the part of the public from time to time for the purchase and carrying on of the trams by the State. The people have been complaining that the Government have adopted a "dog in the manger" attitude—that they will not do anything to assist the community, and that they are not in a financial position to do it themselves. The Government have realised the losses which have accumulated on the State railways, and they know that if they took over and carried on the Brisbane tramways, it would only end as our railway system has done—in financial disaster. The public want something to be done which will relieve the situation so far as they are concerned. The inaction of the Government, and the lack of tramway extensions into the various suburbs, is retarding progress in those suburbs.

OPPOSITION MEMBERS: Hear, hear!

[*Mr. Vowles.*]

Mr. VOWLES: Not only is it retarding progress, but it is one of the factors which have brought about unemployment, because, had that big company been empowered to invest further capital, or if something had been done by the Government in some other direction whereby those extensions which are so badly needed were made, look at the amount of employment which would have been created during the last two or three years. That is what is exercising the public mind to-day, and also the congestion, so far as traffic is concerned. It is not a reasonable thing to expect the company under such conditions to expend further capital in plant, rolling-stock, or in any other direction for the convenience of the public when they are not receiving any consideration themselves. Quite recently a meeting of the directors of the Brisbane Tramways Company was held in London, and the reports of that meeting were cabled out to us in Queensland. I notice that the chairman of the company expressed a pious hope. He said—

"We hope that the Government of Queensland will treat us in a business-like way; and if they do, they will find they will be able to raise money at a rate much less than they recently had to pay in New York."

What does that show? It shows the feeling of insecurity that there is amongst the property-owners and the persons interested in this business. It shows that the capitalists who are interested in this large concern do not trust the Government when we have a statement like that, which suggests that they have not had a fair deal in the past. They are hoping that the Government are at last going to relent, and that this time they will be prepared to do the fair thing.

The PREMIER: Do the capitalists trust the Country party?

Mr. VOWLES: I think it is an improper thing for the hon. gentleman to throw suggestions and innuendoes across the Chamber which are likely to cause trouble.

The PREMIER: You say that the capitalists do not trust us—I am asking you if they trust the Country party.

Mr. VOWLES: When I see that sneer on the face of the hon. gentleman I know whether he means business or insult. If he means insult, he will get it. The hon. gentleman will get it if he looks for it. I thought we were settling down this morning in a business-like way to deal with a matter involving a sum of £1,200,000, so far as the Government are concerned, but involving a much larger sum on the part of the company. I understand from the newspapers this morning, and from a conversation which I had last night with certain gentlemen connected with public affairs in Brisbane, that a deputation was to call on the Premier this morning.

The PREMIER: They did not make any arrangements with me.

Mr. VOWLES: According to the papers, these arrangements were made. I know the objects of the deputation. We were told that on one occasion the Home Secretary met the representatives of the local authorities, and probably the Premier was present. We were told that those representatives were consulted about this question of a tramway trust, and that two responsible persons were present—namely, the mayor of Brisbane and the mayor of South Brisbane. We were told

that they expressed themselves in agreement with this Bill. Now I am informed that that is not correct. I am told that they expressed themselves only in support of the principle of the trust; but, so far as the details were concerned, they were not given an opportunity to express an opinion. They were also sworn to secrecy so far as those matters are concerned. I think that the statement that was made—that they agreed to the Government proposal—is unfair to them and misleading to this Chamber.

The PREMIER: That is not so.

Mr. VOWLES: I am informed that that is correct. They did not consent to the principle that the electors were not to be consulted in the expenditure of this money or the acquiring of the money, as the case may be. The local authorities have turned the matter down, and they are supposed to be interested. They did not consider that they had a mandate from their electors empowering them to deal with such a gigantic matter as this. In a way, it is contrary to one of the underlying principles of the Local Authorities Act—that is, the submission to the electors—formerly to the ratepayers—of all matters affecting loans in connection with public works.

When another measure was before this Chamber for consideration—I refer to the Wheat Pool Bill—the Government agreed to the principle that, where innovations were made, the people interested should have the opportunity of expressing their opinions for or against the proposed legislation. I ask the Premier why he cannot apply that principle to this Bill also? The hon. gentleman is one of those who always say, "Trust the people."

The PREMIER: The reason is that it is only asked to defer the time in order that the company may get a renewal of the franchise.

Mr. VOWLES: How are they going to get that except through the Government? How long is it going to take to have a referendum of the persons interested? If that is the Premier's objection, I offer this suggestion to him: Let him pass this legislation in the form we agree to, and when it comes to the third reading, defer it until such time as a referendum has been taken; or let the Bill pass through the various stages in this House, but let it not be proclaimed until the persons interested have expressed their opinion upon it.

The PREMIER: That is, to allow the "Courier" and the company to fool the electors.

Mr. VOWLES: That is the attitude the hon. gentleman always takes up. He says that this measure is urgently desired by the people of the metropolitan district. Surely he can trust them to record their votes in a matter of such great importance as this? He has to realise that it is not the property-owners, but the electors of the whole district who would vote—the most popular vote we could possibly have, a vote of the individuals who use the trams, and not merely those who, in the event of any deficiency, will have the responsibility of making it up. These are the people whom the Premier is not prepared to allow to vote on the matter.

The PREMIER: Would you advocate that they should support it or that they should turn it down?

Mr. VOWLES: I am not one of those who would take an active part in the campaign.

The PREMIER: You would allow the company to take an active part, though.

Mr. VOWLES: If anybody is to take an active part in it, the Premier and his following and those persons interested in the passage of this measure—that is, members of the local authorities concerned, some of whom may be in favour of it—will do all the electioneering and propaganda work required for the purpose.

The PREMIER: No.

Mr. VOWLES: If the Premier is not prepared to allow those persons who are interested only in a very minor way—the persons who are going to receive only advantages and not disadvantages—to vote upon the matter, he is going right back on the principle of democracy that we should always trust the people. When this matter came before the meeting of shareholders of the company in London, the chairman, Mr. Beeton, had this to say—

"The accounts showed that the total receipts of the Brisbane Tramways Company were £566,075, and the total expenditure, including a provision of £60,000 for British and colonial taxation, £437,721, the net profit thus being £92,352, which, with £23,461 brought in from the previous year, left an available balance of £115,812. Of this amount £100,000 had been applied in payment of a dividend, leaving £15,812 to be carried forward. The tramways have carried 1,180,381 more passengers, and run 60,341 more car-miles over the same length of line; and although the traffic receipts have increased £17,563, the company has earned £10,678 less profit, due entirely to arbitrary interference with our right to adjust fares to meet the advance in wages decreed by the Industrial Court."

The PREMIER: You do not like paying wages.

Mr. VOWLES: The point is this: Here is a company which is able to show a profit on an expanding business, carrying a larger number of persons and earning a larger amount of money in the way of fares than hitherto, although its profits are curtailed and certain rights which it had by legislation are interfered with by the Commissioner of Prices, who refused to permit an increase in fares.

The PREMIER: If they have rights, why do they not uphold them?

Mr. VOWLES: They had those rights until such time as legislation was brought in interfering with them. By proclamation they could have been declared a "necessary commodity." Technically the company came within the ambit of the Sugar Acquisition Act, and by proclamation it was precluded from doing what the Government did in respect of their own suburban railways—that is, raise the fares.

The PREMIER: Do you know what the company's proposal was?

Mr. VOWLES: It is not a question of what the proposal was. The Government precluded the company from exercising the right which it had by statute, while the Government themselves raised the freights on the suburban railways, their justification

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being the increased wages' sheet. The same justification applied to the Tramways Company.

The PREMIER: We did not prevent the raising of the fares—they could have done that. We asked them to submit themselves to an inquiry, which they refused to do.

Mr. VOWLES: There was unjust interference with the company. The Government interfered with the company's statutory rights. They have been interfering with them at every turn. I hold no brief for the Tramways Company. (Government laughter.) This is a matter that does not affect country interests, and the only reason why I am speaking is because there are very big principles involved. As a country representative, I object to the sum of £2,000,000, or whatever amount may be required, being levied for the duplication, practically, of the railway service in Brisbane. The company is supplying that service to the public to-day. We shall have to borrow a huge sum of money simply to change the ownership. If the money has to be borrowed, it could be better used on development in the country, such as in the building of agricultural railways and in other directions.

OPPOSITION MEMBERS: Hear, hear!

Mr. VOWLES: Why should this Queen Street Government compel the finding of this huge sum of money, and push this undertaking on to the people in the metropolitan local authority areas against their desire?

Mr. DUNSTAN: You would rather have the profits go out of the country.

Mr. VOWLES: I am under the impression that a large number of the tramway shareholders reside in the city of Brisbane. It is not a one-man company. It is a company whose shares are quoted on the Stock Exchange, and have always been regarded as one of the soundest investments in Queensland. Where people wish to make provision for the future in what might be called gilt-edged securities, they purchase these shares. This story about English shareholders is all very well, but there is a very large share list in Queensland. We hear talk about sending money out of the country. Are not the gentlemen who use that argument complaining here almost every day that we and other persons outside the Chamber have been the cause of preventing English loan money coming into Queensland? If they desire it in one direction for the advancement of the State, surely they should not object to the income being sent home to the people who find the capital which is sent out here? I am not concerned about whether they are English or Australian shareholders. We should have the same respect for our contracts and our arrangements with English people as with Australians. The principle is just the same. There should be no undue interference by Parliament with statutory powers, more particularly in a case like this where huge sums of money have been invested, and an undertaking entered into on the security of a contract, an agreement, and an Act of Parliament.

The PREMIER: How does this Bill interfere with statutory powers?

Mr. VOWLES: I am dealing with what we have found in the past. These matters have to be taken into consideration later in determining the basis of the compensation that is to be made to the company. There is an

attempt, even now, to interfere statutorily with the rights of the company by determining the basis, from which there is to be no appeal. Even then we are not doing the correct thing unless we leave it to the court to determine. Once that is determined, you cannot appeal against the basis. If you can appeal against it in one direction, why interfere with anybody's rights? It is the inherent right of every individual to appeal.

Mr. BRENNAN: Do you say that a monopoly should be paid goodwill?

Mr. VOWLES: The hon. member has monopoly in the head; I was going to say "on the brain," but he has not got any brains. Anybody who says that the Brisbane Tramways Company is a monopoly does not know what he is talking about. You have only to inspect the share register to find that it is nothing of the kind.

Mr. BRENNAN: I would not like to have as little brains as you.

The SPEAKER: Order! Personal reflections are disorderly.

Mr. VOWLES: On previous occasions a good deal of debate arose with respect to the interpretation of the term "tramway." It would appear to me that the company is not getting fair treatment so far as that is concerned. We know that on account of the attitude adopted by this Government, the company, for its own protection and for the protection of the people who use the tramways, was compelled to spend a certain portion of its capital in improvements which were outside its charter. I understand that under this definition of "tramway" not only the power-houses, repair shops, carsheds, rails, rolling-stock, cables, wires, etc., as mentioned in that clause, which were erected according to charter, but everything else that was done by the company for its own convenience and for the convenience of the public outside that charter, will be taken over, and the company will receive no compensation for it.

The PREMIER: Give me an example of what you refer to.

Mr. VOWLES: If the hon. gentleman will refer to the debates in previous sessions, he will get that information—he ought to know. The trust is to be constituted by eight members. Why is it necessary to have eight? Why not make it eighteen?

The PREMIER: Move an amendment in that direction.

Mr. VOWLES: Presumably, the Government realise that there is safety in numbers. Personally, I think three or five members would be quite sufficient.

The PREMIER: That would cut some of the local authorities out of representation.

Mr. VOWLES: I think they are being cut out as it is. It is impossible to give them full representation unless every local authority has a vote on the trust. Why is it necessary to have two Government nominees? Why should the Government think it necessary that they should appoint the chairman? Why do the Government come into this business at all?

The PREMIER: Because of the liability.

Mr. VOWLES: What liability?

The PREMIER: The Government have to give a guarantee.

[Mr. Vowles.]

Mr. VOWLES: We are told by the Premier that the tramways are a going concern, and that the concern will be able to pay its own way and create its own sinking fund. If it does not create a sinking fund, the Government have the property-owners in the various localities on whom they can levy a rate. There can never be any shortage. If the revenue from the tramways is not sufficient, the Government have an immediate remedy.

The PREMIER: Did not the Kidston Government provide for Government representation by a chairman on the Metropolitan Water and Sewerage Board?

Mr. VOWLES: The two concerns are totally different. Here you are taking over a going concern having a revenue. Where was there any revenue with the Metropolitan Water and Sewerage Board?

The PREMIER: It is not a question of revenue: it is a question of liability.

Mr. VOWLES: There is practically no liability. There are three ways of financing the concern—issue of debentures, overdraft, and Government loan.

The PREMIER: The Government would have to guarantee the debentures issued.

Mr. VOWLES: Why should the Government have two representatives, and have the right to appoint the chairman? You will find that the powers of the trust are very circumscribed. The Bill provides—

“As soon as practicable after the constitution of the trust a general scheme for the future development of the tramways, for the service of the district, shall be prepared by the trust.

“The trust shall submit proposals for such general scheme to the Minister, who shall refer same to an Advisory Board appointed and paid by the Governor in Council at the expense of the trust.”

We do not know too much about this Advisory Board except that the experts are to be appointed by the Government. That Advisory Board seem to be the people who will advise the Governor in Council. The Bill further provides—

“The general scheme shall not be adopted by the trust until it has received the approval of the Governor in Council.”

The PREMIER: That is very reasonable.

Mr. VOWLES: It is necessary, but there is too much “Government” about it. There are Government nominees and a Government chairman. The trust can do nothing at all until they submit the matter to the Government. The functions of the trust are practically nil, because the Advisory Board steps in and advises the Government, and if the Government are satisfied they put the finishing touches on it. The functions of the trust are practically nothing.

The PREMIER: It is on the same lines as the Adelaide Trust.

Mr. VOWLES: I do not know what the Adelaide Trust is.

Mr. BRENNAN: You should know; you have got the brains.

Mr. VOWLES: I do not think you have got the brains.

The SPEAKER: Order!

Mr. VOWLES: The first difficulty that I find in this Bill is the fact that, apparently,

for no reason at all, the principles of the Local Authorities Act are to be broken.

The PREMIER: What principles are those?

Mr. VOWLES: The principles that, whenever a loan is applied for, the electors have to be consulted.

The PREMIER: There is no poll in connection with the Metropolitan Water and Sewerage Board in such matters.

Mr. VOWLES: I am not talking of the Metropolitan Water and Sewerage Board.

The PREMIER: It is an analogous case.

Mr. VOWLES: It is not an analogous case at all. What is the reason that the local authorities have “gone cold,” as the hon. gentleman told us?

The PREMIER: Because of the objection of the “Courier.”

Mr. VOWLES: I do not think so at all. We must realise that the members of these local bodies have backbone, and they have opinions of their own.

The PREMIER: I do not think so.

Mr. VOWLES: I do. Some of them are very strong-minded men.

The SECRETARY FOR PUBLIC INSTRUCTION: You cannot speak for my electorate. My people favour it.

Mr. VOWLES: If they favour it, why do you not give them an opportunity of voting on it?

The SECRETARY FOR PUBLIC INSTRUCTION: They do not need it.

Mr. VOWLES: Quite a number of local authorities whose representatives are asked to incur a responsibility on behalf of the ratepayers in their local authorities have said that they will have nothing to do with it, as they have not had an opportunity of consulting their people.

The PREMIER: It was included in the last Nationalist programme.

Mr. VOWLES: The policy was that the trams should be municipalised, but they have given no details. I have always stood for that in local government, but when the representatives of the local authorities asked the Government to bring in legislation which is very necessary, and to put them in a position to consult their ratepayers, they refused. Why did they refuse? A most extraordinary position arises. We are told in the Bill—

“(1.) The aldermen of the Council of the City of Brisbane shall from time to time by ballot elect two persons to be members;

“(2.) The aldermen and councillors of the Councils of the City of South Brisbane and the Shires of Balmoral, Coorparoo, and Stephens shall from time to time together by ballot elect two persons to be members; and

“(3.) The aldermen and councillors of the Councils of all the other areas comprised within or partly within the district shall from time to time together by ballot elect two persons to be members.

“(4.) With respect to the election of members the provisions set forth in the First Schedule to this Act shall be observed both as regards the first and all subsequent elections: Provided that in the case of the first election the Governor in Council shall appoint the returning officer, who shall report to the Minister the names of the persons elected.”

Mr. Vowles.]

The representatives of local government have decided that they do not approve of the scheme. Assuming they go still further and decide not to appoint representatives on the trust? What position will then arise? The Governor in Council, under clause 11, will have power to fill these vacancies, and to elect somebody who is not even a representative of the ratepayers, and who may not even be a resident of the area.

The PREMIER: We act reasonably.

Mr. VOWLES: I would like to see some evidence of it. I must say that so far I have not seen evidence of it in this House. I am not putting a supposititious case before this House, because we know the local authorities have decided that they are not going to be parties to it.

The PREMIER: We do not know that.

Mr. VOWLES: We do know it. They have said publicly that they have decided to turn the proposal down. What position arises? It is competent for the Governor in Council or the Home Secretary to nominate a trust, and that trust may consist of disinterested persons who are not even electors or ratepayers in the area.

The PREMIER: We will take good care that they are not disinterested persons.

Mr. VOWLES: We have only the Premier's statement for that. Those are the things which should be included in an Act of Parliament; they should not be left to the caprice of the Premier or a Minister, or anybody else. I do not propose to go into the details, because there are many [11.30 p.m.] amendments which will be brought forward in Committee, and I will deal with minor matters then. The machinery part of the Bill seems to be all right. It is the big principles to which I object, such as obtaining money and using it for the city of Brisbane—which is unnecessary—and again to the disregard of the principles of local government. Another objectionable principle is the provision whereby the trust which is to be created may possibly be a political trust.

The PREMIER: No.

Mr. VOWLES: It is more than possible; it may be. How do we know whether the Premier will not dominate the personnel of the trust?

The PREMIER: Although Governments in other places have interfered in that way, the present Government have not taken similar action here.

Mr. VOWLES: Under the Bill, as it stands, the appointment of individuals of a certain political colour might be made. How do we know that those same outside forces will not influence the Government?

The PREMIER: No.

Mr. VOWLES: That position has arisen now. If the local authority representatives determine not to be a party to this proposal, and do not hold the ballots provided for in the Bill, then there is only one kind of machinery to carry out the functions of the Bill, and that is for the Governor in Council to fill up vacancies. But how can they fill up vacancies which are not created?

Mr. BRENNAN: The Home Secretary has to do that frequently in connection with local authorities.

Mr. VOWLES: I daresay that the Home Secretary would like to abolish many of the

[*Mr. Vowles.*]

local authorities in Queensland, because, as they are constituted now, they do not suit his book; but we have some little respect left for local government. If the electors in the various districts send their representatives, I do not think anyone even in this Chamber would have the temerity to interfere with those people until their term of office has expired. But, if they are not going to be a party to the scheme, we ought to know from the Premier what he intends to do. I understand that he has not seen the deputation to which I referred earlier. I met some of the members of it last night when I was going home, and they told me that it was their intention to see the Premier this morning.

The PREMIER: They made no arrangement with me.

Mr. VOWLES: It is generally known that the representatives of the local authorities have already considered this matter, and decided to turn it down.

Mr. BRENNAN: The Taxpayers' Association.

Mr. VOWLES: The local authorities themselves, by vote in their own bodies, have turned it down. That being so, the Premier should make an announcement as to what he proposes to do.

The PREMIER: If the local authorities will not participate, we shall appoint the trust as provided for in the Bill.

Mr. VOWLES: That provision was only put in to enable casual vacancies to be filled; but the Government are not going to deal with casual vacancies now; they are going to deal with the constitution of the whole trust. That is one of the things we should take into consideration. I would suggest to the Premier that he should seriously consider at this stage the question of doing what he did in connection with the Wheat Pool—that is, after legislation is created here, allowing the matter to be held over until such time as the people interested have expressed their opinion. If they say they are in favour of the Bill, I feel sure that the local authorities will come in behind it; but the position is uncertain now. Whatever the local authorities do, they want to get the sanction of the ratepayers concerned. If this measure passes through this Chamber, there will be no objection by the local authorities to its passage. They will simply let it go to the persons interested, and, if those persons agree to it, the local authorities will accept it quite readily.

The PREMIER: The Tramways Company will do its best to influence the minds of the electors.

Mr. VOWLES: Why should the Tramways Company interest itself in that way? I am given to understand it is in favour of the Bill. If the hon. gentleman says it is a right thing to legislate and deal specifically with any particular company, I do not agree with him, as I do not think it is a right thing. Subclause (2) of clause 16 states—

"The amount of purchase money payable for the tramway by the trust upon the assumption of ownership of the tramway by the trust, and the basis or principle upon which the same shall be assessed, and the court or person by whom such purchase money shall be assessed, shall be the same as if the compulsory purchase from the company were made under the Tramways Acts, 1882-1890, and

the Brisbane Tramways Act of 1913, and any agreements made in pursuance of the last-mentioned Act."

Then it goes on to say that the judgment or order assessing the purchase money shall state how it is to be paid. Then listen to this—

"The basis or principle upon which and the court or person by whom such purchase money shall be assessed shall, in case of any disagreement or dispute, be determined by the Full Court of Queensland upon the petition of the Minister or the company, and such petition may be made at any time after the passing of this Act."

At 11.39 a.m.,

Mr. POLLOCK (*Gregory*), one of the panel of Temporary Chairmen, relieved the Speaker in the chair.

The PREMIER: That is to clear up ambiguity—that is, if there is any objection.

Mr. VOWLES: They have to determine a basis.

The PREMIER: The company does not object to it so far as I know.

Mr. VOWLES: I understand that it does. I understand that warnings are coming out here from the meeting in London, where they spoke about the determination of these matters. Here is another comment—it is going back to the question of goodwill, and the question of a commercial value as against replacement value—

"This does not take any account of the commercial value, and we are warned both by the chairman and Mr. Haldin, K.C., that the company requires compensation sufficient to return 10½ per cent., and that, if this is not granted, the matter will be submitted to the Privy Council for determination."

That is against their own interests, and it looks as if this is done designedly to rob them of their rights.

The PREMIER: No such thing.

Mr. VOWLES: That is the basis on which they can appeal—they can only appeal on that basis.

Mr. DENSTAN: It shows how a company can exploit the State.

Mr. VOWLES: No. The principle to be considered is whether we should introduce legislation to deal specifically with a company, or whether it should be of general application. Should it determine the rights of people once those rights have been established? It is a confiscation and an interference with their rights, and it is a principle I must object to. I do not propose to speak at any length on the matter now, but I will reserve any further criticism I have to make to a later stage.

Mr. FERRICKS (*South Brisbane*): The leader of the Opposition stated his objection to many of the details in the Bill, and he also said he was against the Bill in principle. The one reason which he gave for being opposed to the principle was that he, as a country representative and the leader of the Country party, objected to the expenditure of this money for the taking over of the trams and the provision of a duplicate railway system in Brisbane, while the country will have the responsibility of finding security

for the money borrowed. That is one thing that the Bill does not propose to do. It does not impose upon the people of the country any responsibility in connection with whatever expenditure will be brought about by the acquisition of the trams. The purpose of the Bill is to put that responsibility, not on the people of the country, but on the people of the area which is served by the tramway operations.

Mr. FLETCHER: You mistake what he said—he did not mean that.

Mr. FERRICKS: The leader of the Opposition was entirely contradictory. It is admitted by everyone that some alteration is necessary in the tramway system of Brisbane. For some years past the newspapers have given it out, and the man in the street has taken it up, that the Brisbane tramway service was very near perfection. It was given out that it was excellent as a transport system; that it was easily the best in Australia, and that that was due to the operations of a private concern. That was stated so often that people came to believe that it was true. A comparison of the conditions of travelling in Brisbane, bad as they were prior to 1916, show that they have become infinitely worse. Up to 1916 there was a difficulty in getting tram accommodation during the busy hours of the day—that is, prior to the commencement of work in the morning, during the lunch hour, and again in the afternoon. It is quite true that prior to 1916 the traffic was congested at those times, but during the past six years the congestion has been accentuated, and overcrowding has taken place not only in the busy hours of the day, but in the central parts of the city it is almost impossible to find seating accommodation in the trams at any part of the day. From Roma street to the Valley, or from North Quay to any of the near suburbs, the congestion is so bad that an improvement is necessary, and some alteration of the system must take place.

The "Brief History relating to the Brisbane Tramways from 29th November, 1883, to 31st December, 1919," issued by the Premier, emphasises what has taken place regarding the congestion of the tram service in Brisbane in comparison with the tram services in the other capitals of the Commonwealth. A little table at the back of this "Brief History" gives a comparative statement showing the number of cars in use in the various systems, with information relating to the number of passengers. We find that the number of cars connected with the Melbourne tramways is 1,358, the average number of passengers carried per car per annum being 157,400. In Sydney the number of cars totals 1,350, the average number of passengers carried per car per annum being 234,702. Sydney has a population four times that of the area which will be served by the undertaking we are now dealing with. Adelaide has 190 cars, and the average number of passengers carried per car per annum is 291,178. When we come to Brisbane, and see this splendid service, which is carried out with such precision, and which has afforded such comforts for its patrons, we find that it has 178 cars, and the average number of passengers carried per car per annum is 332,327.

Mr. FLETCHER: You know why that is.

Mr. FERRICKS: It is a shocking instance of the traffic congestion which takes place in

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Brisbane, particularly during the past six or seven years.

GOVERNMENT MEMBERS: Hear, hear!

Mr. FERRICKS: There is a further discrepancy which I might mention for the benefit of those who are always prating about our up-to-date and excellent tramway service. The seating accommodation in each car in the capital cities of the other States of the Commonwealth is far higher than the seating accommodation in the Brisbane cars. We have the particulars here, so our authority is infallible, and the information is the result of inquiry by competent authorities. The seating provision in the trams in use in Sydney, Adelaide, and Melbourne is greatly in excess of the seating provision in the Brisbane trams. In Sydney the number of seats in each car is eighty, while the number of seats in the Brisbane cars varies from thirty-six to fifty-six. During 1921 the Adelaide Trust ordered fifty additional cars, and if they had been in use during the year 1920-1921 they would have reduced the average number of passengers carried per car per annum from 291,178 to 230,515. There we have it that in Adelaide they provided fifty additional cars in one year, while in Brisbane they have only provided two new cars in six years. That shows that something must be done. The alternative presented to our minds will bear examination. The first alternative is Government control, which was referred to by the leader of the Opposition. The hon. gentleman said that the proposal laid down in this Bill is a violation of the platform of the Labour party. I am indebted to the hon. member for Bowen for the production of this little booklet containing the rules and regulations of the Labour party, so that we are always able to refute wild assertions of that kind which come from hon. members opposite. I find on looking up the "Local Government" platform of the Australian Labour party that plank 6 of the General Rules reads—

"All communal enterprises, such as tramways, omnibuses, ferries, baths, lighting, water supply, and markets to be conducted and controlled by the local authority."

GOVERNMENT MEMBERS: Hear, hear!

Mr. FERRICKS: On the question of Government control, hon. members can imagine that, if the present strap-hanging conditions which are operating in the Brisbane trams, and which have been operating in Brisbane during recent years, were continued under Government control, the people would not submit to them. Would the people who submit to inconvenience and overcrowding now, and who have been submitting to it for a number of years, submit to it for twenty-four hours if the trams were under Government control? I venture to assert that if the Government imposed such inconveniences on the people as private companies do, then the people who provide the dividends would resent it very much, and would give the Government short shrift, and it would not be by means of mere criticism, even from a mean political party standpoint. We all remember the criticisms of shortcomings which were alleged to be operating in the post office when a Labour Government happened to be in power in the Federal arena. Complaints were lodged every day, and at every meeting of a local authority, and at every meeting addressed by politicians on every platform—politicians not

identified with the Labour movement—just because the post office was under the jurisdiction of a Government that was not out in the interests of the capitalistic class, complaints were made about the post office. It is the same with the railways. When the railways were under the administration of the Denham Government nothing was said about them. To-day nothing is said about the post office. As soon, however, as a Labour Government take control of these utilities, and endeavour to do the right thing in the interests of the people, they do not get a fair show from the very people who are now submitting to these inconveniences. Quite apart from that, the Premier pointed out that the proposal is to do the right thing, and to put upon the people of the metropolitan area the responsibility or risk, if there is any, of providing for their own transport. I say it is the duty of the people in this area to do this. Of what concern is it to the people living in the Gulf or the people living in the far West, whether the tram service in Brisbane is running smoothly or not?

Mr. KERR: They use them.

Mr. FERRICKS: And they pay when they do use them.

GOVERNMENT MEMBERS: Hear, hear!

Mr. FERRICKS: There are thousands of people in the West and the North who never use the Brisbane trams, and if the Government take over the Brisbane trams, the Government will be equally justified in establishing a tramway service in Normanton, or at Roma, or any other outside place. The other alternative is an extension of the company's franchise. I was very interested during the Premier's speech on Wednesday night to hear his forcible statement of the position. The argument which he put forth silenced any opposition from hon. members opposite against the proposals of the Government. My conviction was borne out and confirmed this morning after listening to the speech of the leader of the Opposition.

What would be the position if a renewal of the company's franchise were granted? We may reasonably expect, notwithstanding that it has done nothing during recent years, that, with a renewal of the franchise for another twenty-one years, the company would make a temporary splash in putting down extensions. But even if that were done, the extensions would be on the same lines as all the tramway mileage in Brisbane; that is, they would go in the directions and to the localities which would provide the company with the greatest amount of revenue and consequently the greatest profit, and the best interests of the community at large and the people generally would be an entirely secondary consideration, if they were considered at all.

Mr. FLETCHER: That would be the first consideration.

Mr. FERRICKS: If extensions had been carried out in the past in the interests of the community, we would not have the existing ridiculous position which we observe in the transport operations of the metropolitan area.

Mr. KERR: That is caused by your interference.

Mr. FERRICKS: It was done before we ever had power to interfere. If we had had power to interfere, we might have done some-

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thing. If the hon. member looks at the route of the Clayfield trams, I venture to assert that he will find that the distance between that line and the Government railway does not average more than a-quarter of a mile. The tramway is running in direct competition with the railway line and trying to cut into railway receipts.

Mr. FLETCHER: That is not correct.

Mr. FERRICKS: It is true on the face of it. Instead of that line being laid down to serve the interests of a district which had not railway communication, it was run close to a Government railway service. I think the time has arrived—has more than arrived—when an end should be put to the building of tramway extensions on those principles.

Mr. J. JONES: Your argument is that the trams should go where the people are.

Mr. FERRICKS: My argument is that the trams should go to districts by routes which would serve the people in the best interests of the community as a whole, and that the company should not be allowed to pick and choose and go anywhere it likes in an endeavour to accumulate a total profit of £1,377,746. That system has no regard to the general welfare at all; but, of course, any private concern would do the same thing if it were allowed.

If the company wanted an extension of its franchise under ordinary conditions it would be bad enough, and we would oppose it strongly; but, when we find that it wants it on the condition outlined in the Premier's statement, I say that any member of this House who opposes the acquisition of the trams by the local authorities is opposed to the best interests of the people, and that he is working in the capitalistic interest, no matter how he may veil his attitude or seek to hide his underlying motives. He cannot get away from the fact that, after all, the present conditions are such that no thinking man would dare to get up and support them. The Premier pointed out that the company proposed what is known as the "Chicago plan." I think we might easily regard them as being the "Chicago joke." The company seeks, not only the usual working expenses and the valuation of its plant, which has been set down at a very high figure, but it also requires a 5 per cent. allowance for any new capital that may be required, and 10 per cent. over that to provide for supervision. When the capital value has then been reached, it sets out to find the net profits. It first of all takes off all working expenses, and then deducts taxes and charges, interest, and redemption, amounting to 14 per cent. After that it wants interest, not only on the capital value which it says is there—through the operation of stock-watering—at 10 per cent., but on any further capital applied to the undertaking by loan it also wants interest, and it wants 5 per cent. for getting the loan money. After it has got all that, it says to the Government, "We will give you 25 per cent. of the net profits for ten years, and after that 50 per cent. of the net profits for the remainder of the term of twenty-one years." I say, without any fear of contradiction, that any person who examines that proposal must come to the conclusion that it is preposterous in the extreme that any concern should attempt to impose such a condition on the community. After it has accumulated profits of £1,377,746 and a capital value of £1,637,000—although

in starting the concern it probably did not put in more than £300,000—

Mr. KIRWAN: £380,000.

At 12 noon,

The SPEAKER resumed the chair.

Mr. FERRICKS: I was going to say £300,000. It is astonishing that such a proposal should, under those circumstances, be entertained by hon. members on the other side who claim to give calm consideration and unbiassed attention to any proposals that come before them. But the proposals are even worse than that, because they are additionally conditioned by several little matters which the company wants attended to prior to the acceptance of its "Chicago joke." It wants to be removed from the operations of the Profiteering Prevention Act, notwithstanding that the leader of the Opposition himself tells us that in the last year they were able to show a net profit of £92,000. It would have had an extra £10,000 but for the arbitrary interference of the Commissioner of Prices—I am using figures available from its own report to the annual general meeting. Do hon. members opposite maintain that such a condition of things should continue? It is not even a decent profit-sharing proposal. If it were, I should oppose it. It first of all wants to get a high rate of interest on capital inflated by the company to something in the vicinity of £2,600,000 from a basis of £380,000, and then it wants to deduct all working expenses, charges, taxes, and so on, depreciation, and renewals amounting to 14 per cent., and interest on all that capital, and then it kindly condescends to give to the Government 25 per cent. of the remaining net profits for ten years and 50 per cent. for the remaining eleven years. Assuming, for the sake of argument, that such a proposal was accepted—I cannot conceive of its being seriously entertained, much less accepted—what would be the position ten years hence? Exactly what it has been during the past seven or eight or ten years; that is to say, the company, with a renewal of its franchise for another twenty-one years, would make a temporary splash and then quietly button up. It would have no further incentive—I think that is what hon. members opposite call it—to lay down extensions and keep its rolling-stock and system generally in a modern condition. Whatever Government were in power, Labour or otherwise, would have thrust upon them at the end of ten years the responsibility of keeping up the system—I do not mean of taking it over, but of maintaining it in an up-to-date condition and laying down extensions, increasing rolling-stock and equipment, carrying out construction work, and so forth. The company could sit back for the remaining eleven years and draw its 50 per cent. of the profits, in addition to having its previous huge accumulations. If hon. members opposite are responding to the engineering which has gone on in an attempt to manufacture an objection to this proposal, with the idea that they are going to gain political kudos or support, I venture to assert that their case is so bad that it will not stand even an attempt at justification on any platform in this State.

It appears to me that hon. members opposite have not given sufficient thought to the proposal for the local authorities to acquire the trams—which is the third aspect to which I desire to refer. Under the system

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of adult suffrage passed by this Government the people now virtually constitute the local authorities, and if the representatives do not act to the satisfaction of all the people it is the people's own affair. The men thus elected to councils upon an adult suffrage basis can elect the members of the trust to operate the concern in the interests of the people. One of the features which embody the necessity for placing responsibility on local authorities is referred to in clause 30, which makes provision for the carrying out of a general scheme in connection with tramway construction, equipment, and extension. It is set forth in that clause that, when a proposal for an extension is made, the trust will not have the choosing of the route for that extension—quite rightly so, in my opinion. The Governor in Council will appoint an Advisory Board of experts—men who are in a position to judge, and who will suggest in which direction the extension shall be carried out, having regard to the best interests of the community and the general welfare of the people as a whole.

Mr. KERR: And not as decided by the representatives of the people?

Mr. FERRICKS: If the representatives of the people are not satisfied with the members of their trust, they have their remedy, because they have adult suffrage. Hon. members on the other side profess to be clamouring for the extension of the tramways in particular districts: they say it is a necessity; yet here they are opposing this proposal and are endeavouring to foist on the community generally a virtual tying up of extension: because, apart from the proposals contained in the "Chicago joke," a proposal was made to the Premier asking that the company, if it was granted a renewal of its franchise, should choose its own sweet time for prosecuting any extensions or for expending any money on labour or material. Virtually it would be in a position not to make any extensions at all.

In regard to the "General Scheme," it is not only defensible but highly commendable that some body should give directions as to the laying out of tramway routes in continuation or in furtherance of the system. Then we would not have the great anomaly that exists—as I have pointed out—in regard to the Clayfield line, which has been repeated on many other suburban tramway and railway routes—anomalies that should not exist, and which are not in the interests of the people. I venture to assert that hon. members will use as a catch-ory, as a last refuge in supporting a bad case in opposition to a proposal which is so strong that it cannot be countered by argument, the slogan, "Refer the matter to the people!"

Mr. KING: What is wrong with that?

Mr. FERRICKS: I will show what is wrong with it in this case. The people of the city for the past six or seven years have been virtually sitting on top of each other in the busy hours of the day, owing to the shortage of tramway accommodation. They cannot even get standing room. After a long day's work on the wharves, in stores, offices, or shops, many of these people have tedious waits on the street corners before they are able to get standing accommodation, let alone sitting accommodation. The proposal to refer this Bill to the people is not genuine: it is not actuated by any desire to obtain an indication of what the people think of the matter. It is made mainly with a view

to sidetracking the issue, to putting off the proposal in an endeavour to enable the company to obtain an extension of its franchise. When the Brisbane Tramways Company thought that it had a pistol at the head of the Government, when it thought that the Government were financially embarrassed, it proposed that it should be the judge when any extension of the tramway system, any additional equipment, or any additional building should take place.

Mr. ELPHINSTONE: Were not you a supporter of the Initiative and Referendum Bill?

Mr. FERRICKS: The company was to be the judge of when money was sufficiently cheap and when labour and material were at a suitable price for the carrying on of those operations. It could string those matters over the greater portion of the first ten years, and when it reached the halfway stage it could button up its pockets and defy the Government, and make the Government carry on the tramway services at their own risk, responsibility, and expense. It did not want a referendum then, and it does not want one now. It knows that, if it can delay this proposal, there will be time to fan up an agitation through the columns of the daily Press. These people who are objecting to a trust—the members of the Brisbane City Council, who say that they are not capable of carrying on a concern like this—are self-confessedly inefficient. The confession comes strangely from many of these great kings of business and trade. We who are accused of being professional politicians because we devote the whole of our time to the line of life which we are following, are sneeringly referred to as having had no business training, and as being incapable of examining proposals such as this when they come before the Chamber for discussion. On the other hand, we have kings of trade and commerce—men of great business acumen supposedly, who are making plain to the world that, with all their business training, with all their experience of trade and commerce, with their combined intellect and business powers, they are not capable of taking on and running a concern like this. It is a good thing to know one's limitations; but it is a poor thing for any man, when he is trying to get into Parliament, to prate of his business ability and training, and, when he is bowing to the will of capitalism, to say, "I am incapable; I am totally inefficient." They are the last people from whom that confession should come; it should be left to others to say that they have not the great business acumen and business probity that they claim to possess. When they say it themselves, when they go down—figuratively speaking—into the dust and say, "We are afraid to take on that proposal; it is too big for us," my advice to the municipal electors of the metropolitan area is that they should change the personnel of their local governing bodies.

GOVERNMENT MEMBERS: Hear, hear!

Mr. COLLINS: Put in ordinary, common men.

Mr. FERRICKS: There is one feature of this Bill which I should like to have seen bettered, and that is in regard to the company's employees. I refer to those men who were members of the Brisbane Tramways Union prior to 1912. We all remember the general strike of 1912. Notwithstanding that the company that year distributed amongst

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its fortunate shareholders a share of profits amounting to £75,000, the management objected to the employees forming a union, and objected to paying any increased wages the union might claim. All the men who struck on that occasion were ostracised by the Tramways Company, and they have been ostracised ever since.

Mr. COLLINS: Shame!

Mr. FERRICKS: It might be said that it is a long time to remember the strike of 1912; but it has not been too long for the company to remember that not one of those men who went out of employment on account of the general strike was to come back into its service again. They have not gone back. Many of them do not want to go back. I believe 570 went out on strike. Some of them, unfortunately, are dead, and others are incapacitated. That reminds me that, when speaking of depreciation claimed by the company, no depreciation is allowed to the workers who break down through the strain of motor driving. Many of those men would not go back to the company if they had the opportunity, because they have done infinitely better since. The rights of those men who went out in 1912 should be preserved, so that, if they want employment, they can obtain it as soon as this concern is released from the control of the Brisbane Tramways Company. I hope that it will be able to do that, and in Committee I will endeavour to get as near as possible to it.

Mr. KERR: Will the hon. member give the employees representation on the trust?

Mr. FERRICKS: I have no objection to the pertinent question of the hon. member. I am speaking from the Labour standpoint when I say that I think representation by employees on boards of control of industry is not a good thing in the interests of the workers, and I will endeavour to show why. The most that the workers can obtain on a body such as a trust is one representative elected by his fellow-workers to place before the board or trust the desires and necessities of the staff. It seems, on the face of it, to be very feasible, and a thing that would be very beneficial to the employees; but I take the view that a representative of the tramway employees or any other section of workers on a board of directors controlling an industry, being in a hopeless minority by having only one vote out of eight, as would be the case with this trust, would really have no say in the conduct of affairs. On the other hand, he would nullify whatever effective results might be brought about by the workers' organisation outside. Does the House not see that that representative on the trust would be shorn of all power, and would not the staff generally be told, "What are you growling about? You have a representative on the trust."

Mr. FLETCHER: They have plenty of representatives here.

Mr. FERRICKS: And they need them, too, when they have such scions of capital as the hon. gentleman. Many companies do admit one of the workers to sit on their board of directors, but they know he is powerless and cannot achieve anything, and it only nullifies the effect of outside organisations.

Mr. KERR: The hon. member must remember that the trust will have already been appointed by the workers.

Mr. FERRICKS: I have given the ground

of my objection. I am prepared to stand by that objection, because I do not think it is in the best interests of the workers, although the employees sometimes mistakenly clamour for it. It is closely akin to the system of profit-sharing, which we are told is a good thing for the workers. Why the employers like profit-sharing is because the man on top controls, and he can say how much of the profits shall be shared amongst the workers and how much he shall retain for himself. He is the judge. The Bill should be open to very little opposition, and be met with no serious hostility. As I interpret the position, I understand that it is claimed that there will be goodwill claimed in connection with this concern. I am not going to say "Yes" or "No" on that question; it is not for me to say. I am not going to presume to set my opinions on that question against the decision which might be arrived at by the tribunal that will determine the matter; that is, the Full Court of Queensland. Assuming, for the sake of argument, the Full Court fixes the basis of payment. That payment is really not compensation. No contract is broken by this Bill. It is merely a refusal to renew the franchise of the company and to do something else. The company has run its course. The leader of the Opposition says that this is tantamount to confiscation, but there is no confiscation. The question of the purchase money—I use that term rather than compensation—will be decided by the Full Court. The Full Court will decide whether there is any goodwill or not. It will not be competent for either side to appeal against the amount of payment awarded. Supposing, for the sake of argument, the court decides that there is no goodwill, and bases the purchasing amount on that fact, and then fixes the amount; the Government may be dissatisfied, or the company may be dissatisfied, but they can only appeal on the one question, and that is not on the amount awarded, but on the basis of assessment.

Mr. ELPHINSTONE: The court is not supposed to fix the amount. The court has to decide the basis of arriving at the amount. That is the court's function under the Bill.

Mr. FERRICKS: I think the court has to decide whether there is goodwill or not.

Mr. ELPHINSTONE: But not the amount

Mr. FERRICKS: There cannot be an appeal to the Privy Council on the amount.

Mr. KING: Oh, yes.

Mr. FERRICKS: On the basis, I believe that this Bill is in the interests of the people as a whole, and I believe, if it is carried, the Government will be conferring a boon on the travelling public, not only of the metropolitan area, but on the people of Queensland generally who visit Brisbane occasionally. When the leader of the Opposition protested against the fares in comparison with the railway fares, he did not mention that at holiday time it is the custom of the Railway Department, and always has been, to issue excursion tickets at reduced rates, whereas on those occasions the Tramways Company doubles the cost of its service. I sincerely trust that the Bill will pass without much criticism, and I believe that, when it is in operation, it will result in tramways for the people, and the members of the trust will know that, if they cannot do any better, they cannot do any worse than the present company.

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Mr. KING (*Fogun*): I should like, at the outset, personally to express my appreciation of the lucid exposition given by the Premier in his second-reading speech. As the leader of the Opposition says, there has been a good deal of discussion in the Parliament of Queensland of late years in connection with the Tramways Company's business, and I have no hesitation in saying that a good deal of the legislation that has been passed and a good deal of the legislation proposed in connection with the company has caused a stigma to rest on the fair name of Queensland. I think the present Bill, to a certain extent, will tend to wipe away that stigma, and I hope to see such a result come about that any discredit that has been placed on the State of Queensland in connection with past legislation will be absolutely removed.

I should like to discuss this Bill from several viewpoints. In the first place, I should like to discuss it from the viewpoint of the just rights of the company, not only in so far as may be necessary for the purpose of safeguarding the interests of the company, but also in so far as their just rights are concerned, and so far as the rights which have been conferred by their charter are concerned. I do not ask for the company any more than it is entitled to, and I do not claim for a moment that the company is going to get more than it is entitled to. But I do hope the company will get a just deal so that this stigma which has been against us in the past will be removed once and for all.

We know that there were two Bills before this House some time ago—one providing for a reduction of fares, and the other for the compulsory acquisition of the tram. The Bill providing for a reduction of fares, which was brought before us first, was intended to reduce the income of the company, and, therefore, reduce the value of the tramway as a going concern, and then the Government could come in afterwards and get it at their own price. That was not creditable. However, that Bill was not passed, and the other Bill that was passed is to be repealed by this Bill. That is one of the reasons why I welcome it.

The Premier in his second-reading speech, in reply to an interjection, said that he thought the rights of the company were fully preserved. I believe he does think so, but personally I do not think the rights of the company are fully preserved.

The PREMIER: Where do you suggest they are not?

The Premier in his second-reading speech, mentions which I hope to circulate. I welcome the Bill because it is going to be a means of purging—although somewhat late in the day—Queensland of the sins of repudiation which were previously committed, and is going to restore the company to the status it occupied under its original charter. It is quite probable that the reason for the introduction of this Bill is to rehabilitate the good name of the Government in financial circles in the old country. I sincerely hope that that is one of the reasons for its introduction.

The PREMIER: I can assure you that that has not influenced the Government.

Mr. KING: I am sorry to hear the Premier say so; I gave him credit for better motives. I thought he recognised that Queensland was under a cloud and he

was going to remove the cause. The definition of "tramway" is confined to the additions and extensions duly authorised. In previous debates I gathered that there are some additions or extensions included in the tramway system which have not been authorised. I do not know what they are, but those additions, whatever they are, have been used and are being used in the business of the company, and they have been dictated by the necessities of the traffic on the tram lines. If these unauthorised extensions cannot be used, it is obvious that the operations of the trust will be unduly hampered, and the position of the company, which is the owner of these unauthorised extensions or additions, will also be an ambiguous one.

The PREMIER: Do you think they ought to be taken over?

Mr. KING: Certainly I do.

The PREMIER: On what basis?

Mr. KING: I would not say for a moment that, in connection with unauthorised extensions, anything should be allowed for goodwill, but they should be taken over at the market value.

The PREMIER: Suppose the trust paid what it cost to construct these unauthorised additions, would that be sufficient?

Mr. KING: I think the trust ought to pay what it would cost to replace them.

The PREMIER: That would be a great deal more than the additions cost the company.

Mr. KING: The whole basis of compensation should be the cost of replacement. The company will have no right to use these unauthorised extensions, although it is the owner. The question also arises as to how far the company will have the right to remove these additions.

The PREMIER: I am quite prepared to make provision in the Bill for the trust to take them over and to pay the company what they cost.

Mr. KING: Then I will not say any more about that. That seems to me, so far as I can gather at present, to be a fairer arrangement. The Home Secretary, when introducing the Bill, said—

"The second part of the Bill deals with the acquisition of the system as it now stands."

He also said—

"There is no departure from the original Act so far as any rights are concerned. Under this Bill compensation will be based on the rights or powers which the company has in the original Act."

This question should be placed beyond all doubt, and the Premier has given us the assurance that, so far as these unauthorised extensions and additions are concerned, he will make a reasonable proposition to the company. Unless the position is clearly defined, or an understanding come to, this ambiguous clause will be used against the company when it goes into court, and, on the question of the assessment of purchase money, even the hands of the court might be tied in its interpretation of the definition. Talking about this definition of "tramways," I think that the interpretation is in the wrong place.

The PREMIER: The solicitors of the company have been conferring with the Solicitor-General about it.

[*Mr. King.*]

Mr. KING: I know that. I will say at once that I am not hiding anything. I do not want the House to think that I am a special pleader, or that I am [12.30 p.m.] holding a brief for the Tramways Company—I want my position to be perfectly clear on that point. At the outset, I said that I want the Tramways Company to get what it is entitled to—to get a just deal and no more—and I also want to see that the trust is not going to be faced with a costly legal action to ascertain what amount the company should receive. I want that distinctly stated in the Bill, so that there will not be any prospect of an expensive legal action afterwards. Those are a few words regarding my view of the question, looked at from the company's standpoint; and, as I said, in so far only as the rights of the company are not unjustly interfered with.

I now want to say a few words from another point of view—that is, as to the wisdom of the local authorities acquiring this means of transit. That is a matter which I think is of very great importance to the local authorities. Many experts seem to think that the electric system is a back number, and that it will be superseded by motor traction. In this connection I would like to refer to an article in the "Shire and Municipal Record," which is a Sydney production, of 30th May, 1922. The town clerk and city engineer of Newcastle were asked to bring up a report in connection with the substitution of the electric system for steam trains, and they brought up a report very much in favour of the motor 'bus as against all the other systems. The report says—

"It is our firm conviction that the motor 'bus has come to stay. It is successfully competing against the most modern electric tramways abroad. In the United States 'franchises' for the use of the roads by private companies are not being renewed, in several cities, excepting for motor 'buses, and tramways have to cease running as their 'franchises' expire. There are nearly 200 licensed motor 'buses now running in New South Wales. A number of these are in direct opposition, in Sydney and suburbs, to the electric trams, and new 'buses continue to be added.

"The Sydney electric tram service is reaching a serious stage, inasmuch as it is unable to comfortably cope with the demands made upon it—particularly at certain busy hours. Loud complaints are made about the noise and rattle of the cars, now mostly old and worn, and the city underground railway has become an urgent necessity.

"Can a £1,100,000 electric tramway service hope to pay for itself in competition with 'buses?

"Would not a State or municipally controlled motor 'bus service be a better proposition than any class of tramway service?

"If so, why continue the agitation for the latter?"

Then it goes on to give a number of reasons, with which I do not wish to weary the House, as to why the motor 'bus service should be adopted rather than an extension of the tramway system.

The PREMIER: If we had the material necessary for good roadmaking within access of the metropolis, we would be able to go in for motor 'buses, but roadmaking is too costly.

Mr. KING: I do not know that we are short of natural road-making material about Brisbane. I was always under the impression that we had a very fine quality of road-making material; but I cannot speak with any authority on that point. However, that is one article which advocates the motor 'bus as against the electric tramway. I want to refer to another article which appeared in the Sydney "Daily Mail" of 21st August, 1922, advocating the extension of the motor 'bus system. It says—

"A million people in the harbour city, and seven times as many in London are crowding into the motor 'buses of those cities from 'early morning till early morning.' . . . A motor 'bus will pass several trains between Bondi and the city. The same thing applies in London. Modern single-deckers in Sydney and double-deckers in London race through the streets. The motor 'bus is an institution in those cities, and not a passing phase. It is not dependent upon sets of rails or a central system for locomotive power. If one 'bus breaks down, and this is a rare occurrence, another is substituted immediately.

"NEWCASTLE AND MELBOURNE.

"All big cities are coming to regard motor 'bus services as indispensable. Newcastle (New South Wales) is a growing centre, and its steam trams are held to have outlived their usefulness. The municipality branched a scheme recently for laying down electric cars. An alternative plan provided for the extension of the present steam trams. Immediately there was an outcry on the part of the public for motor 'buses instead of trams. A committee consisting of members of the municipal authority came to the conclusion that motor 'buses would prove more useful than trams."

The PREMIER: It may be all right having a motor 'bus system, but neither in London, New York, nor any other large city have motor 'buses absolutely replaced the trams.

Mr. KING: I am inclined to agree with the Premier that the motor 'bus will never—not in our time, at any rate—supersede the trams.

Mr. FERRICKS: In a properly organised service motor 'buses will be feeders for the tramway service.

Mr. KING: I am inclined to think that motor 'buses will be used more as feeders from the different termini; but we must recognise the fact that motor 'buses are running in competition in Melbourne, Sydney, and London, and even in Adelaide and Brisbane, with the trams, and, from what I can gather, they are giving a more speedy and convenient service in every way.

Mr. FERRICKS: I think they are only carrying the excess people who cannot get tram accommodation.

Mr. KING: I cannot agree with the hon. member for South Brisbane there. People are going in motor 'buses not so much as a matter of convenience as from choice.

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Mr. FERRICKS: Because they can get seats in a motor 'bus, and they cannot get them in the trams.

Mr. KING: The article in the "Daily Mail" goes on to say—

"The question of giving Brisbane up-to-date public transport is one of unusual interest. . . . The trams are about to be offered for sale to the local authorities. Should the local authorities put additional cars on the several routes of the metropolis, tack trailers on to the present cars, or organise a motor 'bus service from the city to the suburbs with a view to relieving the pressure on the trams?"

"No doubt some members of Brisbane's local authorities would open their eyes if the last suggestion were made to them, but the gentlemen who will probably be entrusted with the future management of our tramway system have not, in many cases, had the advantage of studying tram systems, underground railways, or even motor 'buses in other centres."

Here is another extract from the "Daily Mail" of 16th June, 1922—I am taking this from the report of an interview with an Alderman from the old country—

"Alderman Walklin says he found tramway fares cheaper in Brisbane than in the Southern capitals, but all our means of travel seem to him very dear as compared with those obtaining in Great Britain. Motor 'buses had caused the tramway and railway companies to reduce their fares very considerably, and, in order to discourage certain people from using trams and 'buses during the busy hours of the day, the companies had made a bold move. Ladies who desired to travel to the city to shop or take afternoon tea were able to travel for practically nothing between the hours of 10 a.m. and 4 p.m. Within a radius of 10 miles of London, the motor 'buses took people to town and back between 10 a.m. and 4 p.m. for 4d. There was one long line of 'buses which carried passengers 14 miles between those hours for 2d. Railway companies had followed suit."

These are some remarks made by a visitor to Queensland who is also advocating the adoption of the motor 'bus system. I only mention these few facts for the purpose of considering whether, in view of the possibilities of the motor 'bus service, the acquisition of the tramways is going to be in the best interests of the local authorities. Whether it is going to be in the best interests of the local authorities or not is hard to say. There is no doubt that the motor 'bus service is going to be a keen competitor with the tramway system, and there is a possibility of the tramway system being ultimately disused altogether.

The third point is simply a discussion of the Bill itself. I want to deal with some of the provisions of the Bill. We all admit that the present position is very unsatisfactory indeed. It started when the Act was passed for the acquisition of the trams in 1920. Since then, matters have been at a standstill. There have been no extensions, and no improvements, and there must have been a good deal of deterioration in the plant. That has not been to the advantage of the Government, the local authorities, or

the company. Neither the local authorities nor the company are in any way to blame for the delay that has been brought about. The Government set out to acquire the right to purchase the trams, and after they acquired that right they allowed matters to remain in abeyance. The greatest injury has been done to the public by that policy, and an injury has been done to the development of the city generally. The Government looked upon the acquisition of the tramways as a paying proposition, but they find out now that it is not so good as they anticipated. In order to save their face, they now want to get out of the difficulty by palming the whole liability on to the local authorities. At any rate, the Government are satisfied that the Act of 1920 was a mistake. I was glad to hear the Premier say that it was not the function of the Government to run trams. I am glad to have that admission from him. I wish he would make the admission that it is not the function of the Government to trade generally, but to govern. I wish he would let some of the State enterprises go by the board.

The PREMIER: No one suggested that it is not the function of the Government to trade generally.

Mr. KING: I would like the Government to let the State enterprises go, and get back to the proper functions of government. Ever since I had an opinion of my own, I have always favoured the ownership by the local authorities of public utilities, such as gas, water, electric light, street railways, and tramways. The problem of the city is the problem of civilisation, and to a great extent it also is the problem of monopoly. I do not believe in monopolies, because a monopoly in private hands means taxation without representation. Local government should be as free and independent in its particular sphere as States or nations are in theirs. The State has no more right to impose its judgment on the local authority in its internal business than the Commonwealth has to impose its judgment upon the State with respect to the internal business of the State. The rule is, or ought to be, that national interests should be governed by the nation. State interests by the State, and local authority interests by the local authorities. The public ownership of public utilities is simply ownership by the whole body of citizens as opposed to ownership by a few. It means ownership by many stockholders in the place of a few, and equal instead of unequal holdings, whereby the benefits of the industry are more evenly diffused. The conflict of interests between the owners and the public is limited by making the owners and the public one and the same. It is democracy and union in place of autocracy and antagonism. I mention these facts in support of my contention that the local authorities should control public utilities without undue Government interference. Therefore, I will say at once that I am in favour, on general principles, of a trust authority for the local authorities. For the same reason, I do not favour the granting of an extended franchise, which must of necessity be the result of a mutual arrangement. We heard from the Premier during his second-reading speech that negotiations had been going on for an extended franchise, but the conditions were too embarrassing and too harassing for the Government to consider such a scheme. I recognise in connection

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with any extended franchise that the true basis of the extension must be mutuality. It must be a mutual arrangement by consent between the parties. I recognise, too, in connection with an extended franchise for the Tramways Company that it would be a most difficult thing to arrive at a common basis of agreement whereby the rights and benefits of all parties would be conserved. The Bill makes provision for the appointment of a trust. I quite recognise that there is a good deal of difference of opinion as to the allocation of members of the trust and as to how the districts are to be split up. I notice by the Bill that provision is made for the appointment of two Government nominees. I do not altogether see the justice of that. Surely, one Government nominee would be sufficient to protect the rights and claims of the Government.

OPPOSITION MEMBERS: Hear, hear!

Mr. KING: I do not see why one representative should not be sufficient.

The PREMIER: Where is the difference between one representative and two representatives?

Mr. KING: I understand that all that is required is that the Government should be represented on the trust. If the Government have representation on the trust, that ought to be sufficient. I think that two representatives on the trust will give the Government undue weight.

The PREMIER: Two out of eight?

Mr. KING: They only require representation to watch their interests, and, when the debt to the Government has been paid off, they will cease to have representation at all. The question of the purchase money is a very great stumbling block. We know that the local authorities, or the Government for the local authorities, will have to pay a very large sum of money before this is finally settled.

The PREMIER: Much less now than twenty years hence.

Mr. KING: That is quite possible—it all depends on the advance of the times. In dealing with the question of valuation, the Premier said that it would not be less than £1,200,000.

The PREMIER: I did not give that as the Government valuation. I told Mr. Badger that that was the figure upon which the Government were prepared to negotiate.

Mr. KING: I understand that. According to the twenty-first annual report of the company, the valuation completed as at 31st December, 1920, taking no account of special values, puts the figure at £1,738,000.

The PREMIER: I cannot disclose the Government valuation.

Mr. KING: No. I only wish we had some indication of what the Government valuation was, because it would be a guide to us. Then we had the Premier referring to the estimate of one of the local directors, Mr. Blundell—namely, £2,000,000. There seems to be a great diversity of opinion as to what the amount is likely to be, but it seems that we must be prepared to pay a tremendous amount. We know that the plant and buildings have deteriorated and extensions are required, and probably these and similar expenses will involve anything over £1,000,000. I do not know what these expenses are going to be exactly, but the

general opinion outside seems to be that it is going to mean a liability to the local authorities of about £3,000,000.

The PREMIER: If you include all the extensions and expenses for a long time to come.

Mr. KING: I am referring to almost the immediate cost.

The PREMIER: The hon. member is altogether out.

Mr. KING: I sincerely hope I am, but I am only stating what I have heard from a very competent authority outside—that it is going to reach that figure within a very short time. Now, 5 per cent. on £3,000,000 is £150,000, and 6 per cent. on the same sum is £180,000, so that on a capitalisation of £3,000,000 revenue amounting to either £150,000 or £180,000, as the case may be, will have to be earned by the trust in order to clear its liabilities.

The PREMIER: Your information is erroneous. That amount must include future capital for many years. That will provide for very large extensions.

Mr. KING: I venture to say that that figure will be reached within a very short time. Of course, I have not reliable information on that point. It may have been calculated on a wrong basis, but it is just as well for us to look at the business from the point of view of what might be, and to find out where we are likely to be landed before it is all over. If we examine the net profits of the company, which may be taken to be the result of most careful, capable, and economical management—because we must recognise that the company has been run on those lines—we find that from 1915 till last year they were as follows:—

	£
1915	157,990
1916	166,992
1917	144,385
1918	165,176
1919	151,383
1920	162,716
1921	92,352

It will thus be seen that, if the basis which I have mentioned—£3,000,000—is correct, the annual revenue is not sufficient to meet interest charges. I want to emphasise that point, because the people of Queensland should understand that, if they are going into this business, there is every prospect under the provisions of this Bill that the ratepayers will have to pay very large sums to make up the deficiencies between the net revenue and the interest payable to the Government.

The proposed trust, we know, is to be composed of representatives of the local authorities, and in the Local Authorities Acts provision is made for a poll of electors on all loan proposals. I hold that provision should have been made in this Bill for a referendum of the people on the question whether the trust should go in for this undertaking or, in other words, whether the local authorities concerned should float the large loan involved.

The PREMIER: The Metropolitan Water and Sewerage Board has power to borrow up to £3,000,000 without a poll.

Mr. KING: That Board has very great powers—greater than the powers of local authorities. Not only does the Local Authorities Act recognise the principle of a referendum of the people before a loan is floated,

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but that principle is also part of the Government's own programme. I believe in the ownership of trams by the people, [2 p.m.] but the people should be consulted first, and they ought to know what the liability is

The PREMIER: You cannot determine the amount of compensation until the acquisition takes place.

Mr. KING: I quite admit that, but I think we ought to be able to get very near to it—at any rate, within £500,000.

The SPEAKER: The hon. member has exhausted the time allowed to him under the Standing Orders.

Mr. DEACON (*Cunningham*): I beg to move—

"That the hon. member for Logan be granted an extension of time."

Question put and passed.

Mr. KING (*Logan*): I would like to quote a few remarks from "The City for the People," by Parsons, under the heading of "Distrust of the People." He quotes Sir Francis Adams, British Minister to Berne (Switzerland), as saying—

"The referendum has struck root and expanded wherever it has been introduced, and no serious politician of any party would now think of attempting its abolition. The Conservatives, who violently opposed its introduction, became its earnest supporters when they found that it undoubtedly acted as a drag upon party and radical lawmaking."

He further quotes Professor Bryce, under the heading of "Direct Legislation," as saying—

"A general survey of this branch of the inquiry leads all to the conclusion that the people of the several States, in the exercise of their highest function, show little of that haste, that recklessness, that love of change for the sake of change, with which European theorists, both ancient and modern, have been wont to credit democracy."

The same author, in the same work, says—

"There is a good deal of truth in the expression of the statement that people may not, on the average, have so much genius as the Government, but they have better digestion and more common sense."

We should refer this matter to the people, because they have, as a rule, the common sense which enables them to come to a reasonable conclusion and direct the Government as to what their wishes are in the matter. A referendum ought to be taken to ascertain what their views are on the subject.

I notice that there is in the Bill provision for the appointment of an Advisory Board. That provision does not in any way state what the powers of that Advisory Board are to be, or why the board is to be appointed: it simply says an Advisory Board shall be appointed. It does not even say that the Governor in Council is to act on the advice of that Advisory Board. It says that the "general scheme" shall not be adopted by the trust until it has received the approval of the Governor in Council. What are the powers of the Advisory Board? Why has provision been made in the Bill for the appointment of an Advisory Board, without

their powers or functions having been stated? It appears to me, with all due respect, to be rather a useless sort of provision. I would like from the Premier some information as to what are to be the functions of this Advisory Board. Provision is also inserted prescribing the method of arriving at the amount of purchase money. That appears to me to be in line with the provision made in the original Act. Provision also is made for precepts. That means that, if the revenue is not sufficient to meet interest payments, the trust will have power to levy a precept on the component local authorities, and the precept is to be made good by a levy of a special rate by the local authorities in their respective areas. That means, of course, if the trust is not paying its way, the ratepayers will have to make up whatever deficiency is necessary. I am very much afraid that precepts and special rates will become a very common thing. The issue of these precepts will make an additional charge by way of taxation upon every person who owns an allotment of 16 perches or more.

The PREMIER: That expectation is not likely to come true.

Mr. KING: I hope that it will not come true. It is contemplated by the Government that that provision will be put into effect. I referred earlier to the possibility of motor buses running counter to and in competition with the existing tramway service. The Premier, in introducing the Bill, said that the local authorities had it in their power to regulate that sort of thing and they could exercise a restraining influence. With all due respect to the hon. gentleman I say that is absolutely wrong. We know that in the metropolitan area the control of traffic is not in the hands of the local authorities, but is in the hands of the police.

The PREMIER: Does the hon. gentleman say that the local authorities could not carry a by-law dealing with the running of motor buses?

Mr. KING: They could not under existing conditions, because the control of the traffic is out of the hands of the local authorities, and is vested in the hands of the police.

The PREMIER: We can very soon correct that.

Mr. KING: There is a provision in the Bill which states that the control of the traffic shall remain the hands of the police. Clause 33 says—

"Nothing in this Act shall limit the powers of the Commissioner of Police to regulate the passage of traffic along or across any road; and the said Commissioner may exercise his authority with respect to the traffic of the trust."

The police have full control, and that control is continued under the Bill.

The PREMIER: If the hon. gentleman thinks that is a real difficulty, I do not mind if the local authorities are given control of motor bus traffic.

Mr. KING: That will help the local authorities in their execution of the trust for the benefit of the people. The provision that allows motor buses to run in competition with the trams is a very hampering one. If the Premier will undertake to cure that defect, it will certainly be a move in the right direction, and will be of assistance to the local authorities. The Bill is a complicated one, and gives one a good deal of

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concern, though I am quite willing to admit that some of the principles are absolutely correct, and are absolutely in accordance with established principles.

Mr. BRENNAN: The hon. member is very fair.

Mr. KING: I always try to be fair. If, as the Premier stated, he will accept reasonable amendments, the Bill may be made a useful measure. Some amendments will certainly be moved to effect that purpose. Personally, I look upon the Bill as a non-party measure, and it ought to be treated as a non-party measure. After all, we are considering what is best for the people. The great stumbling block, so far as I am personally concerned, is the possible expenditure that we shall have to face to give effect to the acquisition of the tramway system. If I could only see daylight in that regard, I would not have the slightest hesitation in giving the Bill my whole-hearted support, provided we can get some reasonable amendments accepted. The amendments that will be proposed from this side of the House are reasonable, and I hope they will be accepted in the spirit in which they will be moved.

Mr. WILSON (*Fortitude Valley*): I desire to say a few words on this very important measure, and at the commencement of my remarks I desire to express my deep regret that the Home Secretary, who has given so much consideration and so much thought to this measure, should be laid aside through illness. It is unfortunate that he should not have the credit of piloting such a good Bill as this through the House. Nevertheless, the Bill is in very good hands indeed, and the Premier in his second-reading speech effectively disposed of any impression that may have existed as to the sincerity of the Government in their attitude towards this matter. It appears to me the issue is one of local government control, or State control, or company control. We have had twenty-five years or more of company control, and, if I am any judge of the trend of events throughout the world to-day, it is in the direction that all public utilities should be in the hands of the people and should be run by the people for the benefit of the people. For very many years the local authorities of Brisbane have been trying to get control of the tramways, and all the time that I was an alderman of the Brisbane City Council this question was repeatedly cropping up. The first definite step was taken in 1910, when all the local authorities in the metropolitan area, or in the defined area, met in conference. That was ten years before the time at which they could compulsorily purchase the tramways—that is, September 1920. They met for the purpose of devising a scheme to get control of the tramways. The inconvenience of travelling and the difficulty of getting extensions were the principal causes that moved the local authorities. They met in conference and drafted a Bill having for its object the appointment of an authority to negotiate for the purchase of the tramways. In 1913, a deputation, consisting among others of Messrs. Welsby, Trout, Petrie, and J. Allan, waited on the Premier, and the principal speaker at that deputation was the Hon. A. G. C. Hawthorn, who, as reported in the "Telegraph" of 10th September, 1913, said—

"One of the main principles of the Bill was the appointment of a Commis-

sion to be appointed by the Government consisting of three members with specific powers, with the ultimate view of arranging for the local authorities to undertake the construction, working, and maintenance of the tramways, including those already in existence. One of the difficulties which at present existed was that there was no one able to act as a sort of intermediary between the local authorities concerned and the Tramways Company. The Commission would be the necessary intermediary."

At the same deputation the present mayor of Brisbane, Alderman Diddams, claimed that under the Tramways Act the local authorities had undoubted rights, and, as a representative of those bodies, he intended to conserve the rights of the local authorities. The Bill which was drafted by the local authorities gave the Commission, which they suggested should be constituted, power to purchase the trams, or, failing that, to enter into a profit-sharing system, and, in order to show the determined attitude of the local authorities at the time, they included a provision which would have empowered them to undertake the construction, working, and maintenance of the tramways, including the extension of tramways then in existence. This may not have been a very practicable proposal, but, at all events, it showed the temper of the local authorities at the time. Mr. Denham is reported in the "Telegraph" to have said, in reply to the deputation—

"He had perused the Bill prepared by the local authorities, and he had judged, from the provisions of the Bill and from the remarks made that day, that they would prefer to have the trams municipalised rather than placed under Government control. It had occurred to him that the arguments they had advanced were perfectly legitimate, seeing that the local authorities controlled the streets throughout which the tramways ran, and any deficiency that occurred under the proposed scheme was to be made good by the ratepayers of the different areas."

When the present Government came into power in 1915 a deputation from the local authorities waited on the late Mr. Ryan and asked that the Bill which had been drafted by the local authorities should be proceeded with. The deputation asserted that it was the unanimous desire that the local authorities should have complete control of the tramways. At this stage I should like to quote the remarks of Alderman H. M. Russell, of the Hamilton Town Council, as reported in the "Observer" of 27th August, 1915. Alderman Russell is a man of great experience and a level-headed business man, and is well known to hon. members. He said—

"The conference represented the current sentiment of the people that a big utility such as this should be controlled by the citizens of the metropolis. The conference was fully unanimous as to the necessity for the local authorities having complete control of the tramways, and, although they had inserted a clause bearing on a possible joint arrangement, it was only by the way."

Alderman Russell later on, in an interview published in the "Daily Mail," said that the local authorities had turned down company profiteering, and that the Home Secretary had shown how justified they were.

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Right up to even the last few days that has been the attitude of the local authorities in the defined area, and it is somewhat difficult for me to understand the change of attitude on the part of some of the local authorities now; but I am pleased to say that that change is not general, as is shown by the statements of Aldermen Charlton, Russell, and the Hon. A. G. C. Hawthorn. It is now stated that the trams are being loaded on to the local authorities, and excuses are being made by the company, as it has always done in the past. It is well known to hon. members that Mr. Denham, acting in the interests of and with a view to conserving the rights of the local authorities, exercised his authority and definitely terminated the agreement under the Tramways Act of 1913. Mr. Badger has blamed the war for the rolling-stock not being increased. If we examine the period between 1903 and 1912, when there was no war on, we find that that was the period during which Mr. Badger so consistently hung up the extension of the tramways, which caused the local authorities to join in an endeavour to secure the control of the trams. We find that, whereas the number of passengers carried had increased during that period from 18,000,000 to 36,000,000, or 100 per cent., the number of cars had been increased from 91 to 127, or only 40 per cent. Since that period the number of passengers carried increased from 36,000,000 to 68,000,000, or nearly 100 per cent., while the number of cars increased only 127 to 178, or again an increase of only 40 per cent. These figures show that the company has never carried out its obligations in return for the concessions granted to it, and the local authorities would have been justified in taking the trams from the company, as they could have done under the Brisbane Tramways Act of 1913. I say that the company had, without any justification at all, disregarded its obligations, or, to put it more plainly, has disregarded the rights of the people of Brisbane. The company has had ample protection for its property in the trams and plant. I would like to know what influence is at work at the present time amongst the aldermen and members of shire councils throughout the metropolitan area. At the last municipal election the Labour platform and the National platform seemed to coincide. I have a copy here of the Nationalist platform. It was issued on behalf of Mr. H. J. Diddams, the Nationalist candidate for the mayoralty of the city of Brisbane, and was authorised by Mr. G. W. Morris, from the Nationalist rooms, 222 Queen street. Plank 12 of the Nationalist platform reads—

"Acquisition of the Brisbane tramway service, electric light, and other public utilities on a sound financial basis."

OPPOSITION MEMBERS: Hear, hear!

Mr. KERR: "On a sound financial basis."

Mr. WILSON: The local authorities have had the matter placed before them on a sound financial basis, and they have refused to embrace this opportunity with both arms. I sat on the Brisbane City Council for a number of years, as the hon. member for Toowong knows, and this question was often discussed. It is very difficult for me to stand here as a sane and sensible person and understand what has come over the position since then. Where is the opposition coming

from? Since the last municipal election, I notice that most of the people who take any interest in local government matters have shown a decided change in this matter. I have noticed a decided change in the Brisbane City Council and in the South Brisbane City Council. We know that there has been a public move in both areas for an extension of the company's franchise. I can link up Alderman Hetherington of the Brisbane City Council, at all events. He appeared as one who took some interest, and I notice that he gave his views in an interview with the "Daily Mail." The report says—

"Alderman Hetherington, who is associated with the work of the city council, in an interview with the 'Daily Mail' representative said that if the Brisbane Tramways Company were given an extension of twenty-one years, at the end of that twenty-one years the company would hand over the whole thing, lock, stock, and barrel, to the local authorities."

I know Alderman Hetherington very well, and he would be somewhat hurt if we thought he could not show some authority for that statement. His suggestion is there, at all events, but he did not show how this miracle was going to be worked. I contend that, if the company is prepared to hand over the whole concern to the local authorities at the end of twenty-one years, then it must be on a very good wicket now. No wonder it is fighting for the extension of the franchise. I would like to know what influence is at the back of this. Probably it is the same influence which appeared in local authority matters in connection with this question in 1913. It is the power of the Tramways Company and the power of the capitalistic Press. (Opposition laughter.)

GOVERNMENT MEMBERS: Hear, hear!

Mr. WILSON: There is no doubt the power of the capitalistic Press is behind it. The hon. member for Toowong knows that what I am saying is correct, and I might add that Aldermen Diddams, Hetherington, Faulkner, Tait, Jolly, and others are fighting the battle of the company.

Mr. MAXWELL: They are fighting their own battle.

Mr. WILSON: Mr. Denham said in 1913 that the Coorparoo and Stephens Shire Councils were fighting the battles of the company. Now others are doing it. The case upon which these men are fighting has been prepared by Mr. Blundell, one of the local directors of the company. The mayor of Ithaca, Alderman Tait, in an interview with the "Courier," described the tramways as a bad bargain, and in a leading article on the 17th of last month the Brisbane "Courier" suggested that this "bad bargain" might mean an expenditure of considerably more than £2,000,000, and an unknown extra outlay in maintenance. The "Courier" then goes on to make this statement—

"They will be able to form a fairly good idea of what it means when they know that the expense must be borne by the rateable lands in the area, and the local authorities are required to levy a sufficient tax based on the enhancement of value."

If that statement means anything, it is meant to convey that, assuming the trams cost £2,000,000, the Bill requires that the whole of that amount has to be paid by a tax on

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rateable lands, to be collected at one time. Surely no more daring misstatement was ever uttered by an able writer! It is too stupid for one to bother about refuting it. Mr. Blundell addressed a letter to the mayor of Brisbane on 23rd December, 1921, a copy of which was sent to other local authorities and was published in the "Courier" of 24th January last. The interesting thing about it is that it is used to prove that the tramway undertaking is worth £2,000,000. In the fourth paragraph he says—

"The present net earning power of the undertaking, exclusive of land and income tax and after allocating 14 per cent. of the gross revenue for maintenance and renewals, may be put at £160,000 per annum. That is the sum out of which interest and sinking fund payments have to be made."

The Bill fixes the rate of interest at $5\frac{1}{2}$ per cent. and the sinking fund payment at $\frac{1}{2}$ per cent. On an estimated capitalisation of £2,000,000, these obligations represent £120,000 annually, leaving the big margin of £40,000.

Certain points deserve to be remembered in considering this measure. The tramway revenue is ever increasing—no one will deny that—having risen by nearly 50 per cent. in the five years mentioned by Mr. Blundell in his letter. Costs are falling, and the 14 per cent. he quotes as necessary for maintenance and renewals is more than sufficient for those purposes, as he points out in his letter. The margin between revenue and operating and maintenance, and renewal and expenditure, would thus greatly exceed £40,000, leaving a big margin to meet payments for interest and sinking fund on capital borrowed for extensions and additional rolling-stock.

It was stated in the "Telegraph" on 13th July, 1922, that the city council was able to obtain money from the Commonwealth Bank at $4\frac{1}{2}$ per cent. If that is true, the local authorities have a perfect right to demand that only that rate shall be charged to them.

Mr. KING: You are going to charge the local authorities about 6 per cent.

Mr. WILSON: No. I take it that the court will take that into consideration. If money can be borrowed at a lower rate of interest than is stipulated, that must be apparent to any man of ordinary intelligence. It would be unfair otherwise. This Bill does not bind the trust to pay by debentures. Clause 16 requires the court to state the amount that shall be paid for the trams, in cash or on terms. In the latter case the rate of interest is fixed at $5\frac{1}{2}$ per cent. In July last the "Telegraph" said that the

Brisbane City Council could get [2.30 p.m.] money from the Commonwealth Bank at $4\frac{1}{2}$ per cent. If that is so, I have no doubt the tribunal which goes into the matter will fix the interest at whatever rate money can then be obtained. If it is cheaper, well and good. It will be welcome news to all of us to hear that money is getting cheaper; it will reduce the amount of interest and the sinking fund payments—assuming that the company gets £2,000,000—from an annual outlay of £120,000 to one of £100,000. According to information supplied to this House, the whole of the cost of this undertaking was somewhere about £890,000. How, then, can the company expect to get £2,000,000? To my way of thinking, it will be very lucky if it gets half

that amount. If it gets £1,000,000, the annual charge in respect of the purchase price will be reduced by one-half. It can easily be understood why the Tramways Company is hanging on. As a matter of fact, it has been absolutely a goldmine to it. For years and years the stock has been watered: I have no doubt that later on other speakers will have a good deal to say about that.

I should like to give some indication of the change of tone which has been adopted by some aldermen, chiefly those in the Brisbane City Council. A deputation from the Brisbane and South Brisbane city councils, and the Ithaca and Hamilton town councils, waited on the Home Secretary in 1918, and asked why the Government did not proceed with the Bill designed to enable the local authorities to acquire the trams. They were under the impression that the Bill which had been passed through the House signified that the Government were going to stick to the trams and run them as a Government concern, and they wanted to find out what the position was. The Home Secretary made it clear that the trams would be handed over to the local authorities as soon as they liquidated the amount of the liability, and he informed the deputation that the Government proposed to transfer the tramways to the local authorities after they had acquired them from the company. In the report of this deputation, which appeared in the "Courier" of 26th July, 1919, in reply to a question by the Home Secretary as to whether the local authorities wanted the Government to lend them the money or whether they were going to borrow it themselves, Alderman Diddams is reported to have said, *inter alia*, that the local authorities were so desirous of acquiring the tramways that, if they could not get the money from the Government, they would endeavour to raise it themselves. Why, then, all this howling—this shifting of ground—this putting up "Aunt Sallics" in order to knock them down? There has not been any talk about a referendum in connection with the taking over of the trams for over fifteen years. It has happened quite recently because the Tramways Company and those who are connected with it can see that this concern is going to pass away from their hands. Whenever the Government say they will do anything they do it, and the company knows what is going to be the result. In the "Daily Mail" of 23rd July, 1918, Alderman Diddams is reported to have replied in these words—

"The local authorities did not want the trams to slip away from them."

In the "Telegraph" of 23rd July, 1918, Alderman Down is reported to have made the following statement:—

"We have not the slightest doubt that it is a splendid paying proposition, and that the citizens of Brisbane will have a very good asset in it, who will benefit either in reduced municipal taxes or reduced tramway fares."

In the "Daily Standard" of 22nd July, 1918, he is reported to have said—

"They were advised that there was no question of goodwill; but even if an amount had to be paid for goodwill the trams would be a paying proposition. It was to the interests of the local authorities to get the trams as soon as possible."

Mr. Wilson.]

These men are still in local government, one of them being mayor of Brisbane, while Alderman Down has been treasurer of the Local Authorities' Association for some considerable time. You have to put on your considering cap when you pick up the morning papers and see their opinions in connection with this Bill and an attempt to raise some sort of opposition to it. I do not think that one man, if he spoke his mind, would oppose a Bill of this description, which is absolutely giving them the right for which they have been looking for twenty years or more.

Mr. KERR: They are not opposing it.

Mr. WILSON: Why did the leader of the Opposition say that they were?

Mr. KERR: They are objecting to no information being supplied.

Mr. WILSON: I understood the leader of the Opposition to say this morning that the local authorities had turned it down.

Mr. KERR: They are looking for information.

Mr. WILSON: The hon. member knows as well as I do that he is guided by what is in the morning Press. I would like to make a few remarks about another mayor—Alderman Faulkner. At the South Brisbane Technical College on 10th February, 1922, Alderman Faulkner said—

"Personally, I have no objection to a trust. I never had one. I am glad to know that you propose to allow the trust to consist of eight members, and that the method of the election of the trust should be as it is."

This is what he said a few months afterwards, according to the "Brisbane Courier" of 14th July, 1922—

"I believe absolutely that the people best fitted to run these trams are the Brisbane Tramways Company. If the control is to be taken from them, then I say emphatically it should pass to a Commission of three, and not to a trust of amateurs. These trams have been run well in the past."

The "Courier's" comment on that was—

"The foregoing was the forcible opinion expressed to a 'Courier' representative yesterday afternoon by the mayor of South Brisbane (Alderman Faulkner) when asked for his views on the Tramways Trust Bill now before Parliament. Alderman Faulkner also stated that the conference of local authorities which met on Wednesday evening had suggested certain amendments to the Government, and he would prefer, under the circumstances, not to say anything further at the present juncture. But, he added, he held very strong views on the subject."

I must compliment the hon. member for Logan on his very sensible speech. He is consistent—I will give him that credit. The only point on which I am at variance with him is that he seemed to be so persistent in wanting to see that the Tramways Company got a fair deal. That is what the Government want. They want the local authorities to get a fair deal. They want a fair deal all round. I think the idea of valuation on the part of the hon. member is altogether at fault. The leader of the Nationalist party a few years ago, when speaking on the Brisbane Tramway Purchase Bill, made cor-

[Mr. Wilson.

tain remarks that were agreed with by other hon. members opposite.

Mr. SIZER: We still agree with them.

Mr. WILSON: This Bill should go through the House in twenty minutes. The leader of the Nationalist party, in 1913, said—

"It was realised that the tramways, as a national utility, must pass into the hands of the people. Nobody could get up and contradict that the people were asking for it. They looked at it that, as a public utility, the people should have control of them."

He is perfectly right there. The trend of events all over the world show that utilities of that description are passing into the hands of the people for the benefit of the people. That principle is recognised wherever the local authorities have control of the tram service. That principle has resulted in the opening up of country and settling population away from the industrial centres that have become congested. I do not blame the present Tramways Company for not extending its lines, as it has the power to refuse to do that. Every time it did make an extension, it took great care that there were sufficient people living in the locality to patronise the trams and make it a paying concern from the word "go." We have a perfect right to see that the tramways are run to the suburbs where land probably will be cheap, instead of running alongside the railway lines. The Tramways Company put down a double line in Adelaide street, notwithstanding that at the time the city council strenuously opposed it. It is going to cost from £175,000 to £200,000 to widen Adelaide street, as the street is too narrow for the double line. We did all we could in the city council to prevent that being done. Clause 26 provides—

"... the trust may—

(i.) Charge the deficit to the revenues of the following year; or

(ii.) Issue to each local authority comprised within the district of the trust a precept requiring such local authority to pay to the trust a share of the deficit, which shall bear the same proportion to the total deficit as the rateable value of the rateable land ..."

The Bill initiated by Mr. Denham in 1913 provided that a tramway rate could be levied to meet the annual payments in respect of the loan indebtedness. That was 50 per cent. worse than this Bill. A deputation from the local authorities waited upon Mr. Denham, in September 1913, to ask the Government to pass a Bill, and, while Alderman Diddams was speaking, Mr. Denham remarked, "I see you are making provision for a rate in case of loss," and Alderman Diddams replied, "Yes; that is only as a security." A similar provision for payment is made in any Bill; it has only been laid down a little more specifically in this Bill. The Brisbane Tramways Company is the only tramway company in Australia which pays taxation to the British Government, to whom it pays more taxation than it pays to the State and Commonwealth Governments combined. Will anybody say that it is not a proper thing to keep that money here for the development of the State?

Mr. KERR: The hon. member did not think about that in connection with the £7,500,000 of Savings Bank debentures, when £300,000 went out of the State.

Mr. WILSON: Neither the Sydney tramways nor the Melbourne tramways pay anything to the British Government. For years the Brisbane tramways have been paying taxation to the British Government. We should hail with delight the opportunity of placing a big concern like this in the hands of the people for the benefit of the people. During the busy hours of the day it is very difficult for one to get a ride on the trams. It is hard to get on and stand up, let alone get a seat. During the holidays the company seems to have sufficient cars to carry people to the Exhibition and other places, and it charges threepence to go from Brunswick street, or the Valley Corner, to the Exhibition, and sixpence to go to the races at Ascot. If one lives in the suburbs, it is very difficult to get on a car between 5 and 6 o'clock in the afternoon. I have seen women fighting and struggling to get off a car, and others fighting and struggling to get on. Many have to hang on to straps. The company should have been compelled to run feeders to relieve congestion during the busy hours of the day. When the local authorities take the trams over, there will be a howl through the Press about overcrowding and inefficient service, and pressure will be brought to bear to have that altered. The people have allowed the company to do this kind of thing. Everyone must be of the opinion that the trams can be run for the benefit of the people. I am pleased that the hon. member for Nundah still agrees with the opinion expressed by the hon. member for Windsor in 1918. The only speech against the Bill has been delivered by the leader of the Opposition. He said that the local authorities were against the Bill, and that they had turned it down. If that is so, they must have had a meeting last night to decide that they were going to oppose it. If there is anyone opposed to the taking over of the trams, let him get up and say so openly, and not do like many I have met at meetings and conferences, who have told me that they were in favour of the local authorities taking them over, and now, when they get an opportunity of taking over a going concern, they want to turn it down.

Mr. VOWLES: They want the matter submitted to the people.

Mr. WILSON: That question was only raised this morning.

Alderman Russell wrote a long sketch of the whole thing some short time back, which was published in the "Daily Mail." It is only now that this question of a referendum is put forward, and it is put forward with the idea of hanging the matter up in the hope that the company might get a little extra power to enable the Bill to be blocked. I sincerely trust that the Government will not listen to any proposal to include in the Bill a provision for a referendum. Whatever may be said of the Labour party, at all events it does what it says it will do.

GOVERNMENT MEMBERS: Hear, hear!

Mr. KERR (*Enoggera*): I have yet to learn that the local authorities are against the principle contained in this Bill; and hon. members opposite are stating something that is not correct when they say that the local authorities which have discussed this matter are against the principle of the Bill. What they are against—and rightly so—is that they are asked to buy a pig in a poke, and they think that the people whom they

represent should know what is likely to happen. There seems to be something behind this, when the Government, in the first instance, were prepared to take the tramways over, and now, after they have gone into the matter a little further, and found that, owing to certain repairs and extensions, and owing to the great number of charges that must be met to bring the tramways up to date, they desire the local authorities to take the system over. The local authority representatives are quite within their rights in seeking to know where they stand; but, unfortunately, the Government are not giving them any option. The Government are forcing the tramways on to the local authorities. It has been recognised right from the very beginning—in the first Act of 1882 and in the Victorian Act thirty-two years ago—that these public utilities must belong to the people. There can be no objection to the principle contained in this Bill, and I do not object to it, but we do claim that it is not right for the Government to refuse to give certain necessary information.

The PREMIER: What information?

Mr. KERR: The Premier stated in his second-reading speech that the Government were prepared to negotiate with the Tramways Company on the basis of a value of £1,200,000, but that one of the directors of the company mentioned £2,000,000, which, with the cost of extensions and repairs, would probably reach £3,000,000. At all events, it will cost the local authorities a tremendous amount of money.

The PREMIER: We cannot ascertain the amount of compensation until the tramway is acquired.

Mr. KERR: That is so, but the Bill should not have been brought in at the present time.

The PREMIER: You cannot determine the compensation in any other way.

Mr. KERR: A Bill could have been brought in to deal with the matter in another way. Take the amalgamation of banks whose assets are worth many millions of pounds. When a change is to take place trustees are appointed to take charge of the management of the concern for the time being. Of course, the company which is selling does not receive any profits, because it is not its business, but it receives interest on capital during that period. I contend that trustees should have been placed in charge of the tramway business.

The PREMIER: That is what we are going to do. We are appointing trustees under this Bill.

Mr. KERR: I am not referring to that sort of trustee. The situation should be cleared up, so that the people will know where they stand.

The PREMIER: If your suggestion were adopted, it would mean the acquisition of the tramways.

Mr. KERR: It would mean that we would have to take the tramways over. My point is that the system is being forced on the people.

The PREMIER: No such provision as you suggest was made in the original Act.

Mr. KERR: No such provision was made, but it would be an easy thing to put the local authority representatives right before anything was shoved on to them.

Mr. Kerr.]

The PREMIER: To have the compensation determined arbitrarily like that without first obtaining the consent of the company would be repudiation of the contract with the company.

Mr. KERR: The Tramways Company, in its annual reports, stated that it was going to lose control of the undertaking. It knew perfectly well it would revert to the people in September 1920.

The PREMIER: Under the conditions existing in the Act.

Mr. KERR: It would only be a business transaction to place the tramways in the hands of trustees until the whole thing is finalised. I want to emphasise the fact that there is no objection, from this part of the Opposition at all events, to the principle of the Bill. When dealing with this question last year, I said—

"I sincerely ask the Premier to take the people into his confidence with regard to the Brisbane trams. I do not approach this matter in a party spirit, but I want something done."

The Government have been coquetting for two years with the Brisbane Tramways Company with a view to giving the company an extension of the franchise if it would agree to the Government's conditions. If Mr. Badger, the manager of the company, had submitted to the Government's conditions, there would have been no talk of these so-called vested interests getting an extension of twenty-one years. While there is talk on the other side that the people should control the tramways—and it is the right thing to do—yet the Premier was quite prepared to make an arrangement with the company on his own conditions. I have written to the Premier repeatedly making suggestions with regard to profit-sharing. I have pressed for extensions in my own electorate, where there is no train service. I have pressed for them time and again ever since I have been a member of this House, yet there has been dilly-dallying since September 1920.

The PREMIER: You are dilly-dallying now.

Mr. KERR: I am not dilly-dallying. I am going to take my forty minutes, and, if the Premier had decided this matter in forty minutes, there would have been no trouble.

The SECRETARY FOR PUBLIC INSTRUCTION: What would you pay the Tramways Company?

Mr. KERR: I will come to those figures before I sit down. We know perfectly well that some extraordinary things have happened. During the time an hon. member on this side of the House was speaking, the Premier indicated that the unauthorised extensions should only be paid for at cost price.

At 3 p.m.,

The CHAIRMAN OF COMMITTEES (Mr. Kirwan, *Brisbane*) relieved the Speaker in the chair.

Mr. KERR: These extensions, even if unauthorised—and, of course, that is a moot point—were authorised by certain Orders in Council, and that will be a matter of litigation. But, in my opinion, those extensions are part and parcel of the business. If a valuation is made, those extensions should be valued on the same lines as the other part of the business. It is work which

is revenue-producing, and it is essential to the tramway system. That is a point which should be cleared up in this Bill. The word "unauthorised" should be taken out, and the words "including all additions" put in the Bill. I am forecasting an amendment, which I hope the Premier will agree to, which will be moved to clear up that matter.

I also want to take the opportunity, notwithstanding any slurs that may have come from the Government benches, of saying a few words in appreciation of the excellent service which the Brisbane Tramways Company has given to Brisbane.

The SECRETARY FOR PUBLIC INSTRUCTION: You do not live in Buranda, or you would speak in a different way.

Mr. KERR: I live in an area in which there are more people residing than in any similar area in Brisbane, and that has one of the best paying tramway services in the whole of Brisbane—the tramcars running every two minutes. Kedron Park is also one of the best paying extensions. I am not prepared to agree with the statement made by some hon. members opposite that during all hours of the day there are strap-hangers.

Mr. WINSTANLEY: That is not correct.

Mr. KERR: I am sorry if I did not hear the hon. member for South Brisbane correctly. That hon. member said that in any part of the day people could not find seats, or words to that effect. That is wrong. Let me say that I agree with the Premier in regard to motor 'buses. I do not think the motor 'bus will supplant the tramway for a great many years to come. I have been in most countries of the world, and have travelled in most of the trams. I have travelled in the motor 'buses of London, Paris, and other places. I am satisfied that the electric trams as run in the city of Brisbane are going to stay for another fifty years, and do well.

Mr. COSTELLO: Question!

Mr. KERR: There is no doubt about it. The conditions in Queensland are not the same as those which exist in the old country. We know that in London the motor 'buses run over good roads. Take the "tubes" in London. There are queues of people 200 or 300 yards long waiting to go in the "tubes," yet the motor 'buses are running in the streets on the top with not half the number of people in them that the "tubes" carry. Take a place like Marseilles, for instance, where I spent two or three months, and travelled frequently in the trams. Everything connected with our trams, such as smooth running and other things, is in my opinion 70 per cent. better than the tram service in places such as Havre and Marseilles.

Mr. WINSTANLEY: You must not forget that there was a war on.

Mr. KERR: I am not forgetting that there was a war on, and that there were women motor drivers and conductors. I am quite satisfied that my words of appreciation of the Brisbane Tramways Company are justified. It has been said that this great vested interest—as it is called—is making huge profits. We know that it was not until 1902 that a dividend was paid on preference shares, and, so far as ordinary shares are concerned, it was five years after that before a dividend was paid, and then it was only a small dividend of from 2 per

[*Mr. Kerr.*]

cent. to 5 per cent. I want to deal with the innuendoes and inferences that have been indulged in with regard to the watered capital of the Brisbane Tramways Company. The other day I saw an authentic statement that what is known as watered capital only amounted to £75,000. The ordinary man in the street will say that this watering of capital means that the money goes into the pockets of the shareholders. Let us examine what it does mean. It means that from the amount of money which is held in reserve bonus shares are issued to the shareholders. That money is put into additional extensions and requirements of the tramways, and thus is added to the capital. Let us say that that particular money is earning additional profit. Is there any reason why, if these profits are put into the business, they should not earn more money? Is it not to the advantage of the business to utilise it in that way? I remember that at the initial stage of the Bill various hon. members said, "Wait till you hear the figures." There is only £75,000 out of £1,000,000 which, according to hon. members opposite, has gone into the pockets of shareholders. The total cost of the tramways has been £868,000.

The PREMIER: Does that represent subscribed capital?

Mr. KERR: It does not represent subscribed capital; but, if the hon. gentleman wants to know what the subscribed capital is, it is given in this "Brief History relating to the Brisbane Tramways," which shows that there are 75,000 preference £5 shares fully paid-up, amounting to £375,000. There was an interjection from the opposite side that the only subscribed capital was £375,000, but that is incorrect. Let us go a bit further. There are also 75,000 ordinary shares of £5 each fully paid-up, amounting to £375,000, making a total subscribed capital of £750,000, and not £375,000.

The PREMIER: The hon. member is wrong. That is only in connection with reconstruction. Read Mr. Macfarlane's comment about watered stock.

Mr. KERR: I say that the Government are not in a position to say that any capital is watered, nor are their auditors in a position to tell them so. It is quite wrong for all these innuendoes to be made. The Government have no right to attack a private company with regard to watered capital. Their auditors, who are two of the best accountants in Brisbane, could not make these statements. What right have the Government to say the company has watered its capital? We should have clean legislation, and not have these innuendoes coming from the Government.

There is a discrepancy, but it is the Government's place to find out that discrepancy. The Government did not find it out, and they are unable to tell the House anything about it at the present time. I quite agree with the Premier that he could not carry out complete negotiations with the company under the conditions which it proposed. I have gone into the figures, and I notice the company wants to have a first charge against the receipts. It wants a guarantee of 6½ per cent. on the capital and a guarantee of 5 per cent. on the new money invested in extensions. There are various other charges; but there is insufficient profit to allow the Government to get any profit and meet those

charges. I base my arguments on these facts: In the year 1921 there was a net profit of £128,000. If we include the British and colonial taxation, of course the net profit for the year 1921 would be £188,000. If you make the necessary deductions for overhead charges, depreciation, and the other factors I have just mentioned, there is no margin for the Government. As a matter of fact, from what I can see, the only margin is for a guarantee of 6½ per cent. on the capital invested. A good deal has been made of the fact that the Commissioner of Prices interfered with the tramways, and I think that that action was unjustified. The Premier intimated that the company was not willing to have an inquiry. I will handle this question for a moment and show what took place. The Commissioner of Prices, in his report of last year, had this to say about the tramways—

"On the 28th April, 1921, a notice appeared in the Press advising that an increase in the fares of the Brisbane Tramways Co., Ltd., would take effect on and after Sunday, 1st May. On the 29th April, tramway fares, charges, or prices were declared to be commodities to which the Profiteering Prevention Act of 1920 applies, and a notification was issued by me in which the respective prices charged for such commodities on the 28th April, 1921, were declared to be the maximum prices which may be charged in the petty sessions district of Brisbane."

There we have a statement that he fixed the price of this particular commodity. The Premier said the company was not game to have an inquiry. The company is suffering under no delusion in regard to this, and it does not deserve any innuendo from the Premier to the effect that it is not game to have an inquiry.

Mr. BRENNAN: Didn't they have Mr. Feez at the bar of the Legislative Council?

Mr. KERR: I do not know anything about Mr. Feez; I am dealing with the Commissioner of Prices. In all probability the Premier told him to do it, and yet the hon. gentleman accuses the company of not facing an inquiry. Those who are managing the affairs of the company are not fools. They are not going to make asses of themselves. The Profiteering Prevention Act of 1920 is very distinct. That is why the company has not asked for an inquiry, and in all probability that is why the company did not take the matter to the court. Subsection (10) of section 20 of the Profiteering Prevention Act of 1920 reads—

"No decision, declaration, demand, or other act or proceeding of the Commissioner or Deputy Commissioner shall, in any manner whatsoever, be questioned or reviewed, or be restrained or removed by prohibition, injunction, certiorari, or otherwise howsoever."

I have quoted from a section of their own Act. The action of the Government against the company coincides with some other actions taken by the Government against private enterprise, which has done good service to this State. I have Mr. Blundell's figures here, and I understand that the system can be taken over for £2,000,000. If for a moment we leave out of consideration the repairs and extra money required for

additional extensions, and assume that £2,000,000 is paid for taking over the system, then it will be a paying proposition for the local authorities. I say that, because the profit on £2,000,000 would be 9½ per cent. We must take into consideration that the British and colonial taxation amounted to £78,000 in 1920. If the local authorities were exempted from that taxation, then the return on £2,000,000 would be 9½ per cent. If we can borrow the money at 4½ per cent. or 5 per cent., we can provide for a sinking fund of ½ per cent., and that will leave a working margin of a little over 3 per cent., or, to be accurate, 3.4 per cent. I think that it is going to give the local authorities a sufficient margin to work upon. I hope that the trust will keep separate accounts to show how it will work out in regard to the money required for additional repairs and for the different necessities connected with the system. We shall then be able to glean exactly how the management under a trust is going to compare with private enterprise.

I have gone to the trouble to see what has transpired in the other States. In Queensland, where private enterprise is in existence, the net return on capital invested is 9.7 per cent. In Sydney, where the trams are under State jurisdiction, the return is only 4.5 per cent. The system does not even pay interest. In Melbourne the return is 5.5 per cent. under local authority control. That is irrespective of the fact that it cost the Brisbane Tramways Company £11,000 per mile more for the construction of the tramways in Brisbane. The company has got officials who will be able to carry on the system, and under those conditions there is no reason why it should not be carried on equally as well as a private concern. In regard to the trust, I think that a trust of eight members will be too cumbersome. It is a mistake to have too many members. The shareholders of a large company only appoint three or four directors. The Brisbane Tramways Company has three or four directors, and now we propose to create a trust of eight members. My recommendation to the Premier is to let the local authorities appoint a commission of three. Advertise in the Press for the best men for the three positions. Let them be paid salaries sufficient to enable them to take an independent and keen interest in the business. Let them be responsible to the local authorities more than to the Government. Define their powers with that in view, and you will not have so much interference, and you will be able to equalise matters more than under the proposal in the Bill.

THE SECRETARY FOR PUBLIC INSTRUCTION: The Brisbane Tramways Company has directors in London as well as in Brisbane.

MR. KERR: No.

THE SECRETARY FOR PUBLIC INSTRUCTION: There are four directors in Brisbane.

MR. KERR: They are not all working directors. You cannot call the men in London working directors. All they do is to look at the accounts as they come along.

THE PREMIER: They were the only Board so far as we were concerned.

MR. KERR: I was very pleased indeed to hear the Premier say that he proposed to raise a loan, I think from the Commonwealth Bank, with which to pay the Tramways Company in cash.

[Mr. Kerr.]

THE PREMIER: I did not say we would raise a loan. I said negotiations had been proceeding with the Commonwealth Bank.

MR. KERR: I hope the negotiations will be successful, because, if we have to add debentures to our public debt—

THE PREMIER: It would not be added to the public debt. It would be a trust account.

MR. KERR: It is proposed to pay 5½ per cent. if debentures are issued, but we know that the market value of money in the old country is 3 per cent., and I do not think there would be any difficulty in borrowing the money at 5 per cent. in Queensland to-day. That ½ per cent. on even £2,000,000 would amount to £10,000. That would be sufficient to create the Sinking Funds.

THE PREMIER: The Sinking Fund payment is ½ per cent. The purchase price will not be £2,000,000.

MR. KERR: I have not heard the Premier or anybody else say what the purchasing price will be. My contention is that these matters should have been determined before ever the Bill came before the House. We should have information as to what we are doing; we should not be asked to buy a pig in a poke.

Now, I want to deal with the question of the subjection of the trust to the Government and the duplicity of control. I am keenly interested in getting some tramway extensions in my electorate; I have been hammering away on the matter for a couple of years. Naturally, I want to find out exactly what procedure I must take in future to get those extensions or to assist the people to get them. I find that, first of all, we have first to get the approval of the manager of the concern, next that of the trust—which means another deputation, perhaps. Then we have to go to the Minister and push our claims before him. He has to submit them to the Advisory Board, which, perhaps, means another deputation. Then the proposal comes back to the Minister, and he agrees or otherwise. All the promises that we may have had will be null and void if the Advisory Board puts a veto on it. My complaint is that that Board will have the power to veto the decision of any previous authority. The principle of the Bill is that the local authorities shall take over the undertaking. Then why depart from that principle and give an Advisory Board, which will not represent the people, power to override them? I am not prepared to submit to all these authorities before the essential business of an extension can be determined.

THE SECRETARY FOR PUBLIC INSTRUCTION: That information has to be got now.

MR. KERR: My contention is that the trust should have the power to build an extension. It should not have to go to the Government and say, "Give us your approval." By all means let the Government issue the formal Order in Council, but they ought not to ask another body of men, expert or otherwise, to decide whether an extension should or should not be granted.

Now I want to handle the question of whether this tramway undertaking is for the benefit of the whole of the people or merely for the benefit of a section of the people. In my opinion it must be for the benefit of the whole of the people, for the simple reason that people at one end of the city travel through the city and use the extensions of

the other side. I think everyone on the Government side will acknowledge that the representation on the trust should be representation of the people, and should not be based on the rateable value of land.

THE SECRETARY FOR PUBLIC INSTRUCTION: What about the tramway users?

Mr. KERR: The tram users, to put it crudely and shortly, should pay in every instance—not the ratepayers. It is wrong to make the ratepayers—who may never use the trams—responsible for the undertakings. The representation on the trust should be based on population. Under the Bill, Toowong, Ithaca, Enoggera, Windsor, Kedron, Toombul, and Hamilton have two representatives, yet the city of Brisbane, with one-third or less than one-third of the population of those suburbs, has equal representation. The Minister must agree that that is wrong. The same argument applies to the other side of the river. In Committee I am going to press my contention that the members of the trust should be appointed on the basis of population and not on the basis of land values or rates paid. Even that cannot be the intention of the Government, or they would give the city of Brisbane four or five representatives, and some of the other local authorities, which are combined for the purpose of the Bill, only one representative. I do not know where the Government have got their basis of representation from. I have worked out the number of people in the joint local authorities, and I say that there is no equality of representation. You can take the number of persons or the number of dwellings; on every basis, including that of a rateable value of land, the representation in the Bill is wrong. In my opinion the joint local authorities should be in the following groups, which have the populations quoted—

“Brisbane, Hamilton, Toombul, 66,000 persons, two members; South Brisbane, Balmoral, Coorparoo, Stephens, 67,000 persons, two members; Ithaca, Toowong, Windsor, Enoggera, Kedron, 59,000 persons, two members.”

The Bill introduces the principle of representation of land and land values instead of population, and every member on the Government side should support my contention, if he is true to his principles.

Now, I want to foreshadow some other amendments, more particularly in regard to the precepts on local authorities to meet deficits. I am going to have an amendment circulated to provide that the deficits shall not be made good by the ratepayers. The deficits are to be carried on to the following year, I understand. If a deficit is anticipated owing to extra repairs and additions, on which interest will have to be paid for the first twelve months or two years, the ratepayers, according to the rateable value of land, will be called upon to make good the deficiency. I disagree with that principle altogether. I contend that

[3.30 p.m.] the people who use the trams should pay for them. No one will say that people who come from Townsville, Rockhampton, or anywhere else, on a visit to Brisbane, should travel in our trams at a low rate, for which the people of the city have to pay by a levy upon the land in the metropolitan area.

THE DEPUTY SPEAKER: Order! The hon. member has exhausted the time allowed him under the Standing Orders.

Mr. SIZER (*Nundah*): In 1918 we dealt with legislation which, to my mind, was iniquitous, and which is going to place an unnecessary burden upon the trust when it is formed, all because of the action of the Government in pursuing a vendetta against the company. I very much regret that this Bill was not brought before the Chamber in 1913 or 1920. Had it been, much trouble would have been obviated, much misunderstanding would not have arisen, and, generally speaking, I believe that the condition of the tramways in respect to rolling-stock and extensions would have been far more favourable to the people of Brisbane, and probably the trust would not have had quite so big a burden to carry as it will have. However, better late than never. To-day we are dealing for the first time in a businesslike way with the tramway business. The question has to be settled: we cannot allow a state of uncertainty to continue any longer.

There are three phases to this question—whether the present company is to continue; whether there shall be Government control; or whether there shall be municipal control. The question of the price to be paid, to my mind, does not come into the argument. The Government have made an offer to the Tramways Company; the Tramways Company has made a counter offer: there is a big discrepancy between the two offers, and it is necessary to leave the settlement to an arbitrator. I thoroughly disagree, as I did in 1918, with anything savouring of Government control of the tramways. It is unsound, it is unfair and unreasonable that responsibility for that which is purely in the interests of the people of Brisbane should be borne by the people throughout the State. It would be unreasonable of the people of Brisbane to expect it. I am glad to see that the Government have realised the wisdom of that contention, and have dropped that scheme entirely. The second proposal is that an extension should be granted to the present Tramways Company. If the terms which the Premier announced in the House the other night were the last word from the Tramways Company, no responsible body of men could consider them for one moment. I think, therefore, that we can eliminate that aspect of the question. It would be impossible now to drive with the Tramways Company a bargain which would not be more advantageous to the company than to the people. The company is in the position of being able to say, “You have to take over the concern, or we are to carry on. If we are to carry on, here are our terms.” I think the company should be glad to be rid of the business. It is sitting hard and fast, and there is not much likelihood of good coming from any further negotiations with it. The only other form of control is municipal control. I advocated that in 1918, and I advocate it to-day. I see no reason why we should be afraid of it in any shape or form. My observations of municipally-owned trams in other parts of the world have shown me that they have been a success.

Mr. WEIR: You ought to preach that in your caucus.

Mr. SIZER: If hon. members opposite were as frank in speaking their minds as we are, we would get on very well. I have every reason to believe that we have men competent to make the tramways a success under a trust. For that reason I see no

Mr. Sizer.]

objection to it. The formation of the trust, to my mind, is, so far, on a reasonable basis. Still, I think there is room for considering the advisability of having a smaller trust. Probably eight members are rather many and will prove somewhat cumbersome. I believe that just as good results would be obtained from four or five members. I am particularly keen on that, because I am pleased to see embodied in the Bill provision that the general manager to be appointed will be free and untrammelled in his administration. It only remains for the trust to appoint a competent man and to lay down the policy which he has to pursue, leaving him free and unfettered. When that is done, I cannot see why the tramways should not go on as well as they are now going. There seems to have been a most extraordinary change of attitude on the part of some of our local authority men. They have been anxious for this reform, they have been wanting the trams—and I believe that they still want them—but they seem to have become afraid of themselves. I cannot understand it. I am totally opposed to having a referendum on the subject. I cannot see where it would lead us. I have turned this over in my mind for some days. Supposing we took a referendum, and there was a negative result, what would have to be done?

So far as I can see, we would get nowhere. We would only be strengthening the hand of the company. It would refuse to make any concession, and it would go on in its own way, and Brisbane would be deprived of everything except just what the company wished to give. If those who are advocating a referendum can show any reasonable alternative, I am prepared to consider it, but I am unable to see how a referendum can affect the position. If a referendum is taken, the people who will have to shoulder the responsibility—the taxpayers—will not have the controlling voice. Hon. members opposite have sadly affected the principle of a referendum on such a question by proposing to allow those who are not responsible to outvote those who are responsible. We are not dealing with such an enormous thing in taking over the tramway system. We are not taking over a system that is a failure or a losing concern. We are certainly parting with a big sum of money, but we are also taking over a big asset. Even if the referendum resulted in the negative, we would still have to take over the tramways in some way, unless we were prepared to hand them back *holus-bolus* to the company and allow it an unlimited franchise for all time to run the trams in Brisbane as it chose. I am basing that argument on the statement by the Premier as to the terms desired by the company. If I understood the Premier aright, one of the conditions laid down by the company was that no extension would be made while the high price of money prevailed and while the cost of construction was so high. If that is so, no relief would come to the people of Queensland for some very considerable time, and I presume the company would be the arbiter to say when the time had arrived for it to go on with the necessary extensions. The people in the suburbs would still have to wait for many years, and they would have no redress. If the referendum resulted in the negative, the question of taking over the trams could not be raised again for many years. I see no virtue in any form of referendum. I prefer

to make the local authorities and hon. members here representing the people stand up to their obligations. I am prepared to stand up to mine and say that I believe in the municipalisation of the tramways. Now is the most advantageous time to take over the trams. We must move ahead. An argument has been used to the effect that we do not know the cost of taking over the trams. There may be something in that argument. I have been puzzling as to how it would be possible under the circumstances to find out exactly what it is going to cost. We have the valuation of the company and we have the Government valuation. We have to acquire the trams before we can fix the price. The acquiring of the trams will mean litigation, and I fail to see how we can arrive definitely at the accurate cost. We all know that the Government valuation is £1,200,000, and we have reason to believe that one value by the Tramways Company is over £2,000,000. I am not prepared to accept a valuation in the region of £2,000,000, although even at £2,000,000 it will be a paying concern if the management carries out its work in an efficient manner. I believe that in about twenty years the trams will be in an excellent financial position, and that all the obligations will have been satisfied. It will be earning revenue for the people of Brisbane equally as well as it is now for the shareholders. I believe we shall get many extensions out of the revenue after a time. I hope the trust will be able to avail itself of the opportunity of purchasing the trams straightaway and buying out the company's shareholders. The trust will be able to do better business by buying out the shareholders than by passing on to them debentures at 5½ per cent. for a lengthy period. Something has been said about protecting the ratepayers from any loss that might occur in the running of the system by the trust. The people of Brisbane must know that it will cost a large sum of money to effect extensions. If we are going to extend our termini another couple of miles, I do not think it is reasonable, considering the high cost of construction, to expect that to be done and still retain the present fares from the terminal points to the city. It is only a reasonable thing to expect that, if the trust extends the lines beyond the present terminal points, it will be able to charge increased fares in order to create revenue to meet the cost entailed in construction. It is a more businesslike thing to put the burden on the taxpayers than to issue debentures. I would not agree to precepts being continually placed upon the local authorities to make up any deficit that might occur in this direction. I think the liability should be passed on to the users of the trams. Something has been said with regard to a motor bus service. I believe there is something in that argument; but, at the same time, it seems to me unthinkable that it should be contemplated that such an elaborate and extensive system should be rooted up or supplanted by motor buses. I am not inclined to countenance the argument that motor buses may seriously come into competition with the tramways to any great extent. To scrap the present system would be next to madness. Before a motor bus service can be maintained permanently some money will have to be expended on our roads. We are not oversupplied with road-making material around the city area, and, even if we were, the same local authorities would have to shoulder the responsibilities

[*Mr. Sizer.*

for the construction of the roads which would have to precede a motor 'bus service and would mean an additional burden on the ratepayers. The proposal does not come within the range of practical politics at the present time, seeing that we already have a system. If we were establishing a new system, there might be something in the argument for a motor 'bus service, but we must not overlook the fact that with a motor 'bus system the wear and tear on the roads would be very great.

With regard to all the idle talk of hon. members opposite about strap-hanging and so forth, I am prepared to say that, if those most loud in their protestations about strap-hanging were placed in charge of the tramway system, I am certain that during the hours of rush traffic they would not be able to cope with the strap-hanging nuisance.

Mr. WEIR: Everybody knows that.

Mr. SIZER: Then why cannot they be reasonable and stop the silly arguments when one is dealing with a serious business?

Mr. F. A. COOPER: We complain of excessive strap-hanging.

Mr. SIZER: Those travelling to their homes in a second-class railway carriage during the busy hours have to stand. They have not even a strap to hang on to. I have had the opportunity of visiting several large cities where they have motor 'buses, electric trams, overhead trams, and tubes, and even in those places it is impossible during the rush hours to handle the traffic without strap-hanging. It cannot be done. If you were to say to the people that only those persons who could secure a seat must travel in a tram, then half of the people would have their dinners cold at night.

Mr. F. A. COOPER: I was at the Mater Hospital this morning between 10 and 11 o'clock, and I "strap-hung" both ways. That is not the busy time, either.

Mr. SIZER: There might be some good reason for that. Although I agree with the whole principle of the Bill, and say that no other alternative is possible but the scheme proposed, I am satisfied that the Government's handling of the tramway business has been responsible for the excessive strap-hanging that takes place, and it is going to be responsible for the additional burden that the trust will have to carry. We know very well that, because of the vendetta of the Government against the company, the whole business has been hung up for two years, and consequently the company has made no arrangements to cope with the increased business. In addition, the rolling-stock has depreciated to a certain extent, and it will cost a lot more money to bring it up-to-date than would have been the case some two years ago. It will take from £50,000 to £100,000 to place the rolling-stock in as effective a condition as it was in two years ago. That is a charge that the unfortunate trust will have to carry, and the Government are responsible for it. Had the Government been prepared to deal with the matter in a reasonable manner on that occasion, instead of in a spirit of spleen, the trust would have been saved that amount of money, and the strap-hanging to a great extent would have been avoided.

The Bill generally will need a certain amount of amending when we get into Committee. There is room for simplification in

the *modus operandi* for securing extensions. It seems absurd that the trust is to be responsible for the policy; the general manager is to be responsible for the administration, and then, when the trust has decided that extensions are necessary, the question has to be passed on to another authority—the Government, who, in turn, must ask the Advisory Board whether the extension should be carried out! I have no seems to be a tremendous amount of overlapping in that direction, and I hope we shall be able to convince the Government of the advisableness of leaving the question of extensions in the hands of the trust. That is a fair and reasonable proposal. Seeing that the local authorities affected will have representation on the trust, surely it is reasonable to ask that they should be the people who should decide whether or not an extension should be carried out. I have no objection to the Government, if they feel themselves responsible, keeping some sort of an eye on the business so long as they are interested; but to compel the trust to go through all the rigmarole I have mentioned before an extension can be made, seems to me absurd and unnecessary. An amendment will be moved in the direction I have indicated, and I hope the Government will give it favourable consideration. When we get into Committee we shall have to remodel the scheme, particularly in regard to the trust and in the direction of extensions, and also as to the precepts on the local authorities. These seem to be the three cardinal points which require amending and simplifying. We cannot improve much on the provisions with regard to the administration. So long as we know the general manager is free and unfettered to run the system as a business concern, we have every reason to believe that efficient management will take place.

This is one of the measures introduced by this Government that we can support, generally speaking, because it is in the interests of the people of the city. I believe that Brisbane will grow, and I am a believer in the municipalisation of trams, and now is the most opportune time to take them over. Even if I did not believe in the municipalisation of the Brisbane tramway system, I fail to see any alternative. Therefore, I support the Bill, and hope the same efficient management that is proposed in this Bill will be introduced in other measures that the Government may introduce into this Chamber. I suggest to the Government in all seriousness that they take this Bill as a model for future legislation. If they do that, better results will be obtained.

Hon. J. G. APPEL (*Albert*): This is a measure which more intimately concerns the members representing metropolitan and suburban areas. At the same time, I think it is a measure in which every member of the House should take some interest, because it involves important principles.

[4 p.m.] The measure itself can be said to be subject to criticism, and, as has been pointed out by previous speakers, it is susceptible of some improvement. What strikes me more particularly is that the local authorities are told that without any option on their part they must take over the business of the Brisbane Tramways Company without knowing what financial responsibility will be placed upon them. It seems to me that this is a very big matter, and that it

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might well be left to the decision of the rate-payers themselves, who, under the present franchise, are electors with the same qualifications in connection with municipal representation as they have in connection with parliamentary representation. It might very well be left to them to decide whether they desire to have this burden placed upon them. I was surprised to hear the remarks of the Premier in connection with the suggestion that a referendum should be taken. The policy of the referendum was one which received very great attention from the House when the present Administration first obtained power. It was urged at the time by those who were not believers in a matter being taken out of the hands of the representatives of the people and referred back to the electors that the representatives of those electors should be responsible; but that was over-ruled by the advocates of the initiative and referendum. I observe that the Premier in this connection adopted the very arguments that were then used by the opponents of the referendum, and suggested by what he said that this matter was one which should be left to the decision of the representatives of the people. It struck me as somewhat singular that the hon. gentleman should have performed such a volte face in connection with that policy. Further than that, there are so many questions involved in this matter that, in view of the responsibilities and obligations which will have to be undertaken by the taxpayers—who to a large extent will have no say in the matter—this measure should receive the full consideration of hon. members. We have had various estimates suggested as to the amount of compensation which will have to be paid by the trust which will be saddled with the responsibility of the scheme. The Premier indicated that it would amount to £1,200,000. In the last balance-sheet of the Brisbane Tramways Company, it is estimated, without any reference to goodwill, that it will amount to £1,700,000, or £500,000 in excess of the Premier's estimate.

The Premier stated that he had taken the highest legal opinion in connection with this matter. Whether that opinion is correct or not, we must realise that the Brisbane Tramways Company is not going to submit to anything which it may deem to be an injustice to its shareholders. Unquestionably the legal proceedings in connection with this matter are going to involve the different parties in the expenditure of a very large sum of money. In a matter of such great moment, in which undoubtedly an appeal to the Privy Council will be involved, whichever party wins, a heavy burden will be cast upon the loser, and at the present time no one can say who the loser will be. It has struck me as somewhat singular that such heavy burdens are being cast from time to time upon the taxpayers in our large centres of population. This is how I view the matter as a Country member. We should have conferences to decide what areas should be allotted for residential purposes, and what rates should be imposed, in order to obtain the best results for the inhabitants of our large cities. To-day, we find that in the more distant suburbs the minimum area which has been suggested is in the vicinity of 32 perches—that is, one chain frontage with two chains in depth. Even in our more distant suburbs, with the increase in general rating, the amount of taxation is increasing year by year.

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With the imposition of the burden which will be placed upon the taxpayers in connection with the Water Supply and Sewerage Board, there is going to be a considerable increase in that connection likewise. If it is necessary to call upon the taxpayers to make up any deficiency in connection with the tramway business, how will it be possible for persons to retain even 32 perches with a burden of taxation which will practically amount to the rent that will be placed upon them? That is a phase of the question which has caused me to rise from my seat to analyse this measure.

Owing to the fact that no action was taken some years back, matters in connection with the tramway system have been held in abeyance, and only the barest repairs have been carried out. Of course, in some instances it has been necessary to relay the tramway where repairs were no longer possible. It must be evident, however, to every member of the community who takes an interest in our tramway system, that a large sum of money will be required for relaying the permanent way whoever may acquire the tramways. A large amount of money will also be required for the purchase of new rolling-stock and interlocking gear, and also for extensions. When we take all these things into consideration, we can see that the amount of the liability which will be cast upon the local authorities will approximate £3,000,000. The trust cannot find the whole of that money, and they will have to get money by means of a loan. That loan is going to cost a considerable amount of money by way of interest. The interest involved in a capital expenditure of £2,000,000 at 6 per cent.—the interest, without allowing one farthing for a Sinking Fund, will amount to £120,000 per annum. On looking through the "Year Book" I find that the net return from the Brisbane tramways for the year 1919-20 was £139,808. With a capital outlay of £2,000,000, taking everything into consideration, we can assume that the amount that will have to be found for interest will approximate £120,000. I have already indicated that, before any additional lines can be laid down, most extensive repairs must be made, costing more even than the laying down of a new permanent way. When we think of the increased cost of material and the increased cost of labour, if the trust is able to carry out this work for £1,000,000, it will be very fortunate indeed. I want to know where the funds are to be found to enable the trust to carry out that work and to continue an effective tram service without calling upon the taxpayers—who are not even represented on the trust. There are three ways by which the money can be obtained. One is by increasing the fares. Is it likely the fares will be raised when we know that the representatives are elected on the parliamentary franchise which exists at the present day? Under the circumstances, is the trust likely to advocate an increase of tram fares? If it does, we know what will happen when its members have to come up for re-election. Then, again, is the trust likely to reduce the remuneration paid to employees in the tram service? That, likewise, may be set aside.

THE SECRETARY FOR PUBLIC INSTRUCTION: The company may do both. They may increase the fares and reduce the wages of employees.

HON. J. G. APPEL: I very much doubt it. We have only one method of finding

the money, and that is to call upon the taxpayers to make good the difference between the receipts and expenditure. These are all matters that, as the hon. member for Logan said, might be called non-party matters. We are voicing our opinions and giving our criticisms of the measure, but they need not be looked at from a party point of view. There is another matter that has been referred to which calls for comment. The whole of the burden will be cast upon the taxpayers in the metropolitan area. While the whole burden is cast upon those taxpayers, practically the Government will control the trust. Is that advisable? Is it democratic? I point out again that the representatives of the local authorities are elected on the same franchise that we are. Are they able to bear the responsibilities which we are placing upon their shoulders? The whole financial burden and the responsibility are cast upon them, and they should have complete control. The general scheme has been outlined in the measure. The Bill provides that, as soon as practicable after the constitution of the trust, a general scheme for the future development of the tramways and for the services of the district shall be prepared by the trust. The members of the trust will comprise representatives from the component local authorities who are immediately interested in the tramway service. I think it will be admitted that they are the proper persons to decide on any general scheme.

The Bill provides—

"The trust shall submit proposals for such general scheme to the Minister, who shall refer same to an Advisory Board appointed and paid by the Governor in Council at the expense of the trust."

What is the object of this additional body, who really will control the trust under the Governor in Council? They are to be paid at the expense of the trust. What remuneration will they be paid? These are all matters which, to my mind—since the responsibility is placed, not upon the general body of taxpayers, but upon a section of the taxpayers of the community—should be fully explained. We ought to know exactly what cost is involved, and why it is necessary to submit any such scheme to an irresponsible Advisory Board when it has been dealt with by a trust composed of men elected on the same franchise as ourselves, and with a full knowledge of the needs of the area which they are administering. Why should a body, which is responsible for the whole of the business of the tramways, be at the mercy of a body concerning whose composition no information is given to us? I certainly think that that information ought to be given to us before we are asked to confirm the subclause.

At 4.25 p.m.,

The SPEAKER resumed the chair.

Another part of the same clause says—

"No extension or any alteration of the tramway or any new tramway shall be constructed or made by the trust unless such extension or alteration or new tramway conforms to the general scheme."

The scheme submitted by the trust to the Governor in Council, and approved by the irresponsible Advisory Board, cannot be altered except in one way—

"Notwithstanding that any proposed

extension, alteration, or new tramway does not conform to the general scheme, such extension, alteration, or new tramway may be undertaken if approved by the Governor in Council."

That inconsistency requires explanation and elucidation, in view of the responsibility placed upon the ratepayers. The whole scheme, which will be prepared by the irresponsible Advisory Board appointed by the Governor in Council, and which cannot be departed from by the trust, can nevertheless be altered by the Governor in Council.

Reference has been made to the draft Bills prepared for submission to this House in years gone by. I caused one to be drafted in 1914, establishing a commission of representatives of practically the same local authorities as those comprised in the measure before us, but the trams were not, so to speak, to be foisted upon them without their consent. The measure simply placed them in a position where they would have the power and authority at any time after the passing of the Act to purchase the tramways at such a price and upon such terms and conditions as were mutually agreed upon between the commission and the company. Of course, at that time the franchise of the company had still some six years to run—that is, till September, 1920—so that the Bill would have given them power and authority to enter into negotiations with the company and come to an agreement to acquire the property at once. Provision was also made that, at any time after September, 1920, the commission had power to purchase, upon terms to be fixed by arbitration or otherwise; but the franchise of the company having expired, no allowance was to be made for goodwill. In that draft measure, which was the result of deputations by local authorities to Mr. Denham, the then Premier, provision was further made that the commission might lease the tramways or any portion thereof to any person or persons, company or companies, who they considered could carry out the necessary operations effectively and to the financial benefit of the commission. You will observe that the Bill before us differs absolutely from that measure, because the local authorities will be compelled, without any other option, to take over the whole of these responsibilities so soon as the Bill becomes law, and, as I have already pointed out, they are responsibilities about which they know nothing at the present time. Furthermore, however convenient, however beneficial, it might be for them to lease or otherwise deal with the tramways which will become their property, the Bill absolutely prohibits them from taking such a course. In view of these things, I say again that it is absolutely necessary that close scrutiny should be brought to bear on the whole of the measure before us, because it is very easy to enter into a bargain, but it would be very difficult—in fact, it would be impossible—to relieve the trust of the liability when it is once placed on its shoulders. We must deal with the business of the people as if we were dealing with our own private concerns; and I ask if any private company desires to dispose of its property to any other company or private person, what is the first thing which the owners of the property to be disposed of are required to do?

Hon. J. G. Appel.]

INTERRUPTION OF BUSINESS.

At 4.30 p.m.

The SPEAKER: Order! Under Standing Order No. 307, the business of the House will now be interrupted for the purpose of dealing with questions and formal business.

QUESTIONS.

FODDER SUPPLIED TO FARMERS IN 1902.

Mr. J. H. C. ROBERTS (*Pittsworth*) asked the Secretary for Agriculture and Stock—

"1. What was the quantity and value of fodder supplied to farmers during the year 1902?"

"2. What was the amount outstanding on this account on—(a) 31st December, 1903; and (b) 31st December, 1915?"

"3. What was the quantity and value of fodder supplied to farmers during 1915, and what was the amount outstanding on this account on 31st December, 1916?"

"4. What was the quantity and value of fodder supplied to farmers during the years 1918 and 1919?"

"5. What was the total amount outstanding on 31st December, 1920, on account of the supply of fodder to farmers from 1902 to 1919, inclusive?"

"6. What payments on account of fodder so supplied have been made by the Wheat Board to the Department of Agriculture up to 30th June, 1922, and what amount was still outstanding on 1st July, 1922?"

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

"1. Nil.

"2. (a) Nil; (b) nil.

"3. The distribution of fodder was commenced in 1915, and was carried on into 1916. The total quantity supplied to farmers was 1,740 tons 13 cwt. 3 gr., which, with railage and other charges, was valued at £13,911 2s. 7d. The amount outstanding on this account on 31st December, 1916, was £12,560 1s. 1d.

"4. Nil.

"5. On the 1st January, 1917, an amalgamation was effected of all accounts for seed wheat and fodder supplied and cash advanced. It is, therefore, not practicable to separate the fodder from the seed grain distributed and other advances, because I do not know to what separate item any sum received is attributable.

"6. See No. 5; but the total outstanding on the 1st July, 1922, on the amalgamated accounts, was £34,697 2s. 7d."

GRADING OF WHEAT CROP OF 1920-21.

Mr. J. H. C. ROBERTS asked the Secretary for Agriculture and Stock—

"Referring to his answer to my question on 12th instant, relative to the wheat guarantee—

"1. Will he explain the difference between f.a.q. wheat and wheat of prime milling quality?"

"2. What was the quantity of f.a.q. wheat and wheat of prime milling quality, respectively, produced in Queensland during 1920-21?"

"3. Has 7s. 3d. per bushel been paid for f.a.q. wheat produced in Queensland during 1920-21?"

"4. Who was responsible for grading the 1920-21 wheat as wheat of prime milling quality?"

"5. Is it the intention of the Government to now differentiate between f.a.q. wheat and wheat of prime milling quality in respect of the balance of 3d. per bushel due under the guarantee of 8s. per bushel?"

The SECRETARY FOR AGRICULTURE replied—

"1. The term 'prime milling wheat' in my former reply to the hon. member was used because it signified the actual words of the decision of the Government with regard to the guarantee. Prime milling wheat represents grain of the highest quality and weight per bushel, which with other standards, f.a.q., etc., is fixed each year by the State Wheat Board according to the average quality of the grain for the season, and paid for accordingly.

"2. Season 1920-1921—f.a.q. wheat, 2,855,830 bushels; No. 1 red wheat, 3,947 bushels—total, 2,859,777 bushels. The classification by the State Wheat Board for 1920-1921 was not on a prime milling wheat basis.

"3. Yes.

"4. See No. 2.

"5. No change will be made in relation to the method of payment."

AREA OF CHARTERS TOWERS GOLDFIELD RESERVE AND HOLDINGS THEREON.

Mr. WINSTANLEY (*Queenton*) asked the Secretary for Mines—

"1. What is the area of the Charters Towers Goldfield Reserve?"

"2. What area is held under occupation license?"

"3. (a) What are the number of holdings under miners' homestead leases? (b) What is the area?"

"4. (a) What are the number of holdings under perpetual leases. (b) What is the area?"

"5. (a) What is the number of market gardens? (b) What is the area?"

"6. (a) What is the number of gold-mining leases? (b) What are the areas?"

"7. What is the balance available?"

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*) replied—

"1. About 615 square miles.

"2. 110½ square miles.

"3. (a) 11,474; (b) 258,412 acres.

"4. (a) Miners' homestead perpetual leases, 310; (b) 50,162 acres. Perpetual leases under Lands Act, 16 and 7,703 acres, respectively.

"5. (a) 15; (b) 49 acres.

"6. (a) 9; (b) 139 acres.

"7. Balance (including roads, reserves, etc., and unselected land), about 10 square miles."

LIFE ASSURANCE COMPANIES' DEPOSITS.

Mr. J. H. C. ROBERTS asked the Treasurer—

"1. Has his attention been drawn to an article in the 'Daily Mail' of 9th September, 1922, relative to 'Life Assurance Companies' Deposits'?

"2. Is it a fact that one or more life assurance companies was or were allowed to make a deposit with the Treasurer of less than the full £10,000 required by section 5 of the Life Assurance Companies Act of 1901?

"3. If so, which company or companies registered since 1916 was or were so permitted?

"4. On what dates were such companies registered in Queensland?

"5. On what dates, and in what amounts, were the payments made to the Treasurer?

"6. Can the Treasurer legally accept a deposit of less than the full £10,000 required by the abovementioned section of the Life Assurance Companies Act of 1901?

"7. What company or companies paid the full deposit of £10,000, as required by the Act?"

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

"1. Yes.

"2. No; but in certain cases the Treasurer has agreed to accept the deposit in instalments.

"3 to 5.—

Name of Company.	Date of Registration.	Date on which Deposit was Lodged.	Amount.
The Southern Cross Assurance Company, Limited ..	9th August, 1921	7th November, 1921	£ 3,000
		15th February, 1922	2,000
		12th May, 1922 ..	3,000
		14th August, 1922..	2,000
			10,000
The Queensland Probate Insurance Company, Limited	26th May, 1922..	15th August, 1922..	5,000
The Australian Probate and General Assurance Corporation, Limited	22nd June, 1922		
The Citizens and Graziers' Life Assurance Company, Limited	11th August, 1922	1st August, 1922..	5,000

The Life Assurance Companies Act of 1901 provides that a company formed after the passing of that Act may make the deposit at any time not later than three months after the incorporation or registration of the company.

"6. No; and there is no intention to do so.

"7. The following companies have made the full deposit:—

Australian Mutual Provident Society;
Australasian Temperance and General Mutual Life Assurance Society, Limited;

Australian Metropolitan Life Assurance Company, Limited;

City Mutual Life Assurance Society, Limited;

Citizens' Life Assurance Company, Limited;

Colonial Mutual Life Assurance Society, Limited;

Equitable Life Assurance Society of the United States;

National Mutual Life Association of Australasia, Limited;

New York Life Assurance Company; Australian Provincial Assurance Association, Limited;

Life Insurance Company of Australia, Limited;

Provident Life Insurance Company; Mutual Life Insurance Company of New York;

Southern Cross Assurance Company, Limited;

Equitable Life Assurance Company of Queensland, Limited;

Mutual Life and Citizens' Assurance Company, Limited."

CLEANERS EMPLOYED IN RAILWAY DEPARTMENT.

Mr. BRAND (*Burrum*) asked the Secretary for Railways—

"1. Will he kindly supply the following information—

(i.) (a) Number of cleaners employed during August, 1922; (b) number employed short time; and (c) number of engines in use?

(ii.) (a) Number of cleaners employed during August, 1912; (b) number employed short time; and (c) number of engines then in use?

"2. To what cause does he attribute the present working of short time by cleaners in the railway service?

"3. What was the average weekly wage paid to adult cleaners (exclusive of senior cleaners) during the month of August, 1922?

"4. Have shop hands, shed employees, such as examiners, shedmen, etc., been restored to full time?

"5. If so, why have cleaners not received a similar treatment?"

The SECRETARY FOR RAILWAYS (Hon. J. Larcombe, *Kippel*) replied—

"1. To secure this information from all the twenty-six locomotive depôts at which time-sheets are prepared in all parts of the State would involve considerable time and labour. The figures for Maryborough and Bundaberg (in which I presume the hon. member is principally interested) are as under—

(i.) (a) 29 at Maryborough and 21 at Bundaberg; (b) none worked short time at either place; (c) 38 at Maryborough and 18 at Bundaberg.

(ii.) (a), (b), (c), These figures are not available.

"2. At some depôts short time is being worked owing to reduced train mileage and lesser traffic, also owing to the fact that the men desired to pool the available work rather than deflate cleaners."

"3. The average was £4 6s. at Maryborough and £4 14s. at Bundaberg, including cleaners temporarily acting as firemen."

"4. Yes"

"5. See answer to No. 2."

BALLOT FOR MAIZE POOL.

Mr. CLAYTON (*Wide Bay*), in the absence of Mr. Edwards (*Nanango*), asked the Secretary for Agriculture—

"1. How many forms were recently sent out to maizegrowers relative to the formation of a maize pool?"

"2. How many replies to the questions asked were received?"

"3. Did such replies disclose a majority in favour of a maize pool? If so, what majority?"

The SECRETARY FOR AGRICULTURE replied—

"1 to 3. No ballot upon the specific question of a maize pool has been taken, but growers have been asked, in addition to several other inquiries, whether they favoured a pool or not. The returns are not yet complete, but I hope to make a statement shortly."

UNEMPLOYED REGISTERED AT BUNDABERG LABOUR EXCHANGE.

Mr. CATTERMULL (*Musgrave*) asked the Home Secretary—

"Referring to his statement on 5th instant, that the number of unemployed registered at the Bundaberg Exchange on 21st August, 1922, was 41—Is it not a fact that the number registered at this Exchange on 4th instant was 280? If not, what was the actual number registered on that date?"

The SECRETARY FOR MINES, in the absence of the Home Secretary (Hon. W. McCormack, *Cairns*), replied—

"I have no definite information regarding the number on 4th instant. Inquiry will be made."

LEAD-POISONING IN CHILDREN IN QUEENSLAND.

Mr. GREEN (*Townsville*), in the absence of Mr. Elphinstone (*Oxley*), asked the Home Secretary—

"1. With reference to the proposed amendment to the Health Act, in which provision is made restricting the use of white lead in paint on surfaces within reach of children, is he aware that the Commonwealth Government is prepared to conduct a medical investigation into the incidence of lead-poisoning in children in Queensland, provided they are requested officially to do so by the Queensland Government?"

"2. As the matter is a very important one, and considerable enlightenment should ensue from such an investigation, will he consider the lodging of an official request with the Commonwealth Government forthwith?"

The SECRETARY FOR MINES, in the absence of the Home Secretary, replied—

"1. Yes."

"2. This has already been done."

COST OF BUILDING STATE BUTCHERY AT MACKAY.

Mr. SWAYNE (*Mivati*) asked the Minister in Charge of State Enterprises—

"What was the cost of building the State butcher's shop in Mackay (this refers to the building only, without any of the working plant or land on which it stands)?"

Hon. W. FORGAN SMITH (*Muckay*) replied—

"Cost of building, £2,132 2s. 1d. This cost includes—Insulated cold stores; condenser house; cork linings and trays; store rooms; shed; tallow boilers set in brickwork; drainage; lavatories; concrete foundations; and reinforced concrete floors. The fittings, which were included in the cost, aggregate £224."

EXPENDITURE ON OUTDOOR RELIEF, 1920-1921 AND 1921-1922.

Mr. CLAYTON asked the Home Secretary—

"1. Has he taken cognisance of the fact (as shown in the annual report) that the following amounts have been expended on outdoor relief during the two financial years 1920-1921 and 1921-1922:—

	£	s.	d.
Brisbane	89,235	5	11
Bowen	3,209	1	1
Charters Towers	5,457	2	9
Bundaberg	17,959	5	2
Ipswich	6,459	4	1
Kuridala	3,093	17	7
Mackay	6,110	12	9
Maryborough	6,438	15	3
Mount Morgan	42,650	3	2
Rockhampton	11,826	2	7
Toowoomba	4,852	7	6
Townsville	19,399	12	4
Wynnum	5,675	17	8

"2. Is he aware that (excluding the metropolitan area) the actual residents who received outdoor relief during these years were—1920-1921, 25,267; 1921-1922, 34,313—total, 60,580?"

"3. Does he consider these figures show that this State is passing through an era of prosperity, as stated by the hon. member for Brisbane in a speech recently delivered in this House? If so, does he attribute such prosperity to the wise administration of the present Government?"

The SECRETARY FOR MINES, in the absence of the Home Secretary, replied—

"1. Yes."

"2. Yes."

"3. My views on this matter were disclosed when the relief vote was under discussion."

DIFFERENCES BETWEEN PRICES FIXED FOR BEEF IN MARYBOROUGH AND BUNDABERG.

Mr. CATTERMULL asked the Premier—

"1. Is he aware of the big differences between the prices fixed by the Commissioner of Prices for beef at Maryborough

and Bundaberg, as illustrated by the following items:—

—	Maryborough per lb.	Bundaberg per lb.	Difference per lb.
Topside ..	s. d. 0 5	3d.	2d.
Sirloin			
roast	0 7	5d.	2d.
Fillet steak	0 11	9d.	2d.
Rump			
steak	0 9	5d.	4d.
Sirloin			
steak	0 8	5d.	3d.
Tripe ..	0 7	5d.	2d.
Ox tail			
(each)	1 0	9d.	3d.
Ox brains			
(each)	0 6	4d.	2d.

"2. Seeing that the supplies for both towns are drawn from the same source, can he explain the reasons for these differences?"

The PREMIER (Hon. E. G. Theodore) replied—

"1. The prices quoted for Bundaberg are at variance with the Commissioner's fixtures.

"2. See answer to No. 1."

COST TO RAILWAY DEPARTMENT OF COAL AT BARALABA AND STYX RIVER STATE MINES.

Mr. BRAND asked the Secretary for Railways—

"What is the cost to the Railway Department of—(a) Baralaba, (b) Styx coal, at the pithead?"

The SECRETARY FOR RAILWAYS replied—

"(a) Baralaba, 14s.; (b) Styx, 20s.; (c) Burrum, 26s. 9d."

Mr. BRAND: I did not ask for the Burrum figure.

The SECRETARY FOR RAILWAYS: But you got it. (Laughter.)

REFUND OF LAND TAX.

Mr. J. H. C. ROBERTS (*Pittsworth*), without notice, asked the Premier—

"Will he instruct the Commissioner of Taxes to write to all taxpayers who are affected by the recent amendment of the Land Tax Act, advising them as to the amount of land tax which has to be refunded to them, according to the addresses which he has in his office at the present time?"

The PREMIER replied—

"What the hon. member asks is practically an impossibility. The Commissioner of Taxes cannot be expected to address communications to about 26,000 or 27,000 taxpayers. Full publicity has been given to the right of taxpayers to claim a deduction. It also has been made public to those who have paid in error, that they can claim a remission with respect to tax paid at any time during the last three years. It will not be the fault of the Commissioner of Taxes if applications for remissions are not made."

Mr. BEBBINGTON (*Drayton*), without notice, asked the Premier—

"Is it not a fact that the Commissioner of Taxes is responsible for a great deal of the land tax being overpaid, because of the fact that the income tax forms sent out state that land tax can be claimed merely as a deduction from income, and not as a deduction from income tax?"

The PREMIER replied—

"The hon. gentleman is wrong. Any information conveyed to the taxpayer that land tax may be claimed as a deduction is quite correct information, and, further, the Commissioner has always notified the taxpayer that he is entitled to a deduction if he has omitted to claim it, if the information contained in his return indicates that he is entitled to such a deduction."

BRITISH IMPERIAL OIL COMPANY'S TRAMWAY AND WORKS BILL.

THIRD READING.

Mr. PETRIE (*Toombul*): I beg to move—

"That the Bill be now read a third time."

Question put and passed.

BRISBANE TRAMWAY TRUST BILL.

SECOND READING—RESUMPTION OF DEBATE.

HON. J. G. APPEL (*Albert*): When the debate was temporarily suspended, I was suggesting that, if any business was disposed of or converted into a company, the fullest information would be given to those who were invited to become shareholders in that company. If a concern was submitted to the public with so much lack of information as is the case in connection with this concern, would there be a successful flotation? We can realise that it would be an absolute fiasco. It was mentioned in the annual report by the Tramways Company that, if the company continued, the question of removing the power-house would become acute. I understand that the Commissioner for Railways, on whose reserve the power plant is situated, has indicated that he requires the whole of that site. We must realise that the removal and the reconstruction of the power-house will involve a considerable outlay on the part of the trust. I would like some information from the Premier as to the position of the trust in regard to that matter. If it is proposed to carry out the intentions of the Railway Department to utilise the whole of that site, and have the power-house removed, on whose shoulders will the responsibility be placed?

Mr. GLEDSON: What is wrong with one central power station?

HON. J. G. APPEL: I am only acquainted with the premises occupied by the Brisbane Tramways Company, and I understand that the company supplies a considerable amount of electricity to the Railway Commissioner. The whole of the power generated for the purposes of the trams is generated on those premises. I understand that the Tramways Company has received an intimation that it will have to seek a new site. All the information I ask for is. What will be the position of the trust? Will it be required to vacate

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that area? If so, it will mean a huge outlay in re-erecting and reconstructing the plant.

MR. GLEDSON: Not necessarily.

HON. J. G. APPEL: The Premier apparently has changed his views so far as control of the tramways by the State is concerned. In his remarks he indicated, more or less, that the State should not be concerned in a trading venture such as running tramways within a city. The ratepayers are to have this burden placed upon their shoulders without being permitted to say whether they desire to accept the responsibility or not. I want to point out that it may be possible for the leader of the Government, in view of the great losses which are made in certain of our State trading concerns, such as State trawling, and so on, and so on—

The SECRETARY FOR MINES: That is a vague statement—"so on and so on."

HON. J. G. APPEL: I have heard the hon. gentleman make similar statements.

The SECRETARY FOR MINES: Very rarely.

HON. J. G. APPEL: I have heard him make statements more vague than that. We have the State trawling industry. It has resulted in a loss. The hon. gentleman might say that this is a matter for the local authorities, and that they should supply fish to the ratepayers. Without giving them the option, the Premier can take similar action and unload any of the other State enterprises on to the unfortunate ratepayers. That is one reason why the local authorities should have an opportunity of stating whether they desire to take over these responsibilities or not. We know that under the present Act the local authorities are compelled to take a poll on any loan, no matter how small it may be; and how much more necessary is it in connection with this concern, involving an expenditure of at least £2,000,000, without taking into consideration the cost of extensions and the necessary expenditure to bring the rolling-stock up to a state of efficiency?

The PREMIER: When the hon. member was a member of the Government, he agreed to commit the general ratepayers to an expenditure of over £2,000,000 in connection with the Metropolitan Water and Sewerage Board without giving any opportunity for a poll to be taken.

HON. J. G. APPEL: I am very glad that the Premier has raised that matter. In that case we had a Water Board which was administered by nominees of the Government, and the Government of the day decided that, in view of the necessity of a greater water and sewerage scheme being entered into, those who were the users of the water should have the right to elect representatives upon that board, and the Government liberalised it. They left it in the hands of the water users to elect their representatives, and by so doing they gave to the users of water all the rights that previously had been exercised by the Government. That is all we are asking in this matter. It is not suggested that we are opposed to the municipalisation of the trams; we are simply urging that the question of taking over the Brisbane tramway system be left to the ratepayers, who appoint their representatives on the local authorities on the same franchise on which we are elected to this Assembly. Why should they not

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have that right? It is admitted that a referendum is democratic. Why should we take that right away when, so far as the local authorities are concerned, this is so important a matter, and when, as I have already indicated, we have admitted the right of the ratepayers to say whether they desire a loan to be obtained for the carrying out of any work, however small that loan may be? It is only a fair and equitable thing that that right should be accorded to the ratepayers. We have to realise that the condition of the tramways in 1913 and 1914 was totally different to what it is to-day. Conditions have absolutely changed. The cost of construction will be ever so much greater, and, judging by the operations which have been carried out by the present Administration, they are aware of that, and undoubtedly they have not the same field that they had in those years; they will have to compete more or less with other forms of conveyance, such as motor buses, which in all the cities of Europe and in the larger cities of the Commonwealth are taking a very prominent place in the conveyance of passengers. An offer was recently made to the Newcastle City Council to take over the tramway service in that city, but they refused on the advice of their engineer that a motor bus service would be better. There we have an object lesson.

The SPEAKER indicated that the hon. member had exhausted the time allowed him under the Standing Orders.

MR. MOORE (*Aubigny*): I do not know that this Bill, dealing with the Brisbane tramways, has a great deal to do with country districts, but there are some principles involved in it on which I would like to express an opinion. The hon. member for South Brisbane put forward one or two suggestions with which I would like to deal. That hon. member raised a question as to the reappointment of the men who were dismissed during the 1912 strike, and he said it was his intention, at the Committee stage, to provide as far as possible for those men being reinstated in their old positions. When the Premier was moving the second reading of the Bill, he made it perfectly clear that the general manager was to have the sole right to put on men and to put them off and have the whole conduct of the business in his hands.

The PREMIER: Subject to appeal.

MR. MOORE: Subject to the Appeal Board. I recognise that, and I sincerely hope no amendment will be inserted in the Bill that will take away the supreme control from the general manager, because I look upon that as one of the necessary safeguards, and, when we have an hon. member getting up and saying that he is going to endeavour to see that the 500 men who were put off some years ago are to be put on again, it opens up a very burning question. One of our objections to the local authorities taking over this tramway business was that we were afraid outside influence would be brought to bear whereby the friends of the members of the trust would be pushed into the tramway service to the detriment of the service and against the best interests of the people. The hon. member for South Brisbane also referred to the fact that the seating accommodation is not sufficient during the busy hours of the day. If it is intended that the trust which is to take over the tramway

service must put on a sufficient number of cars in the busy hours of the day to provide seating accommodation for every traveller, what hope is there of this service ever paying at all? We recognise that it is a very difficult thing to cope with the traffic in the busy hours. It is impossible to provide the necessary accommodation to give everyone a seat.

Mr. WEIR: Don't you think there is room for improvement?

Mr. MOORE: There are plenty of times during the day when there are not many people on the trams. You cannot put a tram on for an hour or so and then take it off again. The whole thing has to be looked at from the economic aspect. It is quite possible that the trust may not be

very careful and economical in [5 p.m.] its management when it knows that the loss on the trams, if any, is to be borne by the ratepayers. That is a principle I object to. I think the people who use the trams should pay any loss there may be. To my mind, it is most ridiculous to say that the ratepayers—the property-owners—are to bear the brunt of any loss which takes place. An agitation may come from a large section of the people who are not ratepayers forcing the trust to make a number of improvements, which may make it impossible for the tramways to be a paying concern, and the people who will have to foot the bill will be the property-owners in the metropolitan area. Yet they are not to be allowed the opportunity of saying whether they want to take the tramways over or not. The hon. member for South Brisbane seemed to indicate that the local authorities, because they have dared to offer an objection to taking over the trams under the present circumstances, as they do not know what they will have to pay for them, should be turned out of office at the next election, because of the fact that they are such miserable failures in business circles that they are unable, or do not feel confident, to take over the trams and manage them in a competent way, and therefore they are not fit to be trusted with municipal business. It is very different taking over a huge concern like the tramway system to conducting an ordinary business.

The PREMIER: The best manager possible will be appointed, and he will be absolutely independent of Parliament. We provide for that.

Mr. MOORE: The general demeanour of hon. members opposite signifies that the position will be left open.

The PREMIER: I will ask the hon. member to support me.

Mr. MOORE: Even if his own side desert him, I will support the Premier in providing that the manager shall have full control, and that nobody outside shall interfere with him. Because some people object to take over an unknown liability, I do not think that is any reason for saying that they should give up their seats on local authorities. We know that there are individuals who are willing to take over any liability, especially when somebody else has to pay for it, and that is the position now. There are some men in local authorities who would be very keen supporters of the scheme and prepared to take over the tramways, no matter what the cost might be, because they know that, if a loss is incurred, the property-holders in

the surrounding districts will have to pay for it. That is a dangerous principle. We have to recognise that there is a large number of ratepayers in Brisbane who are feeling very shaky about this matter. We know that the rates are enormously high around Brisbane—too high for people conveniently to pay; and, when there is a possibility of having your rates added to, and they have no voice as to whether the tramways shall be taken over or not, they have every right to be suspicious of a Bill like this being forced upon them. Under the Local Authorities Act there are certain provisions laid down for the protection of people who have to pay rates. I do not think it is a fair thing, because the Government find themselves in an awkward situation and are not able to take over the tramways themselves, for them to be in a position to force the scheme on to the local authorities without giving the people concerned an opportunity to vote on the matter.

The PREMIER: Did the hon. member say that the Government would not take them over?

Mr. MOORE: Yes.

The PREMIER: You suggest that it is because they are in an unfinancial position and cannot take them over?

Mr. MOORE: They have not got the money. The Brisbane Tramway Purchase Act of 1920 was ultra vires altogether, and, because the Government find themselves in this position to-day, they are forcing the local authorities to take the tramways over. If the Government had thought they had authority to go on with the scheme under the 1920 Act, as they say they had, I think that they would have gone on with it if they had thought they had a reasonable chance of success.

The PREMIER: We could have gone on with it.

Mr. MOORE: You would not have had much chance of carrying it through. If the Government have a contract with the Tramways Company, and are going to pass another Act to abrogate the rights of the company, then the company has still rights under the law. I do not think that the Government had power to go on with it under the 1920 Act.

The PREMIER: The hon. member is wrong.

Mr. MOORE: We do not know that, because we never got to the court to discover whether we were wrong. The local authorities in Brisbane are now going to have an unknown liability forced upon them, and I do not think it is a fair thing to carry out this proposal unless we give the electors the opportunity of voting and saying whether they will take the tramways over or not. If a proposal was made to start a tramway in a local authority area, the ratepayers could demand a vote.

The PREMIER: The liability cannot be determined until the trams are acquired and the compensation fixed.

Mr. MOORE: They should have an opportunity of saying whether they are prepared to take over an unknown liability. I do not think the Premier would agree to take over a liability, the extent of which he did not know.

The PREMIER: It is going to be a reasonable amount.

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Mr. MOORE: If that is so, why not give the people an opportunity of saying whether they are prepared to shoulder the burden?

The PREMIER: They said so at the last election.

Mr. MOORE: They did not say that at all; the question has not been put before them. They believe in the principle of taking over the tramways, but they did not know what the terms of this Bill would be. The local authorities have now discussed the Bill, and, as a result, they do not feel inclined to take up the responsibility. When the elected representatives of the ratepayers decide against the proposal by such a large majority, I think it is only a fair thing that the electors themselves should have an opportunity of voting, and deciding whether to accept the liability they are asked to undertake or not.

There are one or two other points I would like to mention, because it seems to me that we are getting into rather a dangerous position; for instance, there is the system of conflicting control under the Bill. Clause 32 provides that the trust may—

“For the purpose of stimulating or developing the traffic of any tram system, carry on the business of omnibus proprietors, and purchase, acquire, and use any vehicles, horses, motors, and things which in the opinion of the trust may be required for the purpose of carrying on such business.”

The local authorities themselves have power to run motor-cars and other vehicles, and, if you are going to have the trust coming in and controlling motor 'buses and other vehicles, and interfering with the local authorities which have to make the roads and keep them in order, it seems to me we are going to get into an anomalous position. If the local authorities have to make roads to run the motor 'buses on, they should have power to collect license fees and say whether the 'buses shall be permitted to run or not. That should not be under the control of the trust. If the trust is going to be allowed to give licenses for motor vehicles to run on roads which the trust has not to keep up, a most extraordinary position will arise. Clause 32 also provides that the trust may—

“For the purpose of stimulating or developing traffic, establish or keep and maintain, or assist in establishing, keeping, or maintaining, and rent, let, lease, buy, sell, or grant licenses in respect of public parks, gardens, restaurants.”

That is another conflicting provision. Local authorities have authority to license these places of entertainment, and if the trust comes in and gives licenses for places of entertainment, and the local authorities from the point of view of the welfare of the citizens object to such licenses being granted, an impossible position will arise.

At 5.10 p.m.

Mr. F. A. COOPER (*Bremer*), one of the panel of Temporary Chairmen, relieved the Speaker in the chair.

Mr. MOORE: I think it is an unfortunate thing that in a Bill such as this outside influence should be brought in which may cause litigation later on. The trust is being brought into existence for one specific purpose, and that is to run the trams in an efficient way for the benefit of the people in the metropolitan area. There is no use

bringing in any outside elements which will conflict with the local authorities. If the trust is going to be allowed to give licenses to motor 'buses, what is going to happen? At the present time that is a matter for the local authorities, and the local authorities have to make the roads. We know what the effect of light motor cars is on macadamised roads, so you can easily see what the effect is going to be when there are huge motor 'buses running on the roads. The upkeep of the roads is a serious matter at present for the local authorities, and the trust should not be allowed to interfere with the local authorities with regard to the licensing of motor 'buses unless the trust also agrees to provide the funds to maintain the roads. If we put a clause in the Bill to provide that the trust may license motor 'buses and keep the roads in repair, then it will be a different state of affairs altogether. But there is nothing in the Bill at all about the trust assuming that responsibility. The whole trouble is the abrogation of the rights of the ratepayers and electors in the metropolitan district. They have no say whether they want to undertake this responsibility or not. Just because we have come to an impasse at the present time, and because the local authorities do not feel themselves justified or competent to take over the concern, that is no reason why it should be foisted on to the ratepayers. They should have the whole of the facts put before them. The Government have had plenty of opportunity to put the facts before the ratepayers. Let the enthusiasts put the true case before the electors in the metropolitan area, and see if they are willing to accept the responsibility. It will not take long to do that, because Brisbane is a circumscribed area and the electoral rolls are practically available.

Mr. HARTLEY: Will it cost much money?

Mr. MOORE: The hon. gentleman asks if it would cost much money, yet he was one of the strongest advocates for the initiative and referendum to submit every question to the people.

Mr. HARTLEY: And you were one of the biggest opponents of it.

Mr. MOORE: Yes.

Mr. HARTLEY: Why are you in favour of it now?

Mr. MOORE: Because I recognise that this is going to cost a lot of money, and, as the ratepayers in the area have to shoulder the burden, they should have the right to vote and say whether they are prepared to shoulder the liability or not. That is where the difficulty comes in. It is not a fair thing that the ratepayers should be put in the position that they are in to-day, and it is only justice to allow them to say whether they are prepared to accept the responsibility or not. If the case is put before them, and they are asked if they are prepared to take the liability, then the matter rests in their own hands. There is no doubt that it is not going to be a payable proposition for the first few years.

Mr. HARTLEY: Why will it not be a payable proposition?

Mr. MOORE: We know perfectly well that, if provision has to be made for a larger number of cars and more men to run them, the trams will not be a payable proposition.

Mr. HARTLEY: Why is it necessary to have new cars?

[Mr. Moore.]

Mr. MOORE: That was one of the main arguments used by the hon. member for South Brisbane. He said that there were not enough cars to carry the people at the present time. If you are going to have new cars to give the people seating accommodation, then it is going to interfere with the cost of running the trams.

Mr. HARTLEY: Would it not be just the same if Mr. Badger got a renewal of the franchise?

Mr. MOORE: The position is different in the case of the trust, because, if it makes a loss, it can call on the ratepayers to make it up; but, if Mr. Badger makes a loss, he has no one to call on.

Mr. HARTLEY: He will not make a loss—you can be sure of that.

Mr. MOORE: If the electors push the trust, and ask it to find seating accommodation in the trams, then the trust will call on the ratepayers to find the money.

Mr. FERRICKS: The company can call upon the travelling public to make up any loss, and it does it.

Mr. MOORE: The company cannot do it. You know quite well that, when the company wanted to increase the fares, the Commissioner of Prices interfered.

Mr. RIORDAN: The trust can strike a levy on the ratepayers if it wishes to do so.

Mr. MOORE: Yes, I know. The ratepayers will be responsible, but they should not be made responsible without saying whether they are agreeable or not. They have to carry the burden, and, once the trust is elected, there will be an agitation to provide more cars. The agitation will be much worse against the trust than it was against the company, and the trust will have to bow down to the ratepayers.

Mr. HARTLEY: No. Why should it bow down to the ratepayers?

Mr. MOORE: The trust will have to bow down. We can see it done every day.

Mr. HARTLEY: This Government do not bow down to them.

Mr. MOORE: Nonsense! The Government do bow down.

Mr. HARTLEY: The Government do not bow down to the agitators for free trains or trams every five minutes.

Mr. MOORE: There will be an agitation to increase the fares and freights.

Mr. HARTLEY: Do you think the fares and freights should be increased?

Mr. MOORE: No.

Mr. HARTLEY: That is an argument in favour of leaving the trust out of it altogether, if they increase the fares and freights.

Mr. RIORDAN: The ratepayers will use the trams.

Mr. MOORE: I think the people who use the trams should be the ones who should be called on to make them pay.

Mr. FERRICKS: The people who pay tram fares pay the rates.

Mr. MOORE: I do not agree with that. They do not pay the rates at all. We shall find that the people will agitate to get a sufficient number of trams.

Mr. FERRICKS: The company made a profit of £92,000 last year.

Mr. MOORE: The hon. member for South Brisbane said that the tram service was a success because the company did not provide enough cars to carry the people. If you are going to alter all that, and put on a sufficient number of cars to give everyone a seat, then the trams are not going to be profitable. You will not get sufficient money then to make renewals, pay interest and redemption, and carry out extensions.

Mr. FERRICKS: We should see that the people get seating accommodation before we bother about profits.

Mr. MOORE: The argument has been that the trust would run the trams just as efficiently as the company, so that the local authorities would make something out of it. I cannot see how they are going to make anything out of it if you are going to put on new cars. The burden will be put on to the ratepayers.

Mr. WEIR: Suppose they increase the staff by 50 per cent. and increase the cars by 50 per cent., that would not be many, because there are only 172 cars now.

Mr. MOORE: If you increase the cars by 50 per cent., the staff by 50 per cent., and the running costs by 50 per cent., then you are not going to make the trams pay. We know very well that a lot of renewals are required. The hon. member for South Brisbane told us this morning that there have been no renewals for the past five or six years. If the trust has to go in for renewals, pay interest and redemption, and increase the number of cars, it looks very much as if there will be a loss.

Mr. HARTLEY: Supposing the company had to make those renewals, whom would the charge fall on?

Mr. MOORE: On the people who use the trams.

Mr. HARTLEY: Yes, to the advantage of the company.

Mr. MOORE: That is what I say should be done in this case. The Government want to put it on the ratepayers, and in that case, at any rate, the ratepayers should have the right to say whether they are going to take over the liability.

Mr. HARTLEY: If it is put on to the ratepayers, who will get the final advantage?

Mr. MOORE: The users of the trams.

Mr. HARTLEY: That is, the ratepayers.

Mr. MOORE: They will have to pay more in proportion than other people, and I think it is only fair that they should have the right to vote as to whether they are prepared to take over the liability or not. Although I have no objection to the formation of the trust, and although it does not affect me very much, I think certain principles in the Bill are wrong, and I put forward these views now because I hope that at the Committee stage we shall have an opportunity of convincing the Premier on these points, and, perhaps, alter the burden and reduce the liability on the people, and, perhaps, also make provision to keep the managerial control intact.

Mr. WEIR (*Maryborough*): I think we can say with safety that the figures which have been presented to us in this "Brief History relating to the Brisbane Tramways" show the tremendous profiteering capacity

Mr. Weir.]

of private enterprise. The figures show how far the commercial morality of a body such as the Tramways Company can descend in order to hunt profits. If ever there was evidence that we are on sound grounds as a general principle in condemning the evils of private enterprise, here is the best evidence we could get. This thing is shocking. It is an example of how far these people can go and will go in hunting profits—tramway profits or any other profits. Here is an evidence of how they can go on doing it for a number of years. The auditors who have prepared this statement are both capable and unbiassed men, and, taking 1919 as a basis, we find that on page 5 the best value that can be put forward as the value of the assets—and consequently the capital of this concern—has gone up to £868,080. That is a definite statement that the capital of this company at no time could be higher than £868,080. On the same page we find that they have made a profit of £1,377,746 during the years they have been operating, or, in other words, whilst they have been doing nothing except using what the pennies and the two-pences of the public have produced and negotiating this public utility, they have not only got their capital back, but they are on the high road to getting back another 50 per cent. Put in another way, they have got 150 per cent. on the capital invested—and then the hon. member for Auburn says that there may be a loss! Well, I am prepared to take the risk. I venture to say that, if a company like this, with a capital investment of £868,080 at the very most, can show a profit of £92,000 odd in one year—and that last year—it is surely a fairly good argument that the investment will be a gold mine for the people who run it. More than that, as my friend the hon. member for South Brisbane says, they have done it on a capital investment of only £375,000—the public have found all the rest.

I pay no attention to this argument that we should have a referendum as to whether the people should take over the trams. The people have returned this Government on three occasions, and everybody knows the platform of this party. It is published in the back of the "Worker" and in other papers, and the electors know and knew perfectly well what we stand for. They took the Labour Government with all conditions, and this is one of the conditions, because we say that the people should own public utilities such as the trams. So I cast that argument aside. It cannot be said that the majority of the members of the local authorities which are concerned are dominated by the same political view as our party. I think the hon. member for Nundah was on safe ground when he said that other cities had made a success of municipal tramways, and asked why Brisbane should not do likewise. I am not going to the extent of trying to make myself believe that the people cannot run successfully a show like this, which gets £92,000, or 11 per cent. on the invested capital, in one year. Surely that is a big enough margin for anybody.

Mr. G. P. BARNES: If you double that capital it means only 5½ per cent.

Mr. WEIR: I am not concerned about that. I think the figures show that the capital cannot be more than £868,080.

Mr. FLETCHER: You have to pay for extensions and renewals.

[Mr. Weir.]

Mr. WEIR: Yes, but tell me how, on the face of balance-sheets which show assets of only £868,080, the Tramways Company can reasonably expect to be paid £2,000,000 for the venture? I do not think anybody can prove that there is goodwill in this business. I say that, when the question of goodwill is inquired into, it will be found that the company has none. There is the plain fact that it has never had any competition, and people like the hon. member for Warwick live on competition. Further than that, it has had 150 per cent. of its capital back. If you take the figures given by the hon. member for South Brisbane, you will find that it has had, roughly, 400 per cent. on its capital, yet hon. members opposite want to tell me that there is goodwill on top of that. Surely to goodness there is a breaking point somewhere! I am one of those who believe that, when the question of goodwill comes to be thrashed out in the courts, it will be found that the cost will be very little over £1,000,000, because you have that £868,080 as a basis.

Now, I want to point out just where I say there is corruption—I say definitely there is corruption. When I say that, I mean that capital or capitalism to-day is deliberately hiding its profits. It is doing some of the most contemptible things on paper it has ever done in its history. Here is an instance. On page 4 you will see that the work done by the Tramways Construction Company amounted to £229,812. Trace that through, and you will find that, in addition to that, an asset was taken over from the liquidated Metropolitan Tramway and Investment Company worth £82,635. Yet, in the face of that, you will find that the people who did the construction work in the main were wound up on the other side with capital representing about £750,000. We also find on page 4 that those same people up to that given date received in dividends £63,202, or 27 per cent. of the original capital which they claimed had been allocated to them. And still the dividends are going on. For a show which started with £375,000 and was deliberately inflated to make it up to £868,080, they now want to rob this country to the tune of £2,000,000. I do not believe their argument would stand for a moment in any court of law. Anybody looking at it disinterestedly and wisely cannot fail to appreciate the fact that, even making allowance for that £868,080, there is a candid admission of corruption right and left. That is my definite view of it.

At 5.30 p.m.,

The SPEAKER resumed the chair.

Mr. WEIR: I want to draw attention to page 5, and make a particular reference to what I call corruption. I do not want to use the word "corruption" unless I believe it is corruption. It says—

"From the balance-sheet of the Brisbane Tramways Company, Limited, it would appear that the total cash outlay not otherwise accounted for was £304,829 12s., leaving a surplus of £195,170 8s. This amount was incorrectly included in the balance-sheet at 31st December, 1915, under the heading 'Freehold and leasehold property.'"

That was a deliberate "faking" of the assets of the company, to hide the fact that they were issuing new debentures—otherwise a deliberate, successful attempt to hide from

the people of this State the jockeying that was going on with public funds. I say they were public funds, when these people were screwing and twisting, day in and day out, to get the pennies and twopences out of those who were hanging like flies to the scraps from the top of the roof, and were not being properly catered for.

I also draw attention to page 7, where the investigators say there is a difference of £747,770 4s. 10d., which would "appear to be shares and/or debentures issued for which no tangible assets exist." That, in my opinion, is the crux of the situation, because, if it means anything, it means that these people deliberately inflated the position to the tune of £747,770. What can we make out of that? Now they are trying to get away with £2,000,000. The investigators say deliberately that, even taking that value—and I am not prepared to take it—there is a difference of £747,770. Let us see what the result would be after all this corruption. If the railways of this State or any Government concern attempted to do what these people have been doing to the public, they would be howled out of business. The hon. member for Nundah said that, if you go on a railway train, you have to stand. I know that. Anybody knows that in handling big crowds of people during pressure hours there is always a likelihood of your not getting a seat. But what sort of a howl would there be if this were perpetuated—if the trains of this State were always being run with tens, twenties, and thirties of people standing in the corridors of the car and hanging to the roof? Anybody who looks at the thing fairly knows that that is not happening. I have travelled in suburban trains frequently for many years. As a late railway employee, I say definitely that things which have been done in connection with the tramways have not been nearly equalled in the railway service of this State; nor would the public stand it. These people have not catered for the public. Here we have a list of carriages. In 1915 the company started off with 160, which number was increased until ultimately it reached 178. The passengers per car per annum rose from 310,595 in 1915 to 362,327 in 1921. On the other hand, we have the Sydney trams, that everybody howls about because they are State controlled, which only average from 188,555 to 234,702 persons per car per annum. Anybody who has been in Sydney knows perfectly well that in the busy hours of the day, on gala days, football days, race days, you can scarcely get standing room: but in spite of the fact that we know that during the busy hours of the day you can scarcely get standing room, we find that in Sydney they do not get further than 234,000 passengers per car per annum. Here, in our own beloved city, with the trams run by this octopus, they are carrying 362,327 per car. Yet they say that the public are being catered for! I want to compare what is happening under State control with what is happening under these people. From 1915 to 1921 this company increased its rolling-stock from 160 to 178 only. On the other hand, go through the records of the Commissioner for Railways. The figures given in the table show that the total number of passengers handled by the Tramways Company jumped from 43,162,065 in 1915 to 68,056,309 in 1921. The Commissioner for Railways handled 13,938,635 in 1915-16, and the figures jumped up to

14,907,500 in 1920-21. During that period these people increased their rolling-stock only from 160 to 178, while the Commissioner for Railways increased his rolling-stock by 130 vehicles. Take it on a percentage basis—I think that a percentage basis is the best basis. When a certain number of new lines of railway are opened, anybody knows that of necessity there must be new cars. We find that the passengers on the trams increased by 36 per cent. in that cycle of years, and the passengers on the trains increased by 13½ per cent. The vehicles increased, not in that ratio, but in a ratio which favoured national control: because, while the octopus catered only for dividends, the State concern was catering for the well-being of the people. The result was that, while the State's increase in traffic amounted to only 13½ per cent. compared with the company's 36 per cent., its increase in new cars was 18 per cent. as compared with the company's 11 per cent.

Mr. MOORE: What was the increase in the mileage per car?

Mr. WEIR: There was a decrease in railway mileage. I have not taken out the mileage, but even then the Government case is the better one. I did not take out those figures for the reason that it would not be a fair comparison, because there is a tendency to use heavier locomotives on the railways, and that of necessity means a decreased mileage.

Mr. MOORE: When you have long distances to go you must have more carriages.

Mr. WEIR: I stated at the outset that new lines of necessity mean new cars. That is why I worked the thing on a percentage basis. I am not going to admit that there is any justification for the disparity between 11 per cent. and 18 per cent. with the advantage on the side of the State. But when there is a discrepancy between a 36 per cent. increase in passenger traffic under private control and a 13½ per cent. increase under State control, I say that relatively the State stands out head and shoulders above the other, and it shows that the private concern has no regard for the public. If the public welfare is not being considered—and here is a glaring instance where it has not been—these people have no right to these increased profits. I say that definitely. If they are here as an octopus—if their only god is the "almighty dollar"—one of the best things that I can see is to get rid of this octopus. I am glad that the Government at last are getting rid of it. We have heard it said that we were not strong enough to handle the "booze" people, we were not strong enough to handle the race people, we were not strong enough to handle the tramway people; but it looks to me as though they are all getting well and truly handled. I think that "Brother Badger" sees that we are out well and truly to handle him. I am glad that we have reached that point.

Having dealt with the national aspect of the question, I am particularly interested in the points raised by the hon. member for South Brisbane this morning—the question of future extensions being one. I am satisfied that one of the influences operating against any chance of success in the metropolitan train service here—and it is the same in all capital cities—is the short-sighted policy of laying tram lines parallel with railways. A

Mr. Weir.]

State railway cannot pay if there is a tram-line alongside. I think that in the future the trust would be wise enough not to do that. I have confidence in a trust consisting of men who have no fish to fry, and who are not after dividends. They will not stupidly cut off their noses to spite their faces; in other words, they will not stupidly extend new tram routes alongside existing railway lines. I think we can depend on them to do the decent thing in that respect. In my opinion the strength of this Bill lies in the fact that one portion of it deals particularly well with the responsibility that the trust carries when it proposes to break new ground and go into new districts. To me it seems that the one intention, the one guiding star, will be the question of the development of new districts, not the question of making profits. The hon. member for Enoggera complains that the trust is tied down. It is tied down. I am satisfied that any recommendation to the Governor in Council will be along the lines of what is best for the district. I am hoping that there will be an extension of the tram lines, and that the question of lighting the suburbs of the city will also be dealt with in the course of events. I know that the shire of Toombul and many other places have been waiting a long time for light. I do not believe that there should be any Orders in Council issued, for the purpose of supplying light. I do not believe that the Labour Government would ever stand for the issuing of Orders in Council so that the people may be provided with light. We may be regarded as adopting a dog-in-the-manger attitude, but we thought it was better to hold the people up for a few days, in order that they might get their own light. I take my share of responsibility for holding the people up until now. It is better that they should have their own light than that an octopus should come in and crush the lights out of them. A proposed company almost went to the extent of throwing £200 over the counter to some prominent Labour people to get them to have an Order in Council issued; but they turned the thing down deliberately. I am glad that they did. To-day the municipal council of Maryborough have switched on their own light.

Mr. CLAYTON: Have they switched out their lights? (Laughter.)

Mr. WEIR: I say they have switched on their own light. I know the hon. member for Wide Bay would like to see it switched out. I am satisfied that his light will go out before ours and before the light in Maryborough. I am most interested in that part of the Bill which comes under the heading of the "General Scheme." I think the Bill is a very good one, and will give to the people what they are asking for. It will give the people the right to say how long and how often they are going to hang on to that infernal strap? The only thing I have seen in connection with the Brisbane tramways have been straps and dividends. I think this will be the death-blow to straps and dividends. I am glad that they are to be killed together.

Mr. TAYLOR (*Windsor*): I listened with very great interest on Wednesday night to the speech of the Premier on this Bill. I certainly appreciate his appeal that we should, as far as possible, make this a non-party measure. We are discussing a matter

to-day of very great importance, especially to the people in the metropolitan area. The matter is almost of national importance, and we have to consider what is the best to be done under the existing circumstances. There are three aspects of the question that we have to consider—an extension of the franchise, governmental control, or municipal ownership. Personally, I favour the latter. The time has gone when we should have to consider the question of an extension of the franchise. Judging from the statement made on Wednesday night, and from the position which has arisen since 1919, when the Brisbane Tramway Purchase Bill was passed, it will be a difficult matter to make a satisfactory arrangement with the present company for an extension of the franchise. I am sorry that the Government did not go right ahead when they introduced the Bill in 1919, and acquire the trams in September, 1920. Then we would not have been in the difficult position that we are in to-day, so far as the Government and the local authorities are concerned. I think the time which has since elapsed has complicated the position, and has made a satisfactory adjustment in connection with the acquisition of the trams more difficult.

The PREMIER: Conditions have improved. Money is cheaper now.

Mr. TAYLOR: Granting that money is cheaper, I doubt very much if the position has improved. I believe it has not improved. I think I am correct in saying that in October or November, 1920, the Government had their own valuers' report. They know what was contained in that report. Unfortunately, we do not know. I recognise the diffidence of the Premier in not stating what that valuation was until things are satisfactorily settled. It is quite evident to a casual observer that there is a tremendous margin of difference between the offer made by the Government for the trams and the price asked by the company. No one can tell what the tribunal will award for the trams. We might have our own opinions of the value; we might say the tribunal will not do this and it will not do that; but we are very often surprised with respect to the adjustment of matters such as this. We are absolutely in the dark. I do not think the local authorities do not want to take the trams over. If I can judge their attitude, it is that they are afraid that responsibilities might be thrown upon them in the acquisition of the trams which will in turn compel them in terms of the Bill to impose an extra rate upon the ratepayers. I think it is most unfair, if there is to be a deficiency in the working of the trams, that the ratepayers should be compelled to make good that deficiency. In the first place, there is a large portion of the population in the metropolitan area who do not use the trams at all, who come to the city by train, a good many who come by motor car, and in other ways. It is hardly fair that they should have to pay their proportion by way of rate to make up any deficiency. I do not think it is fair or equitable. If there is a deficiency, those ratepayers will be asked to provide cheap tramway accommodation for a floating population. In other words, they are asked to provide for a tramway service which they never use.

The PREMIER: The trust has power to increase the fares instead of compelling the local authorities to strike a special rate.

[Mr. Weir.]

Mr. TAYLOR: Any deficiency that has to be made up should be accomplished by increasing the fares. The trust knows that, if there is going to be a deficiency on a year's operation of the system, it can make up that deficiency by issuing precepts on the local authorities, and, in my opinion, that will probably have a tendency to make it more lax in running the trams economically and efficiently. Probably that would not happen if it knew all it could do would be to raise the fares. In that case it would not want to do that.

The PREMIER: This provision is similar to the provision under which the Adelaide trust works. The Adelaide trust has increased the fares, and has never issued precepts on the local authorities.

Mr. TAYLOR: I understand that the deficiency is to be made up by the issue of precepts.

The PREMIER: The trust will have full power to increase the fares.

Mr. TAYLOR: I am pleased to know that that is the case. That is how the trust will obtain its revenue. There is in every large city a large floating population. They will use the trams, but they would not contribute in any way under the rating system to make up any deficiency that might accrue after a year's operations. A good deal of hostile criticism has been directed against the present company. I do not think it is altogether justified—in fact, I do not think it is justified at all. Anyone who has a knowledge of the difficult methods of transport when the Brisbane people had to travel to their homes in the suburbs in the old 'buses and when the horse-trams were in operation here must recognise that, when this company came to Queensland and put its money into this business and started what was the first electric traction system in Australia, they did a great service to Brisbane. Mr. Badger did not start the electric trams in Brisbane. It was the late Sir Malcolm McEacharn, a Melbourne man—a man of broad vision and a man who could see a good deal further than any of those living in Brisbane at the time could see—and he saw the possibilities of a good tramway system in Brisbane. He raised the money necessary to buy out the old service which was running in our streets and which was practically a disgrace to our city. No one in Brisbane at that time would touch the concern with a 40-foot pole. When the electric trams first started and one of them happened to run off the line I remember the hilarity there was amongst the cabmen and the 'busdrivers, and Queen street was lit up as though there was a perpetual storm going on owing to the friction of the trolley-wheels on the overhead wires. The Brisbane Tramways Company started operations in 1895, and for five years it did nothing but spend money in laying down the various lines to the suburbs and in constructing a power-house. The first dividend on the preference shares was not paid until 1902—that was seven years after the company started operations. Up to that time it had not paid a copper even to its preference shareholders. The first dividend on the ordinary shares was not paid until 1907—twelve years after starting operations. And what did the shareholders get when they did commence to receive dividends? For several years they received dividends at the rate of from 2 per cent. to 3 per cent. Not

many people who put their money into a venture, when they find they are getting such a poor return for so many years, like to leave their money in it.

Mr. WEIR: You forget the fact that they were building their extensions out of revenue.

Mr. TAYLOR: They have always had to build their extensions out of revenue, and that is a very sound principle to adopt. Very often we have to borrow money, as we have to do in connection with our railways; but we hope that ultimately we shall be able to repay our debt out of revenue.

With regard to the people who hold shares, the return I have is dated 7th November, 1917, which is the latest one I could get. That was after the company had been operating for about twenty years.

In 1917 there were—

Shareholders.	Shares.
511 holding ...	50 shares and under
413 holding ...	51 shares and under 100
203 holding ...	101 shares and under 200
161 holding ...	200 shares and over

Of those 161 shareholders who held 201 shares and over there were several large trustee companies who probably had the money of hundreds of people invested in the Tramways Company.

Mr. BRENNAN: Where did you get those facts from?

Mr. TAYLOR: Not from you. The question of overcrowding has been mentioned. Everyone knows that the trams are overcrowded, and they are extra-overcrowded at the present time. The Premier was generous enough to say that, owing to the amount of uncertainty which has prevailed for some time, it was hardly to be expected that the company would go to the expense of providing extra accommodation.

Mr. WEIR: It did not do it even before the advent of this Government.

Mr. TAYLOR: I do not know that there were so many complaints before the advent of this Government. The talk about the overcrowding of the trams is largely overdone. The longest run in any tram, if you are a through passenger, is about twenty-five minutes. Quite a number of people get out at the first or second section, and by the time the tram reaches the end of the second section everyone has a seat.

Mr. WEIR: People have had to wait half an hour for a tram.

Mr. TAYLOR: That is not my experience. I travel in the cars fairly often, and I have never had to wait half an hour. I certainly have had to stand on a good many occasions. If there was no intention to purchase the Brisbane tramways, and it was made compulsory for the company to provide seating accommodation at the rush hours of the day for the whole of the passengers offering, it would mean that the company would have to put on extra trams and extra employees during those hours; and what are they going to do during the rest of the day? It would probably result in the people who rode in the trams having to pay extra fares during the rush hours of the day. I wish to say that I hold no brief for the Tramways Company in connection with this Bill. We on this side, and I am sure all hon. members, want to

[7 p.m.] see that a fair deal is given all round, and that we shall not seem, by the proposed acquisition, to take

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any undue advantage of the rights the company has at the present time, and which it has enjoyed during the currency of its tenure. Personally, I do not think there should be goodwill attached to the undertaking at all. The company received a tenure of twenty years, at the expiration of which there was no promise of renewal, and, in my opinion, there should not be any goodwill. However, I suppose that is a matter which will have to be decided by the tribunal which is to be appointed to assess the value of the undertaking. The Bill which was introduced in 1919 by the then Home Secretary contained a clause providing that any extensions or other works which have been carried out without an Order in Council, or without proper authority, should be taken over by the Government regardless of any cost incurred by the company therefor. I do not know how the Government could justify the insertion in the Bill of such a clause. Those extensions in some cases meant the duplication of the track, and, in other cases, the construction of tracks into sheds, and other utilities which the company required in order to carry on its operations. They were necessary works, otherwise they would not have been constructed, and for the Government to put a clause in the 1919 Bill specifically stating that those works would not be taken into consideration in case of the acquisition of the tramway—there is only one word which can apply to that, and it is the word "repudiation."

The PREMIER: What was it repudiating?

Mr. TAYLOR: It was repudiating any payment for any of that work which the Government said was not authorised.

The PREMIER: The hon. member cannot call that repudiation.

Mr. TAYLOR: What was it?

The PREMIER: It certainly was not repudiation. There was merely no provision for taking it over.

Mr. TAYLOR: It is the same thing.

The PREMIER: It is not the same thing.

Mr. TAYLOR: Did you tell the people in London that you did not know how that clause got into the Bill?

The PREMIER: What I told the chairman of directors in London, Mr. Beeston, was that there was no intention to pay goodwill, nor to allow goodwill to be created by any unauthorised extensions; but that, if we wanted any extensions, we would pay for them.

Mr. TAYLOR: You knew perfectly well that you would require those unauthorised extensions, especially where there was a double track, and where facilities were provided for getting into the various tramway sheds.

The PREMIER: I told the company that, if we required those extensions, we would pay for them.

Mr. TAYLOR: You only wanted to pay for them at cost, and I do not think that is a fair thing. You cannot expect the Tramways Company to dispose of their assets at actual cost.

The PREMIER: We do not want to do that.

Mr. TAYLOR: If we wanted to dispose of our railways, we would not sell them

[Mr. Taylor.

at actual cost. Assume, for the sake of argument, that our railways cost £50,000,000, we would not sell them for £50,000,000.

The PREMIER: Where is the analogy?

Mr. TAYLOR: There is an analogy. We would want £90,000,000 for our railways.

The PREMIER: We are not asking the company to hand over the tramways at actual cost. Are you speaking of the unauthorised extensions?

Mr. TAYLOR: No; I am speaking of the whole undertaking now.

The PREMIER: We shall not ask that the whole undertaking be handed over at actual cost.

Mr. TAYLOR: I am pleased to know that. The cost will be fixed by the tribunal that will be established under the Bill, and we hope that a fair deal will be made to every interest involved in the matter. We have a number of amendments in connection with this Bill, and not one of them affects a vital principle of the Bill. I hope that, when these amendments are brought before the Chamber, they will receive favourable consideration. Generally speaking, when amendments come from this side of the House, they are received with scant courtesy from the other side.

The PREMIER: I don't think the hon. gentleman can say that.

Mr. TAYLOR: Ever since I have been in the House, I only know of two Bills where the Government have accepted amendments from this side. One was the Primary Producers' Organisation Bill and the other the Primary Products Pools Bill, which we put through Committee yesterday. On all other Bills, when we submitted amendments, they were rejected.

The PREMIER: I might remind the hon. member that we accepted amendments on the Land Tax Act Amendment Bill. That was a controversial Bill.

Mr. TAYLOR: I think most of the measures we have been discussing for a long time have been controversial. I think we are all desirous that the trams should pay their way, whether they are taken over by the Government or by the local authorities. Whatever terms are given, and whatever arrangement is come to, I am sure that every member of this House hopes that the arrangements will not inflict any hardship on the community. During the last year or two, there has been quite a change of opinion with regard to motor 'bus transit in the cities of Europe, and in all the principal cities of the world. The Premier told us himself the other night that even in the city of London motor 'buses provide for the traffic there.

The PREMIER: There are no trams in the heart of the city of London.

Mr. TAYLOR: If the motor 'bus traffic is successful in the heart of the city of London, surely there can be no difficulty in connection with the same traffic in the capital cities of Australia.

The PREMIER: There is a great congestion of traffic in London.

Mr. TAYLOR: In connection with motor transit, I would like to quote an extract which appeared in one of our local papers a few months ago. In giving evidence before the Yarra Bridge Commission, the chairman of the Melbourne Board of Works, Mr. J.

Carre Riddell, said, that within four years the tramways would be cleared out of Melbourne, and that he was in favour of motor 'buses to replace them. I wrote to Mr. Riddell on 12th July last, and called his attention to this statement, and I asked him for some information on the matter, and he replied on 17th July, as follows:—

"I beg to acknowledge receipt of yours of the 12th instant in regard to motor 'buses, and shall be pleased to give you any information I can on the subject.

"I have an appointment to give my views generally to a newspaper man next week, and on the 2nd August will be giving evidence before the Victorian Railways Standing Committee. Perhaps it would be as well to see the result of my interview next week, which may suffice for your purposes.

"I am not in a position to give you any figures in support of your opposition to taking over the tramways in Brisbane."

I do not know where he got that idea, because in my letter to him I did not express any opposition to the proposal.

"All I can say is that in view of the wonderful progress made in motor transport service in the modern cities of England and Europe, I should be very sorry to invest my money in any tramway undertaking.

"As soon as my interview with the newspaper man is published I will send you a copy.

"Yours truly,

"W. J. CARRE RIDDELL."

The Metropolitan Board of Works of Melbourne, as the Premier and most other hon. members know, controls the expenditure of millions of money in the city of Melbourne on various public works. It is not a small, tinpot affair in any shape or form. This is a report of Mr. Riddell's evidence before the Railway Standing Committee of Victoria, taken from a favourite paper of the hon. member for Brisbane, the Melbourne "Age"—

"Members of the Parliamentary Railways Standing Committee, at a sitting held yesterday, frankly admitted that they were surprised at the enthusiasm of Mr. W. J. Carre Riddell, chairman of the Melbourne and Metropolitan Board of Works, for the modern motor omnibus. The committee is inquiring into the proposal to bring electric tramways within the city area, and Mr. Riddell, who recently returned from a visit to Great Britain and the Continent, attended that he might give as evidence the result of his observations abroad in regard to passenger transport."

"In a preliminary statement Mr. Riddell said he thought it would be an outrageous thing to substitute electric tramways for the existing cable tramways."

As most of us know, the Melbourne system is a cable system, which has been in operation for probably thirty-five or forty years. At any rate, it was installed before our electric system. The "Age" continues—

"The cable service, in his opinion, was a very satisfactory one for short journeys, and was preferable to unsightly and unsuitable electric tramways within the limits of the city proper. Constructed at

a time when labour, material, and interest charges were very low, and having practically paid themselves off, the cable trams earned profits that electric tramways, constructed when the cost of labour, material, and money was at the peak, would never earn. He understood that the electric tramways already constructed were non-paying, and were enabled to carry on at existing fares only because of the large profits from the cable trams. In other countries the authorities were constructing good roads for the use of motor omnibuses, in preference to spending large sums on electric tramway systems which might almost any day become obsolete. He lived in London from May, 1921, to January, 1922, and during that period he did a considerable amount of travelling about the city and suburbs by motor 'bus. He went to London prejudiced against the motor 'bus; but before very long he became charmed with it. He found it more comfortable than trams or tube railways; more expeditious and more convenient. Invariably he travelled on top, and by that means obtained a finer view of London than would have been otherwise possible. Trams added to the congestion of traffic; motor 'buses were mobile and handy. When Melbourne grew into a big city the trams should be removed from the city proper and from the bridges, and 'buses should supersede them. By this means the passage of traffic would be expedited and a number of the present-day disabilities would be removed. Where special roads—concrete roads with some covering—were constructed for use of motor 'bus routes he considered the municipalities traversed should bear half the cost of construction.

"In answer to Mr. Toucher (chairman) and other members, Mr. Riddell said that both single and double deck 'buses were successfully used. In Edinburgh and Paris the single-decker prevailed; in London the double-decker. If motor 'buses were a failure in Melbourne he attributed it to the fact that they were running in direct opposition to a cheap tramway; that insufficient 'buses were available to maintain a fast, frequent, and regular service. He had not noticed that there were undue delays in London through the difficulty of climbing to and descending from the upper deck, nor did he find that people would not ride outside during the winter."

There is more of it, but that is the style of evidence which he gave. There should be more provision in this Bill to give the trust absolute control over motor 'bus transport. This morning the hon. member for Logan read evidence of what took place in Newcastle with regard to the substitution of electric for steam trams in that city. The engineer and town clerk reported that they would undertake to carry out the service at a cost of £250,000, as against the proposed expenditure of something over £1,000,000 for the electrification of the steam trams, and provide equally as good, if not a better, service. In that report they also showed how the motor 'bus transport had grown in that particular city. Having that in view, if the trams are acquired, power should be given to the trust to have full control over motor 'bus transport. Instead of extending the

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trams from the terminus of, say, the Kedron Park line to Downfall Creek, or Aspley, a trial should be made with a motor bus service.

Mr. KIRWAN: Motor buses require good roads.

Mr. TAYLOR: I admit that. It is wonderful, though, how motors will travel over even bad roads. There is no doubt that good roads make travelling in a motor very much more comfortable. We have now a Main Roads Board, and there is a general feeling throughout all local authority areas that the condition of the roads should be improved as much as possible. It is recognised that the present old-fashioned system of road transport will not be in existence to nearly the same extent in a year or two. The experiment of having motor services from the present terminal points of the trams, to be run in conjunction with the trams, could very well be tried. To a certain extent we are taking a leap into the dark in regard to what the cost is to be. Certainly the Premier and the Government have a greater knowledge of that than we have. Not even the Premier, however, can determine what we are likely to pay. In the acquisition of the trams, either what is termed a commercial value or what is termed a replacement value will have to be considered, and on that basis the value be assessed. With the replacement value we shall have to provide for depreciation of the existing service. We would consider the commercial value to be the running value at the present time; and that value would be estimated, of course, on the present condition of the undertaking.

Mr. HARTLEY: What does the hon. gentleman call running value—the earning value?

Mr. TAYLOR: The value of the trams, the plant, the track, and everything at the present time, after allowing for appreciation. It has been suggested from certain quarters that the company should accept what it cost to lay down the lines in the first instance. I do not think that would be a fair thing. We do not follow that course in connection with the disposal of perpetual leaseholds in this State. The Government put an upset value on land which is to be offered under the perpetual lease system; they may fix a price of £1 or £1 5s., and probably people will come along and pay £5.

The SECRETARY FOR PUBLIC INSTRUCTION: Often they pay far less than it costs the owner when he purchased it.

Mr. TAYLOR: That is so. The point I am trying to make is that the present tramway system, after allowing for depreciation, cannot be laid down at anything like the cost disclosed in the report presented by Messrs Macfarlane and Murton. They have given us the cost of laying down that scheme as it stands in the company's books to-day. We all know perfectly well that that system is of greater value to-day than at the time it was carried out.

Mr. HARTLEY: Why pay a higher cost than it cost in the first instance? How can the hon. member justify that?

Mr. TAYLOR: If the hon. gentleman bought a horse, or dray, or motor-car for £50 or £100, and there was an appreciation in its value, is he not justified in asking for that appreciation?

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Mr. HARTLEY: Not if I agreed, after a certain period, to hand it over after I had had certain use out of it. That is the case with the Brisbane trams.

Mr. TAYLOR: No; the company has made no agreement to hand anything over at all. It was provided that, at the expiration of twenty years, which would be the term of their franchise, the trams would be acquired, but certainly not at what it cost to build them in the first instance.

Mr. HARTLEY: You might make 200 per cent. profit on the actual cost.

Mr. TAYLOR: Quite likely. The Premier, when introducing the Bill, said that the trams would become a daily improving asset. I am inclined to think he is right. None of us expect that Brisbane is going to remain with a population of 200,000; it is going to grow. Anyone who knows anything of Queensland must realise that Brisbane is going to grow, and that the tramways in the ordinary course of events will become more valuable in years to come than they are at the present time. The whole matter of value is a most difficult one to settle. Seeing that a tribunal will be constituted, I suppose some fair estimate will be arrived at when the trams are ultimately taken over.

I have given the question of a referendum a fair amount of consideration, and I have listened to the arguments in connection with it. One argument has been advanced from this side that the Local Authorities Act provides that a local authority can take a referendum in connection with a loan to carry on its activities. Other reasons have been shown from hon. members opposite why a referendum should not be taken. I am absolutely opposed to a referendum. I have several reasons for being opposed to a referendum, and one reason is this: We are in a holy muddle at the present time, and, if a referendum were taken, and the people turned it down, we would remain in that muddle. We have to take these trams over—there is no getting away from that—and the proper thing to do is to make the best bargain we can, and get out of it with as little loss as possible. In the taking of a referendum we have to consider that it would be taken on the same franchise as exists at the present time for the local authorities, and that would mean that there would be thousands of people called upon to vote who have no interest whatever in the trams. They reside near the railways and use the railways in coming to the city, and hardly ever ride in the trams. These people would vote it down, and we should find ourselves in the same muddle that we are in at the present time. We cannot take the risk of the proposition being turned down, and something must be done at once. We cannot allow the outside areas to suffer as they are suffering at the present time on account of the want of tramway extensions. That is what is happening, not in one district, but in probably half a dozen districts around the metropolitan area at the present time.

The SPEAKER: Order! The hon. member has exhausted the time allowed him by the Standing Orders.

Mr. PETRIE (*Toombul*): I beg to move—

“That the hon. member be granted an extension of time to continue his speech.”

Question put and passed.

Mr. TAYLOR: Those districts for quite a long time have been without proper communication with the city. The district I referred to a few moments ago is the Kedron area—it is not in my electorate but is very close to it—it is a locality which is going to be rapidly filled with city dwellers in the very near future. At the present time the trams stop at the Kedron Park racecourse, and there is a 'bus which runs about twice a day out to Kedron, which is absolutely insufficient for the requirements of the people in that district, and, therefore, there is an absolute necessity that something should be done to remedy the present intolerable state of affairs. Further than that, an extension into that district will provide employment for quite a number of people, and the sooner we get to work in connection with the matter the better it will be for the people of Brisbane and for the people of the outside areas.

Personally, I do not like a trust at all. I am quite opposed to the principle of a trust, and I think the undertaking should be placed under the control of experts. The Premier said that was not a democratic system, but we do a lot of things that are not democratic. Even Labour Governments do things that are not democratic. A Labour Government appointed the manager of the Commonwealth Bank.

The SECRETARY FOR AGRICULTURE: A very good man.

Mr. TAYLOR: A splendid man. They paid him a good salary and put him in control of the Commonwealth Bank, which controls millions of money every year, and they did not ask for a referendum of the people or anything of that kind before doing it. They freed that man from political influence. Of course he is responsible to the Federal Parliament, but he has perfect freedom to direct the whole of the operations of that great bank. The present Government did practically the same thing with our own Savings Bank Commissioner. So there is nothing undemocratic about it at all. What we want to see is that the men in control—whether it is a trust or a commission—shall be the very best men who can be secured. We have had quite enough in Queensland in recent years of non-paying ventures, and we do not want any more of them.

Take the Federal Post Office, for instance. A year or two ago the loss on the Federal Post Office ran into hundreds of thousands of pounds per annum. We then had a system of penny postage. The [7.30 p.m.] Federal Government recognised that they could not continue carrying on the great activities of the Post Office in Australia and lose money year after year, because, whatever money is lost in any activity has to be made up either by that activity or by increased taxation, in order that the accounts may be adjusted. No business can go on year after year losing money. The Federal Government, therefore, found it necessary to raise the postage rates and telephone rates. The people are asking for increased postal and telephone facilities, and, if the people want those things, they must pay for them. The position is exactly the same with regard to the proposed acquisition of the Brisbane tramways. I hope that the scheme of having a trust formed of eight men selected from the local authorities will be cut out, and that three men of the highest intelligence

and professional knowledge in the carrying on of such a great activity will be appointed, so that the undertaking shall not be a burden on the community. With regard to the taking over of the tramways, I agree with the Premier that tramways in any area are matters of local authority concern, and should be under the direction of those bodies. If the Government took over the trams and made a loss, it would mean that the whole of the people outside the metropolitan area would have to contribute to make up the loss. That is not a fair thing, because the trams are established, in the first place, for the convenience of the people in the metropolitan area, and it is only fair that they should foot the Bill; but it is not fair, as provided in the Bill, to levy a tax on the ratable value of land to make up any loss. A man might have a large property in the city of Brisbane, with his home in one of the suburbs, and under the Bill, if there was a loss on the tramways, he would have to pay his share of that loss according to the ratable value of land in the city of Brisbane, and he would also have to pay a tax to the shire council in which he is living, based on the ratable value of his land in that area. He would be paying twice to help to make up the deficiency. I think the principle is unsound and unfair, and should not be allowed to remain in the Bill. Personally, I am anxious to see the tramways taken over at the earliest possible moment and to see them a success; and I wish the Premier to understand that the amendments we are going to propose in Committee to improve the Bill are not brought forward in a hostile spirit, but with a desire to assist the Bill to operate with the least possible friction and with the success of the undertaking in view.

Mr. HARTLEY (*Fitzroy*): I do not feel inclined to offer any excuse for speaking in support of the Bill. While I am not a continuous resident of Brisbane, I am, nevertheless, very earnestly concerned in seeing that the Brisbane tramway system is taken over and owned by the people of Brisbane. It is rather pleasing, and also startling, to notice the change of attitude in the utterances of many hon. members opposite. There seems to be something lacking in this discussion on the proposed acquisition of the Brisbane tramway system which used to be evident in previous discussions when the matter was brought forward. The old militant note which was sounded through the various struggles which took place when a similar Bill was before us is now spent. The old terms of militancy that were rather aptly phrased by the hon. member for Brisbane in his parody of certain well-known lines—

“Stand up, stand up for Badger,
The Brisbane Tramway Boss;
And guard his royal balance-sheets,
They must not suffer loss.”

That old spirit has vanished. Something has gone wrong with our friends on the other side. I wonder if they have seen the writing on the wall, or if at last they have had a change of heart, and recognise that the utilities which provide for the welfare and comfort of the people shall be owned by the people, and the revenue earned therefrom used for the good of the people who subscribed it. I am inclined to take that view when I hear the eulogy of Mr. Badger by the leader of the National party and other hon. members on the other

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side—that we should honour him for being a smart business man in establishing this wonderful system which has been such a boon to the people of Brisbane. My hon. friend almost wrote a new psalm of farewell on Mr. Badger that might be put into these lines:—

“Take off your hat to Badger,
The Brisbane Tramway Boss,
Who built this tramway system
That has collared Brisbane's ‘splosh.’
But the Socialist Government got him.
He has really got to go:
So lift your hats to Badger,
With every sign of woe.”

(Laughter.) Hon. members opposite have resigned themselves to the inevitable enforcement of the Government's intention to govern the State in the interests of the people, and in the interests of the people alone. I find no cause for eulogy of the Brisbane Tramways Company or its manager, Mr. Badger. I recognise in him a thoroughly cute, keen, business man, who came to Brisbane and found an obsolete system of tramways drawn by horses, and saw the lack in that system; but more important to Mr. Badger and the people who afterwards built the tramways was the money which went into the pockets of himself and others who carried on the tramway business and transported the people to and from their homes. There was no desire to give a boon to the people when the tramways were first started, and there are no thanks due by the people of Brisbane to Mr. Badger for building the tramways; because, if he had not built them, somebody else would have done so. After all, what made the tramways a success was not Mr. Badger, not his engineers and the splendid plant which keeps the system running so well, but the people who travel to and from their homes—the workers earning £1. £1 10s., and £3 per week, sometimes more and sometimes less. It was in no spirit of sympathy with their needs that the tramways were started. It was in a spirit of exploitation and a desire to get money from the people. There is no need to go into heroics or to indulge in any maudlin sentiment as to what the people owe to Mr. Badger or to any other big captains of industry who have started various enterprises. This is what Mr. Badger saw when he came to Brisbane: He saw the horse trams that were obsolete, ineffective, and inefficient. He saw the wonderful field for exploiting the workers, and he seized it with both hands. He sent the whisper along to the other gentlemen who owned the cash, and they provided the implements whereby they could still further exploit the workers of this city.

Mr. COLLINS: There was a great lack of municipal enterprise.

Mr. HARTLEY: The wonderful thing about it is that, now it is forced upon the community, and the justice of the cause of the people of Brisbane is forced unassailably into the forefront of the public life, we have the hon. gentlemen on the other side bowing to the inevitable, and acknowledging that the only thing to do is to take over the tramways. For that I am thoroughly thankful, because at last the people will have the ownership of this means of transporting them to and from their homes. They will have their elected representatives appointed on the trust that will control the system for

their own comfort and for their own advantage, and they will control the revenue accruing from it. There has been a good deal said about a possible loss that may accrue. I see no need to be apprehensive of any loss. The hon. member for Aubigny, who always poses as a champion of the local authorities, seemed fearful of it. I would like to say, for his information, that if the Brisbane Tramways Company, through its manager, Mr. Badger, can make such a success of the tram system, so far as his functioning was responsible for the success—although I think myself that the success was due to the large number of people who used the trams—then it can be equally successful under the municipal trust.

Mr. J. JONES: Don't brains count at all?

Mr. HARTLEY: I said, so far as Mr. Badger was responsible for the success of the trams. If he did not have the people here, and if there had not been a growing population, the trams would have stopped, and the rails would have rusted like many rails have rusted before.

Mr. J. JONES: Like the railways.

Mr. HARTLEY: There are no railways where the rails have rusted. The railways are not used to the full extent that they might be used, but they are not rusting. I dare say in the early days of the Brisbane Tramways Company, when the extensions were first laid down, they did not bring in the revenue that was anticipated; but, as the people recognised the convenience and facilities that were offered, they settled there and made the tramways a success. I see no reason why we should apprehend a loss because the tramway system is going to be managed by the local authorities. The local authorities will have just as much money as Mr. Badger had, because, after all, the same people will provide the money for controlling the tramways as provided it for Mr. Badger, and they will be able to pay for their own trams and their own extensions, and collect some of it again as revenue.

Mr. J. JONES: Why did you borrow money from America?

Mr. HARTLEY: We borrowed money from America because we had a lot of traitorous people who prevented us from borrowing money from England.

GOVERNMENT MEMBERS: Hear, hear!

Mr. HARTLEY: That is the reason we borrowed money from America. It is well recognised now that those people did the worst turn for Australia than any Australian people could ever have done.

GOVERNMENT MEMBERS: Hear, hear!

Mr. HARTLEY: The hon. member for Aubigny was somewhat concerned that there would be a loss because the big renewals of rolling-stock and plant would have to be paid for, and because expensive extensions of the tramway system had to be entered upon. That is only a condemnation of the present management, because the stock should have been kept up to efficiency point, and the numerical standard, so far as the carrying capacity of the cars is concerned, should also have been kept up. If we admit now that we should not take over the trams because we might have a loss for the first two or three years, then that is another condemnation of the whole system of private ownership. It appears now that the company has been doing as little as it possibly

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could while it exploited the people it carried as passengers. No one can pose as a champion of the people of Brisbane who holds the views put forth by hon. members opposite. Any apprehension there may be of a loss is absolutely groundless. With regard to the possibility of the tremendous call that may be made upon the trust that will handle this tramway system because of new extensions as outlined by the hon. member for Port Curtis, I do not think we need have any apprehension on that score. No extension will be entered upon by the trust unless such extension is warranted. There need be no apprehension in regard to any possible loss on that ground. Supposing there was an immediate loss caused by the renewals of rolling-stock and increasing the power plant, would that be a reason why we should not make those improvements, and why we should not take over the trams? It should not be. If we admit that would be a reason, then the alternative is to give Mr. Badger an extension of the franchise. We may be sure that, if we did that, he would immediately bring his rolling-stock up to its highest carrying capacity. He would provide new cars, and, if necessary, he would provide a new power-house to give greater power to the extended lines which would be run out for miles into the suburbs. Who would pay for all that? I make bold to say that there would be an immediate increase in the fares to reimburse the company for its expenditure of that money. If it is a reasonable thing for the company to spend money in the renewal of rolling-stock and increasing the plant, is it not reasonable for the local authorities to do it, more especially as they will own it and they will get the revenue that accrues from it? Let us take a glimpse of what it would mean to the people of Brisbane if the profits received from the Brisbane trams for the past fifteen years had been made available to the people in the metropolitan area. The profits have been in the vicinity of £80,000 per year. We can just imagine what that would mean to the rate-payers of Brisbane if that amount had been available to them for the extension of municipal enterprises in the city. Instead of coming to the Government to borrow hundreds of thousands of pounds for a water and sewerage system, they could have had a water and sewerage system ten years ago, and they could have paid for it out of the tramway profits all the time.

A further point is in connection with the taking of the poll. I am glad to notice that the leader of the Nationalist party is opposed to a referendum on this question. I am certainly surprised to hear the deputy leader of the Country party say that he requires a referendum, because, if anybody bitterly and fiercely opposed the principle of the initiative and referendum, it was the hon. member for Aubigny and those associated with him on the front bench of the Country party.

Mr. KIRWAN: He was bitterly opposed to the extension of the franchise in local authority matters, and now he wants a referendum on that basis.

Mr. HARTLEY: As the hon. member for Brisbane says, he was bitterly opposed to adult franchise in local government, but now, when it suits his purpose, he says, "Trust the people. Take a vote to see whether they shall own these tramways or not." First of all, I oppose the referendum because it has become a well-recognised principle that

public utilities should be in the hands of the people and should be administered by them, and that any profit resulting from them should go into the treasuries of the local authorities concerned. If it be a good thing to take a referendum to decide whether or not we should take over the tramways, why not have taken a referendum as to whether we should establish a Water and Sewerage Board in Brisbane, and spend hundreds of thousands of pounds on its undertaking.

Mr. MOORE: That is a health matter.

Mr. HARTLEY: It does not matter whether it is a health matter or not. Why should not the supply of water be made a subject of exploitation and profit for a private company just as much as the carriage of the people to and from their homes? We have lighting systems in other towns controlled by local authorities. Why not have taken polls in those cases?

Mr. MOORE: There are provisions to that effect in the Local Authorities Act. What are they there for?

Mr. HARTLEY: There is provision that, when money is proposed to be borrowed, polls shall be taken. No money is going to be borrowed here.

Mr. MOORE: Yes.

Mr. HARTLEY: It is going to be subscribed. It may be borrowed; but it does not matter whether it is or not. It has always been recognised that the trams would eventually be taken over by the people, or that the possibility existed of their being taken over by the city council. In every Act there is provision that the franchise shall last a certain time and that the ownership shall eventually be municipal, and that a tribunal would be appointed to assess the value of the undertaking. On those two grounds I think any request for a referendum can easily be refused.

Mr. MOORE: You want better grounds than that.

Mr. HARTLEY: I do not think any grounds would satisfy the hon. member. The leader of the Nationalist party was rather apprehensive as to whether the tramways would pay because of the increased efficiency of motor bus services. It is true that in some cities, such as Edinburgh and some parts of London, motor vehicular traffic is ousting tram traffic, but that is only in its initial stages. Nobody knows how far that successful competition with rail vehicles will go. There are grounds for thinking that in some particularly favoured places, where the roads are sufficiently good and the natural features of the country lend themselves to it, motor traffic, with the new motor machines that are being developed now, will compete with trams and trains; but I think there need be no apprehension of that in the city of Brisbane. Here we have a tram service and a good train service, yet anybody who knows anything about travelling to the suburban areas knows that both combined are inadequate at certain hours of the day under certain conditions to successfully cope with the passenger traffic, and, although the tram service may be increased by putting on more and bigger cars, there will still be room for privately-owned motor vehicles.

I am glad to see that it is coming to be recognised that there are no grounds on which to base a claim for compensation in

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respect of goodwill. Everyone will recognise that Mr. Badger and his agents are not responsible for the clientele who contribute to his revenue. It is necessary for the people themselves to use the most convenient and cheapest means of transport to and from their homes. It would be just as sound and logical to claim that the Commissioner for Railways was entitled to be paid for goodwill on any line he might at some time part with as to argue that the company is entitled to such compensation in its case.

Whilst I agree with a good deal that the leader of the Nationalist party said on the question of valuation, I think he got on very unsound ground when he advocated that the price to be paid should be the enhanced price of material and cost of construction to-day as opposed to what was the cost twenty years ago.

Mr. SIZER: He only advocated that it should be paid for as a going concern—as against cost price.

Mr. HARTLEY: I do not think the hon. member was in the vicinity, because I particularly noticed what the hon. member for Windsor said, and I put an interjection to him on the point. He wants the undertaking to be paid for at its running value, that is, the value of the tracks, cars, power stations, and all appurtenances as they stand, making allowance for depreciation caused by fair wear and tear. He said they should not be paid for on the basis of the cost at which they were originally bought or constructed. That is, if the company paid £10 per ton for rails some years ago—which would probably be a fairly high price at that time—and rails are £20 to-day, then the company should get £20 per ton when the undertaking is purchased. If he bought cars at the rate of

[8 p.m.] £600 or £700 per car, and to-day they cost about £1,200 per car, he wants them paid for at the enhanced value caused by the various increases in wages and in the cost of material. That is an unsound method of valuation. It should be the cost of the plant, less depreciation for the number of years it has been in operation, less again depreciation for its degree of obsolescence. It must be borne in mind that any big undertaking like this, to be effective and to be run economically, must have the best motive power that can be supplied. I am given to understand on fairly good authority that a good deal of the electric power station is out of date, and a lot of big, costly replacements will have to be made. The hon. member for South Brisbane informs me that it will be practically duplicated. Possibly a new, big, up-to-date power station will have to be built. That must be a factor in arriving at the value of the assets. If the whole of that power station has to be scrapped and we have to build a new one, that must be wiped off as a dead loss. There could be no injustice and no loss to the shareholders if that were done, because they have already earned in dividends the money that was paid for the plant. What applies in that applies also in other directions. An amount must be allowed as an offset for the neglect of the present system, which will have to be made good by whoever takes it on in future; where tracks have been allowed, through want of attention, to get into such a bad state as to render necessary a big outlay in renewal, that must be allowed as an offset against value of the assets. I trust that the Bill will very soon be an accomplished fact, and that the people of Brisbane

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will reap the benefit which generally follows the introduction of municipal enterprise in connection with this and many other services.

Mr. ELPHINSTONE (*Oxley*): The speech which we have just listened to indicates that the hon. member for Fitzroy was somewhat out of his depth in criticising a measure of this description. He made one statement in his opening remark which seems to call for passing comment. He took great exception to the fact that the Opposition had ceased to use a militant tone in regard to this tramway question. He said that we have altered our attitude entirely regarding our outlook on the tramway question generally. He omitted to call attention to the fact that this measure has not as its object the depriving of the Tramways Company of any of its lawful rights; it simply is a question of what is to become of the tramway property now that the years of charter have expired. If there were anyone within the precincts of this House listening to him speaking who had some idea of coming to this country with a view to establishing some new enterprise or venture, I am afraid that that man would go away and be of the opinion that there are some who, being responsible for the welfare of Queensland, still are unaware of the fact that we must have capital, initiative, and brains to develop the country; that we must give them a fair deal, and see that their rights are protected. One of the most notorious pages in the history of the Labour party, in my opinion, has been that in reference to the Brisbane Tramways Company. From the birth of this Government they have been obsessed with an insatiable desire to persecute this company in some form or other. One of the first measures that I had the misfortune to witness being put through this Chamber was that having as its object the depriving of the Tramways Company of its right under its charter, by an endeavour to reduce fares or increase the length of sections, and to belittle or undermine the value of the assets which it possessed. The next measure, so far as I remember, was one to permit the Government to purchase the tramways before the charter of the company had expired.

The PREMIER: There was no proposal to purchase the undertaking before the franchise had expired.

Mr. ELPHINSTONE: At any rate, it had the effect of undermining the value of the tramway assets to such an extent that the Tramways Company was prepared at that moment to sell the whole of the undertaking to the Government rather than be persecuted any longer. That was a statement that I made in this House in 1918 when that first Bill was before us, and that was a position of which the Government were quite able to take advantage at that particular time.

The PREMIER: Who authorised you to make that statement?

Mr. ELPHINSTONE: Mr. Badger himself authorised me to make that statement. As I said then, in my opinion every man taking part in that debate and dealing with so important a question as the acquisition of the tramways—particularly when it was proposed to interfere with its rights under that charter—any man who had on his shoulders the responsibility of passing legislation in this House should make himself fully acquainted with the circumstances surrounding the rights and privileges which the

company enjoyed. To-day, of course, as the Premier has pointed out, we are going to concede to the company all the rights and privileges bestowed upon it under the original charter. We have abandoned all this persecution which we have been endeavouring to initiate during the past four years, and now have come to the conclusion that the charter is a fit and proper one, and that it is the duty of the Government to protect the rights of that company or of any other company working under a similar charter. It is pleasing indeed to see that we have at last come to acknowledge that those are rights any Government must respect.

Another point which the hon. member for Fitzroy touched upon was in connection with the disabilities under which the Government have been labouring in the raising of money in the United Kingdom during the past four years. Instead of attributing those disabilities, as he quite rightly might have done, to the persecution which the Tramway Company has been under, the hon. member for Fitzroy trotted out the old parrot-cry that they were due to actions of hon. members on this side of the House. It is a pity that this change of political attitude which he thinks he has discovered in us he cannot create in himself. I want to tell the hon. member that, had the Government not set out to persecute this company and attempt to steal its rights and privileges from it, the country would not now be labouring under some of its disabilities.

MR. HARTLEY: You admit that I was right?

MR. ELPHINSTONE: Having been defeated in all those various attempts, the Premier admits, by his action in connection with this Bill and the speech which he has made, that the Tramways Company's rights have to be respected. During the greater part of this debate it seems to me that we have been on wrong lines. There is no need to discuss in this House what compensation, what allowance for goodwill, or any other consideration the company shall receive; that is a matter for the Supreme Court, in the first place, to decide. That court, I take it, will outline the basis upon which a settlement is to be arrived at, and then independent arbitrators will discuss and discover the best way of dealing with the situation. All this Bill provides for is putting up machinery for taking over the tramway system from the company, the term of its charter having expired two years ago, and vesting it in some other authority for its successful running. In my opinion, half the speeches I have listened to in this House have been largely based on misconception of what this Bill is meant to convey. As the Tramways Company is to receive all the privileges which its charter gives it to-day, I do not intend to dwell on that phase.

MR. HARTLEY: The hon. gentleman's apology has been sufficiently long.

MR. ELPHINSTONE: If I started to apologise for the hon. member, I would have to ask for an extension of time. I approach the tramway question in this way: It is a business undertaking, and it is an undertaking run ostensibly and primarily for the benefit of the people. It has got to be run as a business undertaking, and there are three ways of dealing with this question which the present circumstances demand consideration of. The first one is that of leaving the tramway undertaking in the hands of the Tramways Company on the

hand-to-mouth conditions of to-day. That has been going on for the last two years. I do not think one need dwell very long that phase of the matter, because it is quite unsatisfactory. You cannot expect the Tramways Company to give proper businesslike attention to its property, because it never knows the day when it will be called upon to vacate it. You cannot expect it to look after the natural extensions which a big, growing city like Brisbane demands, because it never knows the day it is going to be deprived of the right to run the trams. There is no real business argument that can be advanced for permitting the Tramways Company to go on under the present uncertain state of affairs. It is no good for the Tramways Company, neither is it good for the community generally, so that it can be dismissed.

The next question is whether it is right or proper, under the circumstances which exist to-day, to grant an extension of time to the company under its charter. I would remind the House that it is not a question of renewing the charter or not, but it is simply a question of an extension of time, as I think the Premier will admit. I have said on all occasions when I have had an opportunity of referring to this tram question that I am a firm believer in the community owning a public utility such as the tramways are. I said that in 1918, and I say it again to-day. There are circumstances, however, which naturally control matters, and I am going to advance a few arguments which, in my opinion, are worthy of the attention of this House before deciding upon embarking upon an enterprise of this magnitude under the existing circumstances. In the first place, in my opinion, the Tramways Company wants to sell its undertaking. I think that is obvious. We can come to that conclusion on the face of the terms submitted by Mr. Badger to the Premier when the question of renewal or extension of time was discussed. That, to my mind, is an indication, not of what the Tramways Company is prepared to accept, but an indication that it is anxious to get rid of its undertaking, and the mere fact that it is now going to enjoy all the privileges it is entitled to under its charter is an inducement to it to get rid of the undertaking now, in view of the opposition which has been extended towards it for so long a time, and also in view of the natural trend of events which directs attention towards the public controlling a utility of this description. I do not concede, however, for one minute that the terms which the Premier has given us are the last word the Tramways Company is prepared to consider in connection with the question of an extension of time. If I, or anyone else, have anything to sell, and some buyer comes along, we all know it is a matter of business to put forward terms upon which we are prepared to make some concessions.

THE PREMIER: The hon. member will remember that Mr. Badger's figure was advanced as the minimum figure.

MR. ELPHINSTONE: He might say so. I have often said in my own business that such a figure was the minimum that I was prepared to accept, but I had my tongue in my cheek when I said so. This is a business matter. I consider that the Premier and those surrounding him are not the proper people to approach the Tramways Company to arrive at a businesslike understanding. I

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do not for one moment suggest that the Premier is not capable of doing that; but because of the bitter hostility towards the Tramways Company ever since the Government assumed the reins of office, and the company looks upon the Government as its inveterate and natural enemy.

The PREMIER: Mr. Denham could make no better arrangement in 1913.

Mr. ELPHINSTONE: 1913 is not 1922. This is nine years later. In my opinion, a much better deal could be made with the Tramways Company, if an extension of time was considered inadvisable, than was conveyed by the Premier, as contained in the remarks he made in his speech. The whole question is one as to whether, under the existing circumstances, the question of an extension of time should come into consideration. One reason I advance in favour of extension is that this is not a time to spend large sums of money, for the simple reason that money is much dearer to-day than it is going to be a few years hence. The ruling rate to-day may be $5\frac{1}{2}$ per cent. to 7 per cent, but we can see that the natural trend of events is towards a decline in the rate of interest. If I might diverge for one minute and amplify that theme, I would say that the value of capital must be reduced if wages are expected to be reduced too. There are two elements in all these undertakings—wages and capital—and if wages are going to come down it must follow that the value of capital must also come down. Therefore, I think it follows as a natural corollary, if the cost of living, and wages, and so forth, are going to come down, the price of money is going to come down too. To contemplate an expenditure of £2,000,000 at this particular moment, when the rate of interest must of necessity soon come down, is a point worthy of consideration before we decide whether we should purchase the trams now or defer it until a later period. There is another point to be considered. According to the figures presented to this House, compiled by the auditors directed to do the work, I understand that the amount of capital that the Tramways Company is paying interest on is £1,425,000, of which £450,000 is in the form of debentures, and £975,000 in the form of shares. It is pretty obvious from the figures with which the Premier furnished us that the purchase price of these trams will be somewhere in the neighbourhood of £2,000,000. The Premier has set down the value of the trams at approximately £1,200,000, but he also inferred in the remarks he let drop that the amount of the purchase price which Mr. Badger asked for his undertaking was over £2,000,000; therefore, we can assume that somewhere in the neighbourhood of £2,000,000 will be the purchasing price of the trams.

The PREMIER: It is a wrong assumption.

Mr. ELPHINSTONE: I do not think so. In support of my argument, I would like to read an extract from the chairman's remarks to the shareholders in London at the last annual meeting of the Brisbane Tramways Company. He says—

"As it is, the results we have achieved under the advice of the highest legal authorities . . ."

The Government also claim to have obtained the opinion of the highest legal authorities.

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The PREMIER: We obtained the opinion of the highest legal authorities on compensation cases.

Mr. ELPHINSTONE: I do not question that. The Tramways Company also claim to have got the opinion of the highest legal authorities. The chairman continues—

" . . . and at the hands of the most experienced engineers in Australia, working in connection with the Government representatives, will, we hope, be of great value to us when the time comes for determining the price we shall be entitled to receive. The valuation which was completed early in December of last year showed the then replacement value of the company's property, taking no account of its commercial value . . ."

I presume that to be goodwill—

" . . . to be £1,738,257."

The PREMIER: That was the replacement value during the period of extremely high prices. As a matter of fact, that was much in excess of the valuation of our own officers.

Mr. ELPHINSTONE: I am prepared to accept the Premier's statement in that regard. All I can say is that these are the arguments advanced by the chairman of directors at a meeting held in London only a few weeks ago, and I am advancing this to show what the company's value is. The Premier could not give the information, as he considered it confidential, and, therefore, we can only by deduction arrive at what we consider to be the company's value of the property. It is a perfectly sound assumption that the purchase price will be somewhere in the neighbourhood of £2,000,000. Whereas the Tramways Company only has to earn sufficient on its undertaking to pay interest on £1,425,000, the trust, when it acquires these trams, will have to make sufficient to pay interest on, approximately, £2,000,000.

The PREMIER: The hon. member is all wrong.

Mr. ELPHINSTONE: You may argue so, but, in my opinion, it is a very reasonable deduction. We shall have £2,000,000 lying out in this undertaking, whereas the Tramways Company only has £1,425,000, so that we shall have, by the imposition of rates and fares, to get the necessary revenue from the tramway users or ratepayers to pay interest on that additional sum of money.

The PREMIER: Does the hon. member think that the court in fixing compensation will allow more than the replacement value?

Mr. ELPHINSTONE: That £1,738,000 is simply the replacement value. It is a question whether—and, in my opinion, all the weight of the evidence rests with the Tramways Company—the company will require some compensation in the form of goodwill under the terms of the charter. This is a question of what methods we are going to adopt to acquire this tramway, and I am only referring to that phase of the matter in order to point out that we have to find interest on a far greater sum of money when we acquire these trams than the Tramways Company itself has to find at the present time. I consider that in these days efficiency of management is everything. We are living in abnormal times, when the whole world is disturbed, and one of the outstanding features in Queensland's industrial history in recent years has been the

happiness and contentment which the tramway staff have apparently been living under ever since the year 1912. We do not want to disturb it. I am not going to suggest for one moment that they are going to be immediately disturbed, but I say, "Let well alone at a time when we want the maximum of efficiency and the maximum result." Is it not an argument to be advanced in favour of the consideration of an extension of the term of the charter, if we know the efficiency of the management and the contentment of the staff will be assured? Another very important point is this: So far as the figures available show, the State has been drawing during the last year or two from taxation from the Tramways Company, approximately, £20,000 a year. Under this proposed arrangement the trust will not pay income tax, therefore, the State will lose the income tax paid by that undertaking under the terms of the charter when it passes to the trust.

The PREMIER: The hon. member is wrong, because the debentures issued to the present shareholders will bear income tax.

Mr. ELPHINSTONE: Is it not a fact that the interest which the Tramways Company pays to its shareholders is also subject to income tax as well as their profits? Of course it is.

The PREMIER: No; they only pay one income tax.

Mr. ELPHINSTONE: They pay income tax on the profit that is made.

The PREMIER: The company only pays income tax on its profits.

Mr. ELPHINSTONE: You are assuming there is going to be a profit on the undertaking when it passes to the trust.

The PREMIER: Debentures are issued to the present owners. I presume they will be getting interest on those debentures, and they will pay income tax. There will be no loss of revenue to the State as a consequence of the formation of the trust.

Mr. ELPHINSTONE: That is a matter that I would like to delve into a little deeper. Apart from that question, there is the amount of tax which the local authorities receive from the Tramways Company at the present moment. Last year the Tramways Company paid £8,000 to the local authorities. That will be lost to the local authorities.

The PREMIER: They will simply save it themselves. That is all. It will not mean any disadvantage.

Mr. ELPHINSTONE: It must mean a disadvantage. They received £8,000 from the Tramways Company last year, and, when the undertaking is passed over to the trust, the local authorities will not receive that amount.

The PREMIER: It will belong to the local authorities.

Mr. ELPHINSTONE: You are assuming that the tramways are going to be successfully conducted under the trust. I am advancing arguments why we should consider the advisability of granting an extension of time to the existing Tramways Company, and I have advanced two arguments so far as taxation is concerned—that at the present moment we receive, approximately, £20,000 a year in income tax, and

the local authorities receive £8,000 a year from the Tramways Company.

Mr. FERRICKS: And we shall save the £40,000 a year which is now being paid to the Imperial Government in taxation.

Mr. ELPHINSTONE: Under the existing conditions under which the Tramways Company is operating it has to maintain a large section of the roadway—that is, it has to maintain the part of the roadway between the rails and for 18 inches on either side. Under the trust that advantage, which to the local authorities is considerable, disappears, and the maintenance of that part of the roadway will fall upon the local authorities, and will be a further burden on them. That is another point that has to be considered when we propose to take away this undertaking from the Tramways Company.

The PREMIER: If the trust does not spend that money on maintaining the road, its income will be all the greater.

Mr. ELPHINSTONE: At the present moment it is an obligation on the Tramways Company to maintain that road, and, when this undertaking passes to the local authorities, then the local authorities themselves will have to maintain that road, and it will be a further burden on the local authorities.

A further point to be considered is that there is already a limitation in the charter as to the length of sections and the amount of fares which the Tramways Company shall charge, and at no time in the history of the Tramways Company have these limits been approached, so the people of Brisbane and those who use the tramways will have all the protection that is necessary. I am not advancing, as the sole solution of the matter, that the tramway system should be left in the hands of the company. I am advancing this as an argument why, in times of stress, which we are living under at present, we should give due consideration to the question of whether it would not be wise to leave this undertaking in the hands of the Tramways Company on the best terms that can be made, and I am not admitting that the terms which have been submitted to the Premier are the lowest which the Tramways Company would agree to.

As I have already said, we shall require about £2,000,000 to acquire the tramway system. We shall require at least another half a million, and probably more, to give very scant attention to the extensions which are now urgently needed. Therefore, the proposed trust has got to find immediately from £2,500,000 to £3,000,000 when money is dear.

The PREMIER: They are very arbitrary figures, and they are probably wrong.

Mr. ELPHINSTONE: I do not think they are wrong. Mr. Badger, in his remarks, when he met two deputations that waited on him, clearly showed that the extensions which he had in view even at that moment would entail an expenditure of something like £800,000, and I am quite sure I am right in saying that the trust will have to face an outlay of approximately £3,000,000 to acquire this tramway undertaking and

[8.30 p.m.] give anything like the attention to extensions which are needed.

What must follow is an increase in the fares. That is inevitable, and the people who use the trams must face the situation that, as soon as these trams are taken over, it

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means an increase in the fares. If the Tramways Company finds it necessary to increase fares or to ask for an increase of fares when the capital involved is only £1,425,000, how much more necessary is it going to be for the trust to ask for an increase of fares when the amount of money involved is £3,000,000? That, in my opinion, is unanswerable.

The PREMIER: The company has to pay dividends.

Mr. ELPHINSTONE: You will have to pay interest on the money—on £3,000,000, as I am showing you. Although there is not much satisfaction to the man who exclaims, "I told you so," yet I am sure that, when the history of this undertaking comes to be written, you will find there is £3,000,000 involved in acquiring the Brisbane tramways and making the necessary extensions. My opinion is that municipally owned tramways are never so efficiently run as proprietarily owned tramways. As a matter of interest, I would like to read an extract from "Engineering and Contracting," which is an American publication. It just gives a comparison between the Seattle Tramway Company under municipal control as compared with proprietarily control. It shows that in 1919 the Seattle people took over the trams from the company, and paid only the actual cost of construction. There is no need to apologise for bringing American precedents into our debate to-day, because we have a vital interest in American loans. The Seattle people took over the trams in 1919, and paid £3,000,000 for them—which was merely the cost of construction—

"They began operating at old fares—four tickets for 1s.—but soon raised them to 5d. a ride, or three tickets for 1s. These fares are as high as any in the United States of America."

These fares now are as high as in any city in the United States—

"In spite of prohibiting 'bus competition, paying no rates or taxes, maintaining no roads, charging higher fares, they, for the years 1921, only showed 1½ per cent. on capital outlay."

That is in America, where very much more enterprising methods are used than here. I quote it as an illustration to show the hon. gentleman that not only here, but in most parts of the world, when undertakings pass into the hands of municipal enterprise, they are never so successfully run as under company or private enterprise. The Premier mentioned something about the London trams and motor 'buses. With some considerable knowledge in these directions, I claim that the motor 'buses have been a success commercially, and as a means of conveying people quickly from one place to another in narrow streets. The London trams have never been a success, and I do not suppose they ever will be. The extraordinary part about it is that, whereas the London motor 'buses are all proprietarily owned, the London trams are municipally owned, and the one succeeds and the other always fails. I think the Premier knows that what I say in that regard is correct.

I want now to deal, briefly, with another question which arises by the passing of the trams to the control of a trust or local authority. In my opinion it is inevitable that interference must take place in the

management. As an illustration of that point, during the last few days I have been asking the Government for some information in regard to an enterprise called the "Building Trades Guild," my object being, not to point the finger of scorn at any individual or body of individuals who want to improve their conditions by co-operating and doing business on their own, but to show several object lessons, one of which I want to touch upon. One is that, although the manager of the State sawmills, and the Director of Forests, got rid of what appeared to be a losing proposition, the Minister stepped in and forced the State sawmills to supply timber to this co-operative undertaking, regardless of the advice of his officers, which has resulted in a loss of £1,189 to the State, which, of course, the poor taxpayer has to face. That, in my opinion, is inevitable where the concern comes under Government or municipal control. You will inevitably have a certain amount of interference in the conduct of the undertaking. What happens at an election time, whether it is a municipal or State concern? The candidate is questioned about undertakings, and, being only human, perhaps in a weak moment he promises that if elected he will do certain things. We are all subject to that—I am not drawing distinctions between one side or the other—but what I say is that, when these men come back and assume the power which the electors have given them, and have charge of a big undertaking like the Brisbane tramways, it is almost humanly impossible to eliminate a certain element of interference with the trust or of the trust with the manager. You may try and surround that manager with all kinds of barbed wire entanglements; nevertheless he must be interfered with in some form or another by the mere fact that the tramway is controlled by a trust which is the outcome of the local authorities. Therefore, I contend that interference with the management must and will inevitably follow. Another point is this: It is quite easy to conceive that we are going to have political extensions in this matter. The Government retain an obvious control under this measure; that is to say, certain extensions cannot be undertaken without Government consent, and the Government can almost initiate extensions under this Bill. Therefore, I contend that politics are going to enter into this matter. We can quite conceive of certain gentlemen who look for public favour in metropolitan areas making certain promises, or being asked to give certain concessions when they are seeking the suffrages of the people when the tramways pass into the hands of the local authorities.

The PREMIER: The trust will control that.

Mr. ELPHINSTONE: The taxpayer of Brisbane is already labouring under tremendous burdens; the extent of which is not appreciated, though the liabilities exist at the present moment. I refer in particular to the Metropolitan Water and Sewerage Board. There is an increasing burden in that connection which is becoming a tremendous tax upon the thrift of the people. We are at present still going on with this expensive undertaking, and there is nothing else but to go on and finish it. There is going to be some £4,000,000 or £5,000,000 invested in this undertaking before it is finished, the upkeep of which in interest and redemption must fall upon the taxpayer. We are proposing to add to the burdens of

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these poor taxpayers the expenditure of a further sum of something like £3,000,000, the liability of paying interest and redemption on which falls upon the taxpayers, under the obligations imposed by this measure. If the acquisition of these tramways is made by the local authorities, then it would be preferable, as the leader of the Nationalist party said, to let the control of the trams pass into the hands of a Commission of three experts. It may be said that that is not democratic.

Mr. COLLINS: Were you not a Commission of one, when you were at Darra, and it did not pay any dividends?

Mr. ELPHINSTONE: No. If I had been a Commission of one, the Darra cement works would have been a paying proposition from the first. I argue in regard to this, as I do with regard to the Metropolitan Water and Sewerage Board, that in enormous undertakings of this description, involving millions of money, it is preferable that control should be placed in the hands of men who know their business and are free from all kinds of interference. It may not be democratic, but the price we are asked to pay for democracy may be too high, and at present we are experiencing trouble in that particular regard. We have been chasing shadows for the last seven or eight years, trying to get away from the old economic principles on which trade and commerce have been established, and the cost is very great, and it is time we called a halt. Instead of adding to our obligations in that regard, I am suggesting that we should consider whether it is not advisable, if the trams are to be taken over from the Brisbane Tramways Company, to put them in the hands of a Commission, and by that means be sure of getting efficiency and economy of management rather than passing them over into the hands of the local authorities, which bodies must be subject to outside influences.

The PREMIER: You are more conservative now than you were when you were with the Nationalist party.

Mr. ELPHINSTONE: I am making "common sense" my slogan, because it is common sense that the country wants to-day.

OPPOSITION MEMBERS: Hear, hear!

Mr. ELPHINSTONE: If the Premier will not agree to allow this costly undertaking to pass under the control of three Commissioners, I ask him to consider whether it would not be preferable to allow this authority to be elected expressly for the purpose of conducting the tramways just as the Metropolitan Water Supply and Sewerage Board are elected to deal with one specific undertaking. My reason for arguing that is that there are many men who are not prepared to offer themselves as candidates for local authority honours, but who would be prepared to offer themselves as candidates for a trust to control the tramways. In the first place, the human element always enters into these things. In this Bill it is proposed to pay a reasonable compensation to the members of the trust for the time devoted to the management of the concern. It is proposed to pay the chairman £300 a year and the individual members £250 a year each. That is reasonable compensation, and I am glad to know that that is to be done. The members of the local authorities get nothing at all, and therefore I say the human element prevails. You will not get some

men to offer themselves gratuitously as candidates for the local authorities, because it means an interference with their business and loss of time, whereas, seeing that they are to get reasonable compensation for the application of brains to an undertaking such as is proposed under this Bill, you will get men to offer themselves for the trust. We know, too, that in local authority elections it is remarkable how a little red herring drawn across the trail will affect the course of the election and determine the issue. We know that sometimes little matters of no great vital importance will attract the imagination of the people and take their minds off the issue. There are no greater pastmasters at drawing the people off the main issue than the Premier and the gentlemen who sit behind him. In 1918 they secured the reins of government by appealing to people's stomachs instead of to their brains by promising them cheap food. In 1920 we had another stunt, when the people were told that their rights and privileges were being interfered with. There was not a word of truth in that, but it did not matter, as it served its purpose and the people again returned the party opposite to power. Now the hon. gentleman is searching for something else to trot out to collar the imagination of the people. I do not say that unkindly, but the Premier knows it is true. Hon. members know that local authority candidates are returned on catch-cries of all descriptions. When you get local authorities returned in that way, you cannot expect to look to the local authorities themselves to provide a trust with sufficient experience to run a tramway undertaking successfully and efficiently. Therefore I suggest to the Premier that it is well worthy of consideration to have an election independent of the local authorities altogether. Let us have an election and secure a tramway trust, or whatever you like to call it, consisting of six or seven members whose sole business will be to look after the interests of the tramways. By that means I am sure you will be able to look forward to a more efficient control of the tramways than you will get under the proposal contained in this Bill. By that means we shall be able to cut out Government interference. If we had a trust elected on the lines I suggest, we should cut out all outside interference. Further than that, a trust of that description could raise loans expressly for tramway purposes. It is only a very few months ago that the Government were compelled to concede to the Metropolitan Water Supply and Sewerage Board the right to raise money in London independently of the Government. The Government could not raise money in London, but the Metropolitan Water Supply and Sewerage Board could.

The PREMIER: No. We raised it for the Water Supply and Sewerage Board.

Mr. ELPHINSTONE: The Commonwealth Bank raised it. You had nothing to do with it.

The PREMIER: We raised it through the Commonwealth Bank.

Mr. ELPHINSTONE: I make bold to say that, if the London investor had known that the Government were behind it, that loan would not have been raised.

The PREMIER: The London investor insisted on the Government guaranteeing it.

GOVERNMENT MEMBERS: Hear, hear!

Mr. COLLINS: That is one up against you.

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Mr. ELPHINSTONE: Great cheers; and they are badly needed! The London investor knew that he had the rating power of the Metropolitan Water Supply and Sewerage Board behind the loan.

The PREMIER: Backed by the Government.

Mr. ELPHINSTONE: They would take anyone's backing. If you lend anyone money, you might get half a dozen names to back it, but probably only two of them are any good. The leader of the Opposition points out that the Government gave prior rights to the Water Supply and Sewerage Board, so it is a fact that that Board was able to raise money in London when the Government could not do so. It is conceivable that the tramway trust can do the same thing if it is composed of men of business acumen and brains, such as can be secured under a direct election such as I suggest, even if backed by a Labour Government.

The SPEAKER: Order! The hon. gentlemen has exhausted the time allowed him by the Standing Orders.

Mr. J. H. C. ROBERTS (*Pittsworth*): I beg to move that the hon. member for Oxley be granted an extension of time.

Question put and passed.

Mr. ELPHINSTONE: I want to pass on and deal with some of the proposals that the Bill provides. Although the trust has financial responsibility under the Bill, it is not able to control matters as it should. The Government, in the first place, are to appoint the chairman. The Government will have two representatives on the Board. So long as the tramway trust owes the Government large sums of money—it is quite permissible that there should be a Government representative on that body. But there is no need for two Government representatives, and there is no need for the Government to retain the right to nominate the chairman if the tramway trust gets out of debt to the Government. When the trust pays off its obligations to the Government, the Government will still retain the right to nominate the chairman of the trust. That is an interference with the rights and privileges of the trust. There is another feature which is directly contrary to the tenets and principles of the Labour Government. Ever since I have been in this House, hon. members opposite have fought for the people's rights to initiate legislation and voice their opinions by referendum on proposed legislation. Now we are departing from this principle—a principle which hon. gentlemen opposite fought so strenuously for in years past. We are thrusting upon the trust an obligation entailing something like £3,000,000, without giving the people the right of saying whether they want this undertaking or not. It is impossible for us to tell the people the actual amount of money involved, but we can tell them the approximate amount which we think the adjudicators will arrive at, and we should give the people the right to say "Yes" or "No" to whether they want this tramway undertaking placed upon them or not.

Hon. gentlemen opposite have been pleading for the straphanger, for the working man, and the working girl and boy, who cannot get home except in overcrowded cars. I admit that our trams are much more

overcrowded than they ought to be. Statistics have been placed before us which show that the trams carry more passengers per car per annum than in any other metropolitan centre. While I admit that that is so, still it is only right, before we thrust the trams on to the people, that we should give them the right to express their opinion as to whether they want this tramway undertaking or not. In my opinion it is a negation of those principles for which hon. members opposite have stood that they intend to deprive them of the right to say whether they want this tramway undertaking or not.

Another point for consideration is, of course, the method of appointment of the chairman of the trust. It is an extraordinary thing that we recently put through a Local Authorities Act giving the people—not the local authority concerned—the right to say who should be their mayor or chairman, and that in this Bill we deprive the people of that right. A few months ago we were listening to arguments why the people should choose their mayors or their chairmen, as the case might be, and in the meantime that principle has been put into force; yet in a measure of this description, without any tangible reason that we can see, the Government insist on nominating a chairman without giving the people the opportunity to say whether they want that system or not. It is a reversal of principle and policy which I do not understand. The hon. member for Fitzroy was at great pains to find some change in our policy; I would ask him to explain that.

The PREMIER: The hon. member must know that they were appointed by the local authorities for years under Liberal Governments.

Mr. ELPHINSTONE: I am only pointing out the hon. members' inconsistency in advocating the right of the people to choose their own mayors and chairmen; yet in a matter of this description, involving £3,000,000, they deny that right, and deny also the right of the people to say whether they want this undertaking or not. I am not arguing whether the principle is right or not. My business now is to show how inconsistent hon. members opposite are. I have not advanced the argument that the chairman should be elected by the people. We are not in charge of this Bill. Our purpose is to show how inconsistent members opposite are in this matter, as they have been in other matters.

I want to deal briefly with the procedure which is to be adopted when this undertaking is assumed by the trust. In the first place, the trust is to conceive some "general scheme." That is quite right—any business undertaking would do the same in its initial stages. Then, the trust passes that scheme on to an Advisory Board to be appointed, not by the trust, but by hon. members opposite. Why force on the trust financial responsibilities and obligations, and then deprive it of the rights which those responsibilities and obligations should convey? Then, the Advisory Board—which, by the way, the trust has to pay for—reports to the Minister. He reports to the Executive Council, and he says, "Yes, go ahead"—a system of circumlocution which must interfere with efficiency. There is, indeed, a negation of responsibility in this Bill. First of all, the Government foist upon the trust

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a huge responsibility, and then they propose to take it away by insisting that the trust shall submit all its proposals to various bodies in such a manner as to make it really a laughing stock. It shows to me that the Government have no confidence in the capacity of this trust to carry on its business successfully. They are simply forcing the trust to take on an obligation they do not desire to undertake themselves.

Time is going on, and I do not want to be selfish; but I wish to deal with one phase of the question upon which I hope the Premier will express his opinion. Why deny the trust the right to extend the electric lighting undertaking? The trust takes over the electric lighting as it stands at the present moment, but it is not permitted to make any extensions. Why should that be? Why should the trust be continually restricted? Has any undertaking been entered into with the City Electric Light Company? What is stopping this trust from developing what should be a profitable part of its undertaking?

In the 1913 Bill, which was introduced by Mr. Denham, the right to lease the trams was included, and it is quite possible that the trust may meet a set of circumstances which will make it desirable that it should have the right to lease the trams to some body on such terms and conditions as it dictates and controls. Why should we insist on the trust carrying on the trams without some relief, if that relief is going to be for the benefit of the people? The undertaking is carried on for the benefit of the people, and why should we not give to the people's representatives the right to sublet the undertaking to somebody else, provided that it is in the interests of the people.

I think that exhausts the subject. It resolves itself under three headings. The first question is whether it is right to continue things as they are. I think all of us agree that it is not. The next involves the pros and cons attached to the proposal that the company should have an extension of time, which, in my opinion, is well worthy of consideration. And the third question is whether, if the undertaking is to be passed over to the local authorities, would it not be advisable to consider whether a Commission would not be a better means of controlling the system, or, failing that, a board elected directly by the people with the express object of controlling the trams, and, in that event, whether the Government are entitled to impose upon the trust the onerous restrictions comprised in this measure?

HONOURABLE MEMBERS: Hear, hear!

Mr. F. A. COOPER (*Bremer*): I have listened very closely to the speeches which have been delivered on this Bill, and I was particularly interested in hearing what the hon. member for Oxley had to say. I can come to only one conclusion—that of the three views advanced by him the proposal he favoured was that an extension should be given to the present company. That desire really was at the bottom of his remarks, and he shaped his arguments along those lines. Although he said the present condition of things could not continue, and although he agreed that municipal control might be a good thing, none the less he was out to prove conclusively that it would be far better for the people of Queensland if the present

company was allowed to continue. Unfortunately, as he continued that argument, interjections from this side, both by the Premier and the hon. member for South Brisbane, convinced even the hon. member for Oxley that he had taken the wrong stand, and so we found him at the end of his speech adopting the attitude of not knowing just what would be the best course of the three he outlined. I was much struck with one of his remarks—that we must have capital, and, while that is one of the principles that do not enter deeply into this question, I think the hon. member, considering that he has the knowledge at his disposal, might have let us know just what capital the company has.

Mr. ELPHINSTONE: What has that to do with this Bill?

Mr. F. A. COOPER: I just want to show whether we want capital or not, and whether it is a good step for the local authorities to take on this proposal with the limited capital they may have at their disposal. To prove my contention, I shall use a few figures, and I trust they will not be boring. I would like them to be as clear as possible, and for that reason I shall make them as short as possible.

At 9 p.m.,

The CHAIRMAN OF COMMITTEES (Mr. Kirwan, *Brisbane*) relieved the Speaker in the chair.

Mr. F. A. COOPER: The Brisbane Tramways Company was formed in 1895, and acquired the old horse-tram system. At the same time it acquired certain rights and authorising orders which permitted it to install an electric system. In the same year we had formed in London a company known as the Tramways Construction Company. Although these two companies were formed under different names, they were practically one and the same company. In that year an agreement was entered into whereby the Brisbane Tramways Company was to have certain works constructed for it by the Tramways Construction Company. The Construction Company did its work, and in June, 1900, it was wound up. It was wound up because the work that it had undertaken to do was accomplished. That year saw the formation of a new company styled the Brisbane Electric Tramways Investment Company. (Laughter.) It was formed in November, 1900. The Investment Company took over the functions of the Construction Company, and an agreement was made between the two companies—the two companies practically being the one. Unfortunately, there are no balance-sheets of the Brisbane Tramways Company of those early days available—for the years 1895 and 1896. The first balance-sheet of the Investment Company is for 1901. The old Brisbane Tramways Company, which acquired the horse system, acquired it by taking over the overdraft with the Queensland National Bank, which amounted to £82,000, taking over a mortgage on property which amounted to £8,000, and paying to the liquidator of the horse system £15,000. That made a total of £105,200. The capital of the Brisbane Tramways Company, as shown in its 1897 balance-sheet, was as follows: The share capital authorised was 50,000 shares at £5 each, making a total of £250,000; but the subscribed capital, which is an entirely different thing, was 307 shares at £5 each, making a total of

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£1,535. At that time there were issued fully paid shares to the nominees of the Construction Company numbering 300 shares, making a total of £1,500; and to subscribers to the articles of association seven fully paid-up shares—those were issued merely to comply with the provisions of the Companies Act. The first company had taken the power to borrow £250,000 by the sale of debentures. On 30th June it had sold the whole of the debentures, but £152,000 of that was issued to the Construction Company as per contract. I will show what the contract was later on. The capital of the Construction Company, unfortunately, cannot be ascertained, but it is believed to have been in conformity with the other amounts shown in the balance-sheets—£250,000. The capital of the Brisbane Tramways Company, Limited, remained the same up to 30th June, 1900—the date when the Construction Company was wound up. In the balance-sheet for 1899 there appears the following very interesting footnote on the liability side—

“Share capital balance, making a total of £250,000, about to be allotted in accordance with the agreement, £248,465.”

On the assets side there is this item—

	£	s.	d.
“Advance by Construction Company to be cancelled	17,339	5	1
Works, electric equipment	231,065	14	11
Total	£248,405	0	0.”

These shares which were to have been allotted were not issued, because the balance-sheet for 30th June, 1900, still showed the share capital authorised as £250,000 and the subscribed capital as £1,535. By this time it was very manifest to the Brisbane Tramways Company what a very excellent proposition it had. The revenue had increased from £27,000 in 1896 to approximately £100,000 in 1900; but the working expenses over the same period had risen from £32,000 in 1896 to only, approximately, £50,000 in 1900. So that, between 30th June, 1900, and 31st December, 1900, the period when it became evident to the company that it had a very excellent proposition—the share capital was increased to £750,000 without any capital of any kind whatever being raised. At the same time, the balance-sheet shows that the assets were enormously inflated. The Construction Company, as I have previously stated, was wound up on 30th June. The Investment Company was formed at the same time, and registered in November with a capital—mark the amount—of £750,000, made up as follows:—

	£
75,000 cumulative preference shares of £5 each	375,000
75,000 ordinary shares of £5 each	375,000

making a total of £750,000. The Investment Company—that was the new company—acquired 149,893 shares, equal to £749,465 in the Brisbane Tramways Company without any cash consideration passing, but partly in the following way—by an agreement with the Tramways Company, Limited—that is the agreement to which I have previously referred—the Investment Company undertook—

1. To pay off the debentures of the Brisbane Tramways Company, Limited, at £105 (2,500 shares at £105, which absorbed £262,500).
2. To pay off all other debts and liabilities of that company, limited to £62,000.
3. To construct and equip extensions, limited to £100,000.
4. To construct and equip further extensions, limited to 8 miles of single track and 4 miles of double track.
5. To provide money for relaying light rails with heavier rails.
6. To indemnify the company against any loss by fire, etc.

The consideration for the obligation imposed was the allotment of 100,000 fully-paid shares of £5 each, which meant £500,000. How the Investment Company became possessed of the balance of 49,893 shares in the Brisbane Tramways Company, Limited, is not explained. As far as I can trace, there is no explanation whatever of those 49,893 shares being given to the Investment Company. In order to carry out its undertaking, the Investment Company, under its borrowing powers, raised £400,000 by selling debentures. It did not raise that money locally. It had power to raise it elsewhere, and I believe that it raised it on the other side of the world, practically in England and in France. With this money it carried out its obligation—or partly carried it out—to the Tramways Company, Limited, between December, 1900, and December, 1901, in the following manner—

	£	s.	d.
Redemption of £250,000 worth of £100 debentures at £105	262,500	0	0
Debts and liabilities as follows—			
Loan	15,000	0	0
Dividend due to liquidator of Construction Company ...	39,829	2	0
	£317,329	2	0

leaving a balance of the proceeds of the debenture issue of £82,670 18s. I think the following ought to be noted in connection with these figures—

- (a) That debentures amounting to £152,000 were issued by the Tramways Company, Limited, to the Construction Company;
- (b) That the loan of £15,000 was the amount of cash paid to the liquidator of the horse tramway in 1895;
- (c) That a sum of £43,352 19s. 2d. was taken out of the net profits of the Tramways Company, Limited—that is, at 30th June, 1900—as a dividend.

What became of this money—less dividend duty, of course—the accounts do not show, and it may be that two dividends were paid—one from the net profits and the other from the proceeds of the debenture issue.

Thus, the promoters of the Construction Company received back the greater part, if not the whole of their capital, and, in addition, received shares to the value of £750,000. The Construction Company and the Tramways Company, Limited, were the one company; and the Investment Company and the Tramways Company, Limited, were the one company; and there can be no doubt that

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the Investment Company was really the Construction Company re-formed. Therefore, in addition to the £750,000 which they received as shares for nothing, the promoters received back their capital and other monies as follows:—(a) they received in cash debentures £250,000 at a premium of £5, that is at a price of £105, absorbing another £12,500; they received in dividends up to 30th June, 1900, taken from the profits of the Brisbane Tramways Company, about £39,829. They received in dividends for the half-year from July to December, 1900, from the profits £23,590, and they received in dividends taken from the proceeds of debenture sales £39,829; and, in addition to that, they received in interest on debentures running in 1897, 1898, 1899, and in 1900 approximately £27,310, making a total sum received of £394,556, in addition to the £750,000 worth of free shares.

The hon. member for Oxley says that we must have capital. These figures carefully studied later on as they appear in "Hansard" will show that not only did the Brisbane Tramways Company get on very well without any capital, but that it has been absorbing much more than the capital it has put in, and much more dividends than are shown on the surface. I rose chiefly to reply to the hon. member's remarks as to why we should give this concern to the local authorities. He said that it was a just thing to go to America for an illustration. He said that it was a just thing to go to America because we got loan money from America, because we get chewing-gum from America—and, in all fairness, the hon. member might have mentioned that we get motor repair parts from America? And, so far as he is concerned, we also get examples from there. He used Seattle as one of the examples. Let me for a while diverge from the path, and go to the Empire to give a reason why we should give the tramway system over to the municipal authorities. I am going to quote the city of Glasgow. I want to show that the tramways of the city of Glasgow have been well managed, and have been run at a profit. I want to make this point clear—that, notwithstanding what the municipal tramway has been to the people of Glasgow, it has been nothing compared to what the Brisbane Tramways Company has done for the Brisbane Tramways Company, Limited. "Liberty Fairs" and "Golden Caskets" are not in it with the Brisbane Tramways Company. It is the best-paying "spec" that can possibly be found. It is rather a peculiar coincidence that the other day I picked up a "Glasgow Herald" dated, I think, 22nd July, which gave an account of the jubilee celebration of the Glasgow tramway system, which was inaugurated in 1872. The account stated that from 1872 to 1892 that tramway system was in the hands of a private company, and during those twenty years the company had constructed 30 miles of tramlines. In 1892 the trams were transferred to the municipal management, and the mileage was doubled in eight years and it was trebled in a further eight years. After the municipal people had had control for twenty years, 100 miles of double track were laid in the city of Glasgow and surroundings. During the war construction was naturally quiet. There are now in existence practically 150 miles of double track in Glasgow. The Glasgow system serves a population of 1,339,000, and the average journeys per head per year were 322, costing the traveller some-

thing like 35s. per head per year for tram fares. The figures given are not so outstanding when you read the figures given in the auditor's report. In 1892 the Glasgow system carried 60,000,000 passengers. We carried 68,000,000 in Brisbane last year. In 1919-1920 the Glasgow system carried 509,000,000, and considering the great difference in population compared with Brisbane, that is not so very great.

Mr. VOWLES: They do not have so many race meetings in Glasgow.

Mr. F. A. COOPER: I do not know, I have not been there. In 1892 the Glasgow tramway income was less than £250,000, and in 1921 it was nearly £2,500,000, showing that they have been a gigantic success. In less than two decades they have paid off a liability of £4,000,000, and have at the same time added to the common good of the people of Glasgow over £1,000,000. In a little over twenty years they have paid practically in dividends to the people amounting to over £1,000,000. There is great efficiency there. The "Brief History" presented to this House relating to the Brisbane tramways contains some remarkable things. The transactions of both companies from 1895 to 31st December, 1919, show the working expenses to be £3,000,000, general expenses £343,000, income and land taxes £197,000, and the balance, which is net profit, extending for twenty-four years, from 1895 to 1919, amounts to £1,300,000. That profit was made by the Brisbane Tramways Company on a tramway population of something like 170,000 people. The Glasgow tramways in twenty years made a profit of £1,000,000 for the people of Glasgow on a tramway population of 1,399,000.

Mr. VOWLES: The Queensland Government would have made a loss had they handled the trams there.

Mr. F. A. COOPER: Notwithstanding that we have nearly lost the Country party, I still notice that they are within call. The £1,377,000 made by the Brisbane tramways in twenty-four years, in addition to the amount of capital that I have already pointed out, was given to these people out of the profits of the company. The hon. member for Oxley made a wonderful calculation of what he thought the amount of money would be that would eventually go to the company by way of compensation. He thought it would be a matter of £2,000,000 because the Premier inadvertently let drop some remark about £2,000,000. I find in the January issue of the "Trustees' Quarterly Review," published by the Queensland Trustees Limited, 395 Queen street, Brisbane, an article which contains a letter written by Mr. P. A. Blundell, the managing director of the Queensland Trustees, from which this is an extract—

"The objects and provisions of this scheme form the subject of a letter from Mr. P. A. Blundell to the Mayor of Brisbane, and as this letter has been printed and circulated by His Worship amongst the representatives of the local authorities, we quote the following passages for the information of the public:—

From a statement showing the total receipts and expenditure of the Brisbane Tramway Company, Limited, for six years—1915-1920—it is seen that the average gross revenue during that period amounts to £433,183 per annum: whilst the average net revenue, after

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providing for operating expenses, accidents, insurance, local authority rates and taxes, and provisions for maintenance and renewals, amounts to £158,107 per annum.

The amount set down in this statement under the heading of 'Maintenance and Repairs' does not represent any actual bookkeeping entry. The figures in question merely represent the provision the Tramway Company suggested should be set aside for the purpose when discussing a profit-sharing scheme with the local authorities some time ago, but, as a matter of fact, the suggested appropriation of 14 per cent. of the gross revenue is more than sufficient for maintaining the fabric of the undertaking in first-class working order. And it is worthy of note that, notwithstanding the unsettled state of the company's prospects and the high cost of materials during the past few years, the renewable parts of the undertaking have been maintained in a high state of efficiency. In view of these facts, and bearing in mind also the gross revenue is always on the upgrade, it is reasonable to estimate the present net earning power of the undertaking—exclusive of land and income taxes, and after allocating 14 per cent. of the gross revenue for maintenance and renewals—at £160,000 per annum. This net income—valuing money at 8 per cent. per annum—represents a capital value of £2,000,000. For the purposes of this paper I propose to adopt that valuation as a basis for calculations."

It is very evident to me that the only way in which the value of these trams can be boosted up for the purpose of purchase is by those who want to do it taking the earnings of the tramway system and capitalising them at 8 per cent., and if you do that, you find a capital amount of £2,000,000. I have already given the profits up to the year 1915, and now I will give the profits stretching over the six years, 1915-1920, which are most illuminating—

	£
For the year 1915 the net profits were	159,990
For the year 1916 the net profits were	166,992
For the year 1917 the net profits were	144,385
For the years 1918 the net profits were	163,176
For the years 1919 the net profits were	151,383
For the year 1920 the net profits were	162,716

making a total net revenue for the six years, after land tax and income tax had been paid, of £948,642. Yet the hon. member for Oxley wants us to pause and consider whether it would not be a decent thing to hand over a good goldmine like that to the local authorities. The question whether that should be done is very easily settled by the figures that have been quoted. Whether we should worry about the details the hon. member for Oxley mentioned is another matter. One thing he did say is that the extensions would probably be political extensions. It is very evident to me that the clause in the Bill which deals with the matter of extensions has not been thoroughly understood. One of the duties

of the Advisory Board—the main duty, I should say—will be to advise upon the matter of extensions. The question is where the tram routes should be—whether they should be where the Tramways Company wants the route to go, or whether these routes should go where the authorities of the city want them to go—and if we want to treat the city decently, we should have some control over the direction the tramway extensions should take. It should be for the Advisory Board to say whether the tramlines should be three-quarters of a mile in length, taking the population to a certain point, or whether future lines of 5 miles should be built to serve a suburb far out. By the judicious extension of the tramway system, by the Advisory Board seeing that the extensions are made in the direction in which the city ought to go, we have some possible hope of building the city as it ought to be built. We should have some possible control over the town planning of the city, and I take it the work of the Advisory Board will not be to interfere with the management, because it is strictly laid down that it cannot interfere with the management—will not be to meddle in small matters of tramway control that really does not concern it—but its chief duty will be to see that extensions go in the direction in which they ought to go; that it will do its best to help Brisbane build them in the way they ought to be built; and, if it does that, it will do something it is set down to do, and something it ought to do, and something of great benefit to the people who will come hereafter. I would like to mention, before I sit down, one or two other figures that I took out, which I did not mention in connection with the tramway business. In the matter of fares I should have mentioned in connection with the carriage of passengers in Brisbane—I mentioned them so far as Glasgow is concerned—that last year the Brisbane tramways carried 68,056,309 people on a tramway population of 170,000. That meant 400 journeys per head of the population, and the fares per head of the population paid to the Brisbane Tramways Company last year amounted to £3 5s.. It is a fact that a large amount of money is paid in fares by people who visit the city; but, making an allowance of one-third for that, it looks as if over £2 per head of the population of this city was paid to the Brisbane Tramways Company in fares. That, compared with the 30s. paid in Glasgow, shows plenty of margin to work on so far as fares are concerned. Even if the purchase money were £2,000,000, if we allow that to be obtained at 5½ per cent. interest and allow ½ per cent. sinking fund—that is, 6 per cent., which, on £2,000,000, will be £120,000 a year—that will leave us out of the profits of £162,000 last year something like £42,000 actual net profit to come and go on. So far as I can see, the figures pan out altogether in favour of the trams being taken over by the local authorities. To give the company an extension of its franchise, to give it a further riot in the good things that they have had the last twenty years, is out of the question. They have had their opportunity, and they have made the most of it. They have milked this city. The ratepayers of this city have subscribed the money to make this city what it is, and anything coming in the way of profits from the tramway system, anything that can be done to make this city a better city by the construction of tramways, ought to be done, and we can only do that

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by handing over the trams to the local authorities.

GOVERNMENT MEMBERS: Hear, hear!

Mr. MAXWELL (*Toowoong*): During this debate, from one section of the House we have heard that at last the opportunity has come to take from Mr. Badger the trams that he has conducted so successfully. The opportunity has come now for the Government to carry out the wishes and the instructions that have been given to them by another section of the community, and they, judging by the speeches we have heard to-night, evidently imagine they are going to do a very great injury to the Brisbane Tramways Company. I do not know whether that is so or not, but I am under the impression that they are not going to do any injury to the Brisbane Tramways Company. I propose to continue the attitude that I took up when I was associated with the Brisbane City Council, and that was that the trams should be municipalised. I have no intention of deviating in the slightest from that attitude; but, at the same time, I want to point out that the position which has been taken up by the Government is detrimental to the interests of local authorities generally in the metropolitan area. Some time ago the Home Secretary invited the representatives from the local authorities within the tramway area to confer with him for the purpose of discussing a Bill that had for its object the taking over of the trams and handing them to the local authorities. I want to say here and now that, irrespective of what hon. members on the Government benches have said, the local authority representatives have had no instructions from their ratepayers to commit them to anything. The opportunity was never given to them to discuss such a question.

Mr. DASH: What about the platform of the Nationalist party?

Mr. MAXWELL: That is all right. That is not on the lines laid down in this Bill. I have here a Bill that was framed by the various local authorities in 1913, and I take it that the local authorities interested were under the impression that the trams were going to be handed over to the local authorities on the lines laid down in that Bill, and, in the first place, I want to point out that, in the administration of the trams, the local authorities recommended that a Commission of two or three members be appointed by the Governor in Council.

I want to get back again to the conference which was held between the local authorities and the Home Secretary. I am sorry that the hon. gentleman is still so unwell that he is not physically fit to deal with this question. If the hon. gentleman and his colleagues invited the local authorities interested to confer with him upon this Bill, why do he and his colleagues not pay attention [9.30 p.m.] to the recommendations which the local authorities have made? If they do not pay any attention to those representations, there was no need to have called that conference. When the local authorities went to the conference they were given to understand that the Government were going to introduce the Bill under which the trams were to be handed over to the local authorities, irrespective of whether the local authorities desired to control the trams or not. The other night when the Premier was speaking I interjected in connection with

certain powers which were vested in the electors of the local authorities, and said, "Is it not customary when certain works are going to be carried out in the local authority area to give the electors a chance of saying 'Yea' or 'Nay' to the proposal?" What did the Premier say? This is where the inconsistency of the Government comes in, as enunciated by the head of the Government. The Premier said the city council recently came to the Government wanting a loan of £1,000,000, and asked the Government to submit legislation to avoid the necessity of submitting the matter to the people. He said he turned it down, because the Brisbane City Council had not complied with one of the first principles of the Local Authorities Act—that the people had the right to say whether they would agree to such works being done.

Mr. RIORDAN: So he should.

Mr. MAXWELL: But what is the position to-day?

Mr. RIORDAN: Quite different.

Mr. MAXWELL: Of course, it is quite different when hon. members opposite want something else. When it suits them, they are going to compel the local authorities to abide by the Local Authorities Act, and when it suits them, they are also going to foist on the local authorities whatever they choose. I should not be at all surprised if the Government foisted some of the State enterprises on the local authorities, to be conducted by them in a businesslike manner. I remember on a previous occasion when we were discussing the amendment of the Local Authorities Act, I was twitted when speaking by hon. members on the other side, who said, "The Brisbane City Council could not run the ferry." We find to-day that the local authority which could not run a ferry is being handed a tramway service to run which is going to cost about £3,000,000. But the people who are interested in the scheme are not to be given an opportunity of saying, "Yea" or "Nay" to the proposal. I wonder how it is that the Government, when they invited the local authorities to confer with them in connection with this proposal, did not take their advice. I notice from the paper that there was a deputation to-day of local representatives who desired to meet the Premier for the purpose of discussing this question with him. I hope the hon. gentleman will be in a position to meet them.

Mr. RIORDAN: There was only one dissident in connection with the scheme which the Home Secretary placed before the local authorities.

Mr. MAXWELL: It is very evident that there are considerably more dissentients to-day.

Mr. RIORDAN: Why?

Mr. MAXWELL: Because they have found out that the scheme which was put before them was unjust. A resolution was forwarded to the Home Secretary on the matter.

Mr. RIORDAN: Who sent it?

Mr. MAXWELL: I do not want any insinuations from the hon. member. We had a few of them to-day, and some hon. members opposite are fairly good at hurling them across the Chamber. I am not going to stand for that. A number of members in this House have never seen the documents that an hon. member on the other side read. They

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evidently know their marks when they get them. I resent any insinuations being made. We have been told during the debate that a number of us have been whipped into line by a newspaper. We are not whipped into line by the "Standard," at any rate.

Mr. RIORDAN: Why have the local authorities altered their opinions now?

Mr. MAXWELL: They found out, when they analysed the Bill, that it was not what they expected. This is a unanimous resolution which was forwarded to the Home Secretary—

"The Conference resolved to request the Minister to make provision—

That prior to the formation of the trust a vote of the electors be taken, under the same provisions as govern ordinary loan proposals of local authorities, upon the advisableness of the trust being established, or, as an alternative, that the Brisbane Tramways Company Limited be granted an extension of tramway franchise, on conditions to be agreed upon in regard to extensions and other matters, on a scheme whereby the profits accruing from the working of the tramways may be shared by the local authorities through whose areas the tramways may run."

Hon. members opposite want to know why they changed their opinions. I submit that it was a perfectly legitimate thing to do, after reading the Bill which the Home Secretary placed before them. If it was not right for them to change their opinions, how is it they were asked to confer with the Home Secretary? If the hon. gentleman had made up his mind that he was going to foist this Bill on the local authorities and compel them to accept it whether they wanted it or not, why did he call them together if he was not prepared to listen to recommendations from those who were interested? Why did the Government not attempt to take over the tramways themselves? I can quite understand the difficulty in which the Government would have been placed—they would have been up against the toughest proposition any Government could be up against. In the first place, they would have been approached by the biggest section of the community, saying, "We demand extensions, we demand extra trams, reduction of fares, and we demand the unemployment problem to be dealt with by proceeding immediately with a considerable number of extensions." In order to dodge the responsibility, the Government said, "What better thing can we do than to put it on the heads and shoulders of the local authorities."

When the Local Authorities Act Amendment Bill was before the House, hon. members opposite said that these men were not fitted to carry out such important work, yet these are the very men who are to be asked to undertake the management of the tramways. It is a most unfair proposition to impose this additional burden on men who own property in these areas, who have their properties mortgaged right up to the hilt in many cases—and God knows a good many places in the metropolitan area are taxed sufficiently to-day without having a tax such as this placed upon them. According to the Bill, the trust has the power immediately to issue a precept to make up for any deficiency that may exist. Hon. members know how the people complained when precepts were

issued in connection with the Health Board. The precepts are likely to be heavier when the trust controlling the tramways is brought into operation. When the trust takes over the trams, we shall find that the owners of city property, and those in the suburban areas as well, will be double taxed. Yet these people have no say as to whether they want the trams thrust on to them or not. In regard to the appointment of a trust to manage the trams, I am going to stick to the arrangement that was made in 1913, when I was associated with local government. We favoured a nominee board instead of an elected board. We have had a bitter experience of representatives being elected in Brisbane instead of having a nominee board. I refer to the Metropolitan Water Supply and Sewerage Board. Look at the amount of money that has been spent in connection with that body. There have been several inquiries into the expenditure by the Metropolitan Water Supply and Sewerage Board. I have always advocated the appointment of three experienced men to take over the management of the trams. If we had a proposal like that in this Bill better results would be accomplished. From my long association with aldermen and shire councillors, I can say that they are an honourable body of men, but they are not the right men to select to look after an undertaking of this kind. The term mentioned in the Bill is sufficient. Men are appointed as aldermen for three years, and they are to be appointed as members of this trust for three years. The result will be an elected body subject to the whims and caprices of a number of people. They will be told by different people: "Unless you do something for me, and do it properly and well, then when you come up for re-election you will go out."

Hon. W. FORGAN SMITH: Whom do you want to nominate the trust?

Mr. MAXWELL: The Government.

Hon. W. FORGAN SMITH: Mr. Kidston was responsible for making the Water Supply and Sewerage Board an elective body.

Mr. MAXWELL: I intend to stick to the arrangement made by the local authorities in 1913, and have a nominee board. We have had to pay dearly for our whistle in connection with the Metropolitan Water Supply and Sewerage Board, and, having had that experience, we should prevent a repetition of it. I have a copy of the Bill which was agreed to in 1913, and which was submitted to the Government of the day. It provides for the constitution of a Commission consisting of three members appointed by the Governor in Council. My recollection of it is that every time this question was discussed there was a unanimous opinion that no alderman or no shire councillor should take a position upon that Commission. It was considered in the interests of the local authorities that it would be far better to have three separate men appointed altogether.

Hon. W. FORGAN SMITH: Don't you think the local authorities of Brisbane could manage the trams as well as the local authorities in other cities have done?

Mr. MAXWELL: When we were considering an amendment of the Local Authorities Act, hon. members opposite pointed out that members of the Brisbane local authorities could not manage the ferry. So far as I am concerned, I know there are

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some excellent men on the local authorities, but I do not want them to elect this trust. There is an impression outside that the whole of the electors in the metropolitan area will be given an opportunity to elect the representatives of the trust, but such is not the case, because we know from the Bill that they will be elected by the local authorities. The aldermen who are appointed to the trust may think it is a bed of roses for a while, but by the time they are due for election again they will find that there is nothing in it, and they will be defeated. In fact, it is quite possible to get a clean slate and clean out the whole eight of them. We know that men who may be members of local authorities to-day may be out of them in three years' time. The hon. member for Fortitude Valley (Mr. Wilson) and myself are no longer members of local authorities, although we occupied positions a few years ago.

Mr. WILSON: My retirement was forced.

Mr. MAXWELL: I can say here that Brisbane lost an excellent alderman when it lost the services of Alderman Wilson. (Hear, hear!)

Hon. W. FORGAN SMITH: The Glasgow Council runs its own trams.

Mr. MAXWELL: Because they have got greater powers than we have got here. We have had experience of an elected board, and it is a menace to the community. The people have to pay dearly for it. If the Government are desirous of helping the local authorities, here is an opportunity to do it. Even at this late hour, I suggest that the whole position might be reviewed. It is not a party question. It is a matter of vital interest to the whole community. With a view to reaching some finality and some mutual understanding, a Committee might be appointed from both sides of the House and members of local authorities to go into the whole matter and see if there is no possibility of arranging an amicable settlement. We have the whole of the local authorities stating that they do not desire this undertaking to be placed upon them.

Hon. W. FORGAN SMITH: The majority of them voted in favour of the Bill.

Mr. MAXWELL: I beg your pardon: they are not in favour of the Bill.

Hon. W. FORGAN SMITH: The conference, by a majority, decided in favour of the scheme.

Mr. MAXWELL: If what the hon. gentleman says is true, it is a most peculiar thing that the local authorities unanimously forwarded the resolution I have read to the Home Secretary.

Hon. W. FORGAN SMITH: The "Courier" has spoken since then.

Mr. MAXWELL: That is what one would expect of the hon. member. I might be equally justified in saying to the hon. member that he takes his instructions from a communistic newspaper or from the "Daily Standard"—although I do not think it would be true—to put his knife into Mr. Badger. Brisbane is under a very big obligation to the Tramways Company; nobody has done more for the advancement of the city and suburbs than that company.

Mr. FERRICKS: The shareholders have done well.

Mr. MAXWELL: Supposing they have, as the leader of the Nationalist party said, for

a number of years they did not get anything. I can remember the time when we had no 'buses, and we had to be content with walking. Then the old horse 'buses came along and were looked upon as extraordinary things. A little bit later we had the horse trams, but the company could not make a success of them, and a body of gentlemen who were interested in securing interest on their money, although at the same time they did something of benefit to the community, established the electric trams. To-day we are reaping the benefit of what they did, and it ill becomes any member of this House to express himself in terms such as have been used of a man who has faithfully performed the work allotted to him. I refer to Mr. Badger.

Mr. BRENNAN: He was paid well for it.

Mr. MAXWELL: How often do men get well paid and neglect their work? How often do they do that in this Assembly? How often do they not give full value?

Mr. BRENNAN: Like members of the Employers' Federation.

Mr. MAXWELL: When hon. members like the hon. member for Toowoomba get so low down that they are devoid of reasonable and sensible argument, they get back to the Employers' Federation.

Mr. BRENNAN: You are advocating the interests of a big combine.

Mr. MAXWELL: I am not advocating anything of the kind. Nothing I have said can be construed into what the hon. member has said. I have said that I trust the people, and hon. members opposite have said that they trust the people, but the difference between us is that, though I would allow the people to vote on the question, hon. members opposite say, "No; we are going to decide this thing for you."

Mr. FERRICKS: That is what your leader said.

Mr. MAXWELL: I do not care what my leader said. This is a non-party question. I am not an automaton. I have been associated with local government for a great number of years, and I know what the local authorities have asked for. They have asked for what was in the Bill they submitted to the Government. They asked for bread, and the Government have given them a stone. They have been told, "You are going to have the trams, but you are going to have them under the conditions we like to lay down." The Government are inconsistent. In the Local Authorities Act it is laid down—

"Before proceeding to borrow any money for the construction of permanent works and undertakings, the local authority shall cause to be prepared—

- (i.) Plans and specifications of the work or undertaking;
- (ii.) An estimate of the cost thereof;
- (iii.) A statement showing the proposed expenditure of the money to be borrowed; and
- (iv.) An estimate of the net revenue (if any) that may reasonably be expected to be yielded by such work or undertaking, and how it is proposed to defray the moneys from time to time accruing due upon the proposed loan.

Such statement shall be open to inspection for one month after the publication of the notice of proposed loan hereinafter mentioned."

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I was told the other night by the Premier that I was an arch-Conservative, because I desired to put in a word for the protection of the people's rights. I want to tell the hon. member that he has not a monopoly of everything that makes for the protection of the people's rights. There is no more conservative member in the House than he, and there is no more autocratic Government in any part of the British community than this Government. Yet, when they want to belittle anybody, they call him a Conservative. It pleases them, and it does me no harm. Any organisation with which I am associated is a model organisation, and works towards building up this community of ours, and does not try to pull it down. It works towards trying to bring about an understanding between one man and the other, so that there shall be no class-consciousness.

This Bill is going to be detrimental to the interests of the local authorities, and in all seriousness I would suggest to the Government the formation of a committee, as I have suggested before, consisting of representatives on both sides of the House and of the local authorities, with a view to seeing whether this problem cannot be solved. In the meantime there is nothing to prevent the Government from doing what they said they were going to do—holding the undertaking in trust for the local authorities. Is it fair that the local authorities should be asked to take over an undertaking when they do not know what it is going to cost? Would any hon. member of this House attempt in his own affairs to do anything like that? Suppose a business proposition was put before one of them by an agent who said, "You can leave this with me. It will be all right. You need not worry about what it is going to cost." They would say that the individual who suggested such a thing was a fit subject for Goodna. I say it is a proper thing for the local authorities to ask the Government before passing such a measure as this to refer it to the people. That should be done in accordance with the provisions of the Local

[10 p.m.] Authorities Act—not to the rate-payers only but to the whole of the people. They should be given an opportunity of saying "Yea" or "Nay." We were told that the people are so disgusted and so tired of this strap-hanging that has been continued for so long that they would be glad to vote for this proposal. It was in the hands of the Home Secretary to deal with the company if it was not carrying out its obligations and providing sufficient means of locomotion. Certain figures have been quoted. I say without any disrespect that "figures can lie, and liars can figure." We know how figures often are distorted and made to prove anything. I have been in the Southern States, and have had just as bad an experience of tram-riding as I have had in Brisbane. There is no doubt that our trams are cleaner than the trams in the South, with the exception of the Adelaide cars.

I hope that the Premier will give consideration to the suggestion that I have made. I am quite satisfied that, if a little consideration is given to this subject and a meeting of the people interested is brought about, good will result. If that is done, the misunderstandings that exist at the present time may be removed. If the Government persist in their policy of bludgeoning the local authorities into taking over the trams under the conditions laid down in this Bill, they are

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going to make a great deal of trouble for themselves.

* Mr. FLETCHER (*Port Curtis*): The hon. member for South Brisbane this morning inferred that we on this side were the representatives of the Tramways Company and of the capitalists. That is quite an erroneous view. If we may appear to defend capital, it is simply because we recognise the important part that it plays in our existence, and that, if we do anything harmful, it will have a bad effect indirectly. We aim to do the just and the right thing for all sections of the community, and do not represent any one class. I think that hon. members know that, although it suits their purpose to express the view that we represent only the capitalistic class.

The hon. member also said that many people considered that the Brisbane tram service was the best in Australia; but he pointed out that in reality it was at the present time very congested and overcrowded, and the public suffered many inconveniences owing to the poor service. There is no doubt that the service to-day is in a very bad way. Great inconveniences are suffered by the public. No extensions have been made for many years, no new tramcars have been built, and the whole service has deteriorated. Up to 1916 I believe that it was the best service in Australia. You received courtesy from the employees and an excellent service right through. Conditions have changed, and now it is probably the worst service in Australia. What is the reason for that great change? It is simply because of the interference of the Government with the company's operations. The company has not known where it stood; it has been hampered and interfered with at every turn; in fact, it has been persecuted, and threats have been levelled at it. In such circumstances one could not expect it to risk further capital when it did not know where it stood or what was going to happen next. The Premier the other night seemed to put all the blame on the Tramways Company. I contend that it is the Government's fault entirely. If, in the first place, they had introduced a measure such as this, instead of making the threats they did, culminating in the passage of the Brisbane Tramway Purchase Act, things might have been different. That measure created a very bad impression in the financial world, as it savoured of the breaking of contracts. Certainly, it disgusted the Tramways Company to such an extent that I personally think that the company will be very glad to get rid of the tramways.

The Premier said the company wanted ridiculous concessions if they were granted an extension of the franchise. Naturally, as the result of their past experience, they wanted to be safeguarded. I think they were justified in asking for these safeguards. No developments have taken place for years, and they have not risked any further capital. The hon. member for Maryborough quoted a lot of figures from the balance-sheets of the company, but I am not in a position to say whether his deductions were correct or not. He made some remarks about the dividends, and stated that in one year the company declared a dividend of 11½ per cent., and he then spoke of the rapacity of the company and of capitalists generally. The hon. member was quite wrong in his view concerning the dividends paid, and his deductions were quite erroneous, and it is quite likely that

his deductions with regard to the balance-sheet were also wrong. I would like to read the dividends made by the company. On the preference shares, 5 per cent. has been paid since 1901, on the ordinary shares no dividends were paid up to 1907, in which year 2 per cent. was paid; in 1908, $6\frac{1}{2}$ per cent. was paid; in 1909, 7 per cent. was paid; in 1910, $8\frac{1}{2}$ per cent. was paid; and since that time 8 per cent. has been paid. If you average the dividends paid since the inception of the company, they will not be found to be excessive for the money invested. When the trams were first started, the electric system was in its infancy, and there was still a lot to be learned about it. A certain amount of risk was involved, and the company was entitled to fair and legitimate profits on its capital. There must be an incentive to cause people to invest and develop an enterprise. The arguments used by the hon. member for Maryborough were quite at fault. If this measure had been brought in in 1916 or 1917, when negotiations were commenced, the Government would undoubtedly have made a much better deal than they can make to-day, for the reason that the tramway system was in good order, and was a good asset at that time. It would have been taken over in first-rate order.

MR. GLEDSON: The hon. member must know that we could not take them over till 1920.

MR. FLETCHER: Arrangements could have been made to prevent the arrest of development by the company. The company would have looked after the trams and kept them in better order, whereas now we are taking over what is not a good concern. A tremendous amount of money will have to be spent in extensions, repairs, and rolling-stock. Probably we shall have to spend from £2,500,000 to £3,000,000 before the system is in good order. We hear on all sides that the trams have not been kept in the condition that they were in the past. No new cars have been built for some years. If we can have certain amendments carried, we shall probably be able to have this work carried out. In bringing in this measure there should be some alternative. What alternatives can you present? There can be only two—one an extension of the company's franchise, and the other purchase by the Government. The first is practically an impossible thing to-day. The company has stated the terms upon which it is prepared to accept an extension of the franchise. The company is extreme in its terms because it does not know what conditions will be imposed upon it next. The Premier pointed out the other night that, if the franchise was extended for another twenty years, the position would become very much more difficult, and it was better to take over the system now, as the same difficulties and considerably more expenditure would be entailed in twenty years' time. The other course—the purchase by the Government—is unthinkable, notwithstanding the fact that the Government passed the Brisbane Tramway Purchase Act in 1920. The Premier has stated that a mistake was made in that Act. It was certainly an admission of great weakness on the part of the Government that they even considered for one moment such a proposal. It would have been an unsound proposition to have incurred the liability of purchasing the Brisbane trams and then make the people of Queensland pay for it. The country

people have no interest in Brisbane tramways, and we have already enterprises and other things that the people in the country have to suffer for without adding these tramways. There is a good deal of difference of opinion concerning the matter of a referendum of the electors, and I think hon. members opposite have shown great inconsistency in that regard. According to their platform, they stand for the referendum, yet in this instance they are not going to have a referendum. They believe in democracy, in one-adult-one-vote, and in trusting the people, and all that sort of thing, but in this case they are against it.

At 10.7 p.m.,

The SPEAKER resumed the chair.

MR. FLETCHER: They believe in a referendum when it suits their purpose, but when it does not suit their purpose they will not have anything to do with it. It shows that they are not sincere in these matters. The hon. member for South Brisbane said it would be dangerous to have a referendum, because the people might be misled. There is a good deal in his argument, because the people very often are misled. Possibly he holds that view because the people were so misled at the last election that they returned this Government. The people do not get a chance. They are told all sorts of things, and they are not in a position to know the true state of affairs. If the people were really told the true state of affairs, and the exact position was put before them, you could trust the people.

The hon. member for Aubigny expressed the opinion that the tramways should be self-supporting, and I agree with his view. If there is any loss on the tramways in one year, then that loss should be made up by an increase in the fares or by some other means. It is an unsound proposal and a most dangerous one that any loss should be made good by the ratepayers. The ratepayers in Brisbane at present have tremendous taxes to pay, and we do not know what the rates will be in the future so far as the Water and Sewerage Board is concerned. Then the town hall is being built, and the local authority taxes will be very heavy, and under this Bill we do not know what will be necessary to cover any loss made by the trust. We do not know what sort of a trust we may have in a few years. The personnel may change, and you may have men on the trust with extreme views, and they may extend lines in directions that are not justifiable, and they may reduce the fares for the people, make heavy losses and make the ratepayers pay for them. I am quite sure that, if the Premier will give the matter consideration, he will see the unsoundness of the proposal as it stands. Although it is provided in the regulations that the trust shall have power to increase the fares, that in itself is insufficient. The Bill should definitely state that the tramways must be self-supporting. In my opinion, that is the great weakness of this measure. If amendments are inserted on those lines, I think the Bill will be immensely improved. I hope the Premier will give consideration to that suggestion, because it is of very great importance. Another important point is in regard to the control of traffic. With the advent of motor services, which are only in their infancy, I think it is necessary that the trust should

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have control of all passenger traffic in the city and suburbs; otherwise it will not know where it stands. If a motor-car service is inaugurated and it comes into competition with the trams, a very heavy loss may result in connection with the trams, and I think it is necessary to safeguard the trust in that direction. Another point is the elimination, as far as possible, of Government control. If you have a trust appointed by the local authorities, it should have undivided control of the undertaking. The hon. member for South Brisbane said that he hoped it would be arranged that the men who were dismissed from the tramway service in 1912 shall be reinstated; but it would be very unjust to handicap the trust with such a condition as that. I mention that to show the ridiculousness of giving anyone the power to make such a suggestion to the trust. The Government might force such a condition upon the trust, if they had the power, and it would be most undesirable.

Those are the chief points which occur to me at present; especially with regard to the tramways being self-supporting, and the control of the traffic being safeguarded. It will have a deteriorating effect on sales of property and the advancement of the city if there is a danger of heavy financial burdens being placed on the ratepayers. I hope that the Premier will recognise the necessity of accepting amendments in the directions I have indicated. When the Bill gets into Committee, I shall have something more to say about it.

Question—That the Bill be now read a second time—put and passed.

The consideration of the Bill in Committee was made an Order of the Day for Tuesday next.

The House adjourned at 10.19 p.m.