Queensland

Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 27 SEPTEMBER 1922

Electronic reproduction of original hardcopy

WEDNESDAY, 27 SEPTEMBER, 1922.

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

DESTRUCTION OF BALLOT PAPERS.

The PREMIER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

"That the House approves of the destruction, after 20th October next, of all ballot-papers in the keeping of the Clerk of the Parliament, the period for the safe keeping of which will have then expired by law."

Question put and passed.

WORKERS' HOMES ACT AMENDMENT BILL.

THIRD READING.

HON. W. FORGAN SMITH (*Mackay*): I beg to move—

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

Question put and passed.

CAIRNS HYDRO-ELECTRIC POWER INVESTIGATION BOARD BILL.

THIRD READING.

HON. W. FORGAN SMITH (*Mackay*): I beg to move—

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

Question put and passed.

FACTORIES AND SHOPS ACTS AMENDMENT BILL.

THIRD READING.

HON. W. FORGAN SMITH (*Mackay*): I beg to move —

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

Question put and passed.

BRISBANE TRAMWAY TRUST BILL.

THIRD READING.

The PREMIER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

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

Question put and passed.

MATERNITY BILL.

THIRD READING.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

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

Question put and passed.

MAIN ROADS ACT AMENDMENT BILL.

INITIATION.

The SECRETARY FOR PUBLIC LANDS (Hon. J. H. Coyne, *Warrego*): I beg to move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to Amend the Main Roads Act of 1920 in certain particulars."

Question put and passed.

CITY ELECTRIC LIGHT COMPANY LIMITED BRISBANE FORESHORE LEASE BILL.

INITIATION.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to make provision for the leasing of a certain part of the foreshore of the Brisbane River to the City Electric Light Company, Limited."

This Bill is for the purpose of enabling the company to get access to the foreshore of their land down the river where they propose to build a new power-house.

Question put and passed.

HARBOUR BOARDS ACTS AMENDMENT BILL.

INITIATION.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the laws relating to Harbours and Harbour Boards in certain particulars."

This Bill makes a number of amendments in the existing law, the object of which is to limit the borrowing powers, and to enable the Harbour Boards to utilise the rolls prepared for the local authorities. It was intended to pass this Bill last year, but the termination of the session prevented it.

Question put and passed.

PRIVATE SAVINGS BANKS BILL.

INITIATION.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

> "That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to make provision for the regulation of savings bank business carried on in Queensland by private persons."

For the information of members, I may say that the intention is to get this Bill circulated, but not to pass it this session. It makes provision for the regulation of private savings banks. I would like members to get hold of the Bill and read its provisions. It is only intended to introduce the Bill, but not to proceed with it this session.

Question put and passed.

SUSPENSION OF STANDING ORDERS.

The PREMIER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

> "That so much of the Standing Orders be suspended for the remainder of this session as would otherwise prevent the passing of Bills through all their stages in one day."

I may say that it is not intended to utilise the suspension of the Standing Orders for the purpose of unduly passing Bills through all stages in one day, but it is necessary to have this provision to clear up measures at the end of the session, so that we can pass the third reading of a Bill on the same day that it passes through the Committee stage. There is no desire to take power under this motion unduly to hasten the passage of Bills.

Mr. KING: What do you mean by "unduly"?

The PREMIER: It was hoped that we would finish the session this week, but, if hon. members find that they have insufficient time this week to finish the Bills on the business-paper, we shall have to sit next week.

OPPOSITION MEMBERS: Hear, hear!

The PREMIER: I do not want hon members to think that this suspension is intended unduly to hasten the passage of Bills through the House. Perhaps it might be appropriate for me to refer to the measures the Government desire to pass this session. A number of Bills have just been introduced, but they relate to more or less formal matters and will not occupy very much time. First there is an amendment of the Main Roads Act. That gives the Board certain powers. Then there is the Act relating to the City Electric Light Company, Limited, which is purely a formal matter. Then, there is the amendment of the Harbour Boards Act Amendment Bill. It is not contentious, and does not contain any controversial matter.

Mr. ELPHINSTONE: Is it the same Bill that we had before the House last session?

The PREMIER: No. The other Bill proposed to dissolve the Harbour Boards and proposed to put them all under a Commission. This merely limits the borrowing powers of the Boards and allows the use of the local authority rolls for the election of the members of the Harbour Boards. It makes the franchise uniform. At present some Boards are elected by the payers of dues, and in some the members are nominated by the Governor in Council. There are various modes of election at present, but this Bill makes them all uniform. It is not controversial. The same remark applies to the Hawkers Licenses Amendment Bill and the Matrimonial Causes Acts Amendment Bill. I do not think they will give rise to much discussion.

Hon. W. H. BARNES: You are getting on very delicate ground in the last measure.

The PREMIER: It may be delicate ground, but I think that there will be practically unanimity in regard to it. I mention these measures as being more or less unimportant and not containing any controversial matters. Then there is the Income Tax Act Amendment Bill, which, perhaps, will require some discussion. Although it is not highly contentious, there are several amendments to be made in the Act, and they may require some consideration. I will explain them directly. Then, there is the Sugar Works Bill. We are all in agreement regarding this Bill, because we know that new mills ought to be erected.

The next two Bills are the Legislative Assembly Act Amendment Act of 1921 Repeal Bill and the Electoral Districts Bill. Both of those may be discussed, but I do not think they will occupy much time. The next Bill —the Mackay, Maryborough, and Rockhampton Show Grounds Mortgages Bill—is of some importance to the bodies concerned, but is not a very contentious matter. No doubt the Land Acts Amendment Bill will be a subject for some discussion, but I do not think there is much of a contentious nature in it. The Irrigation Bill, the second reading of which was discussed last night, remains to be considered in Committee, and time will be given for that consideration. The Auctioneers and Commission Agents' Bill has also to be considered in Committee. The Health Acts Amendment Bill, although a very important measure, will not, I think, be controversial except on one or two points, and due time will be given for its consideration. The Public Service Bill is a consolidating measure, and has to be considered both on the second reading and Committee stages. The Unemployed Workers Insurance Bill is the only other important measure which has to be considered this session; it has to be put through Committee. I hope that, with reasonable discussion, we shall be able to finish these measures in the course of a few days, but I do not want to force hon. members to pass Bills without giving proper consideration to them.

Mr. ELPHINSTONE: Is it your intention to finish this week?

The PREMIER: It is not. As I have said, if it is necessary to go over into next week for the proper consideration of these

Bills, by all means let us do so, but I hope to make reasonable arrangements with the leaders of the Opposition parties with a view to dealing with them satisfactorily.

Mr. VOWLES (*Dalby*): Usually, at the end of the session, we have to suspend the Standing Orders to pass Bills through all their stages and hasten on the business, but I cannot join in the hope expressed by the Premier that we shall be able to deal with all this business in what would practically be record time. We must give to measures that consideration to which they are entitled, and it is most difficult for a leader of the Opposition to deal with so many Bills as they come along. I am doing my best, but I am several Bills behind now, and here we have several others added to the list. There is one the Premier did not say much about, that is, the Bill to amend the Local Authorities Acts, which, I understand, is a controversial measure.

The PREMIER: I do not think so. It deals with two or three small matters.

Mr. VOWLES: If the Premier were in Opposition, he would realise how impossible it is to get ready for so many measures day by day.

The PREMIER: I recognise that the hon. member has had a formidable task during the last week or two. It is a pity that all the work should be concentrated in the hands of the hon. gentleman instead of being distributed.

Mr. VOWLES: It is all very well to talk about the distribution of work, but it is the duty of every hon. member on this side of the House to consider every measure, just as it is mine. I am speaking for myself, and I know what the difficulties are. It is most unfair to expect us to put through so many Bills in a small number of hours. I have been here since 9 o'clock, and I suppose I shall be here until 11 o'clock to-night. What time have I to get ready for to-morrow?

The PREMIER: I started before that.

Mr. VOWLES: The Premier has all the departmental officers behind him, but we have to find out what is contained in the Bills. On the Income Tax Act Amendment Bill the very looking up of the amendments and fitting them in to the principal Act is a work of art that takes a very considerable amount of time. We are dealing with technical and intricate matters, with which we are not very conversant unless they come within our ordinary business, and we are expected to criticise them off-hand. It is a physical and mental impossibility to do these things. We are doing our best, and I ask that the Premier will not unduly hasten the business. With a rush like this, we have to go to our constituents and tell them that many matters of very great importance have been only casually criticised by the Opposition. If there is an Opposition in the House, it has certain functions, and those functions are to find out what is contained in measures that come before the Chamber and put the opposite views before hon. members, in the hope that some of those ideas will be noticed and that good will result. If we do not get an opportunity to scrutinise and understand Bills, it is impossible intelligently to discuss them and do our duty to our constituents, as we are supposed to do.

Mr. T. R. ROBERTS (*East Toowoomba*): The Nationalist section of the Opposition disapprove of the way in which business has been brought before us this session. We have to recognise that the numbers of Government and Opposition members are almost equal, but the Government appear to consider only their own position in this matter. They called us together in July, and now, for some reason, they want to hasten and close the session—not, in my opinion, for the good of the country, but for their own convenience. We have been treated most unfairly and unsatisfactorily in regard to the business we have been asked to consider and the time which has been given for its consideration. We have to recognise that the Government members discuss matters of legislation before they come before this House; they have at their disposal all the officers of the various departments, and, before beginning the session, they know the business which is likely to be brought forward. Had the Government desired to close the session somewhat earlier than usual, in all fairness they should have introduced their Bills considerably earlier than they have done, and given the Opposition the opportunity of becoming conversant with their contents. This session we have been called upon to deal with a number of amending Bills. To become conversant with them in a few days or hours is an absolute impossibility. The leader of the Opposition referred to the inconvenience to which he has been put. Last week three of our members were engaged until after 2 o'clock in the morning on the Bill with which we are to be asked to deal to-day—the Income Tax Act Amendment Bill. We are not quite satisfied yet as to what some of the amendments mean, and it is quite possible, the desire of the Government being to push through, that we shall not be able to have them adequately explained. I enter a protest at being called here day after day at 11 o'clock in the morning just to suit the convenience of the Government. We recognise that it is the duty of the Government to govern, but we also recognise that the whole of the members in this House have rights and privileges. The Government claim to believe in an eight-hour day. How are they putting it into effect? We are called upon to assemble at 11 o'clock in the morning, and to stay here until at least half-past 10 o'clock at night. The system is wrong. It is not fair to us, as an Opposition, and it is not fair to the country, whose work we are asked to perform.

HON. W. H. BARNES (*Bulimba*): I endorse what has been said by the two previous speakers. I followed the Premier very closely when he was making his statement this morning. Mentioning specific Bills, he said that reasonable time would be given for their consideration. What does "reasonable time" mean? It means that such time will be given as is considered reasonable by the Premier or the Minister who is in charge of any measure. It is no use our saying that during this session we have been able, as a deliberative assembly, to do justice to the Bills which have been brought forward.

Hon. W. FORGAN SMITH: Twenty-two members of the Opposition spoke on the Maternity Bill yesterday, and all of them were in favour of it.

HON. W. H. BARNES: The hon. gentleman knows very well that it is the duty of an Opposition to speak. Are we to do just what suits the hon. member for Mackay?

Surely that hon. member must have forgotten that we have rights.

Hon. W. FORGAN SMITH: I do not deny the rights; but I point out that you are afforded ample time.

HON. W. H. BARNES: As a matter of fact, it has been absolutely impossible to follow some of the Bills which have been introduced. Fancy eight Bills introduced yesterday! It is all very well for the Premier to say that some of the Bills do not count for very much. Everything counts that has to do with Queensland. Why should we follow the desires of the Premier when he comes down here and, at his own sweet will, states that he wants to close if possible this week?

The PREMIER: It is just as much in the interests of the Opposition.

HON. W. H. BARNES: Is it in the interests of the Opposition to sit from 11 a.m. until 10.30 p.m., and have the Government carry on the business of the country very largely by proxy votes?

The ATTORNEY-GENERAL: We used to sit all night when the hon. gentleman was in the Ministry.

HON. W. H. BARNES: No one can say that we have been able to give that consideration to Bills which ought to be given to them. We have been told that most of the Bills do not count.

The PREMIER: I did not say that they do not count. I said that very probably they were not contentious.

HON. W. H. BARNES: I have a great deal of sympathy for the officers of the House. They have been practically driven to death by this Government. But I hope, notwithstanding that fact, that every hon. member on this side will insist upon giving the fullest discussion to every measure, even if we have to stay here two or three weeks. Why should we, at the sweet will of the Government with a majority of one, have to do things to oblige the Government? The Estimates which are usually passed at the end of the session have already been passed. I hope hon. members will insist on a full discussion of all matters.

Question put and passed.

LOCAL AUTHORITIES ACTS AMENDMENT BILL.

INITIATION.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Local Authorities Acts, 1902-1920, in certain particulars, and to amend the Victoria Bridge Act of 1897 and the Fire Brigades Act of 1920 in certain particulars."

Question put and passed.

MATRIMONIAL CAUSES ACTS AMENDMENT BILL.

INITIATION.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Matrimonial Causes Acts, 1864 to 1897, by making further provision for dissolution of marriage, and for other consequential purposes."

Mr. VOWLES (*Dalby*): I would like the Minister to give some information regarding this matter. I understand the object of the Bill is to make provision for the granting of divorce where married individuals are and have been for some time confinees in a lunatic asylum.

The SECRETARY FOR MINES: That is so.

Mr. VOWLES: After the expiration of a certain time a divorce can be granted on the strength of a medical certificate. Is it intended to make any other amendments?

The SECRETARY FOR MINES: It is intended to provide equal rights for women and men in cases of adultery.

Question put and passed.

HAWKERS LICENSES AMENDMENT BILL.

INITIATION.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Hawkers Licenses Amendment Act of 1869 in a certain particular."

Question put and passed.

MAIN ROADS ACT AMENDMENT BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR PUBLIC LANDS (Hon. J. H. Coyne, *Warrego*): I beg to move—

"That it is desirable that a Bill be introduced to amend the Main Roads Act of 1920 in certain particulars."

This is purely a matter of finance. We want the money appropriated by Parliament to be permanently appropriated, otherwise the Board will be hampered in its [11.30 a.m.] commitments. We also want to make the financial year of the Board correspond with the Government's financial year. In addition, we have inserted a proviso giving the Board power to reduce the contributions from local authorities in the case of any outside or unusually heavy traffic going over the roads.

Mr. T. R. ROBERTS (*East Toowoomba*): I asked a question the other day in connection with the operations of the Main Roads Board, and I was told that I would get the information from the report of the Board. I have perused that report, but cannot get the information I require. All I want to say at this stage is, that certain roads are being constructed in the various local authority areas, and it appears to me that the local authorities do not know what expenditure they will have to meet, and I would like to see an early assessment made. I recognise that the Board has undertaken very large works which will involve a very heavy expenditure, and I am very doubtful whether the local authorities will not find

themselves burdened with very heavy taxation in order to meet these precepts which some day they will have to honour. I hope the Minister will give this matter some attention and let the various local authorities know what their liabilities are going to be. I recognise that many of the local authorities are asking for certain roads within their areas to be declared main roads, but, when they know the staggering amount of money they will be called upon to pay, they will be in a very regrettable position, and it is advisable that the precepts should be made at the earliest moment.

The SECRETARY FOR PUBLIC LANDS: I am making provision for that.

Mr. BEBBINGTON (*Drayton*): I would like to say the same thing, too.

The SECRETARY FOR PUBLIC LANDS: There is no need to say the same thing.

Mr. BEBBINGTON: The tremendous expense that will be involved in constructing some of these roads by the Main Roads Board will result in a heavy burden being placed on the local authorities. I have no hesitation in saying that in many places we could make a light railway which would be of more service to the people for a great deal less expenditure than it is costing to make some of these roads. If you are going to have a main road that will cost £2,000 or £3,000 a mile, you are going to put a burden round the necks of the people that they will not be able to carry. Again, there are certain roads which are used for State purposes more than for anything else; that is, these roads are used principally for the cartage of timber owned or partly owned by the State, and from which the State receives a subsidy or royalty, and the farmers in those areas are taxed, to my knowledge, as high as 4s. an acre to maintain the roads.

The SECRETARY FOR PUBLIC LANDS: You are exaggerating altogether.

Mr. BEBBINGTON: It is unjust that the farmers should be called upon to pay that amount in rates in order to maintain roads on which timber is the principal traffic. It is just as bad as the State industries in the city not paying any taxes and using the roads in the city.

Mr. MOORE (*Aubigny*): I would like to know whether any provision is made in this Bill for refunding the amount of money that the Toowoomba City Council spent in making the main Toll Bar road? A distinct promise was made to the council in Toowoomba that, if they would assist the Government in an emergency, the amount expended would be refunded by the Main Roads Board when the Board took over the road; but, when the Toowoomba City Council applied to the Main Roads Board afterwards, they were informed that there was no provision in the Act which would enable them to make the refund.

The SECRETARY FOR PUBLIC LANDS: That is a matter for the Treasury.

Mr. MOORE: It is a matter for an amendment in this Bill. If the council were persuaded to spend the money on a distinct promise that it would be refunded, then that promise should be honoured.

The SECRETARY FOR PUBLIC LANDS: I do not know of any such agreement ever being made.

Mr. MOORE: That does not absolve the Government from their liability when a distinct promise was made. We know that that promise was made, and it is unfair now, when a Bill is brought in to amend the Act, not to insert a proviso to enable the Main Roads Board to carry out the promise that was made. It is only a fair thing in timber districts where there is very heavy traffic that provision should be made for some assistance being granted to the local authorities.

The SECRETARY FOR PUBLIC LANDS: I have provided for that.

Mr. MOORE: I accept the hon. gentleman's assurance.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR PUBLIC LANDS (Hon. J. H. Coyne, *Warrego*) presented the Bill, and moved—

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

Question put and passed.

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

CITY ELECTRIC LIGHT COMPANY LIMITED BRISBANE FORESHORE LEASE BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

"That it is desirable that a Bill be introduced to make provision for the leasing of a certain part of the foreshore of the Brisbane River to the City Electric Light Company Limited."

Hon. W. H. BARNES (*Bulimba*): The Treasurer has not given us any information at all in connection with this Bill.

The TREASURER: I made a brief explanation on the initial motion.

Hon. W. H. BARNES: I must apologise. I want to ask the Treasurer if it is proposed to lease the land which is situated on this side of Doughboy Creek.

The TREASURER: Yes.

Hon. W. H. BARNES: For how long is it proposed to give the lease?

The TREASURER: Forty years.

Hon. W. H. BARNES: I presume that the City Electric Light Company have found the William street premises too small for the development which is taking place in their business. I naturally welcome anything which goes in the direction of enterprises which are properly safeguarded, and I take it that all the necessary safeguards are provided for here. But it seems to me a very extraordinary thing that the Government, who a while ago were opposed to this particular company extending the electric light into the various suburbs of Brisbane, now go one better and say, "We are going to give you a lease for forty years in connection with the erection of certain works."

The TREASURER: We are always reasonable.

HON. W. H. BARNES: The Government are not always reasonable. They forced local authorities to borrow money to erect electric light poles, and great delay has taken place in the supply of electric light. That is the position in regard to quite a number of local authorities around Brisbane. The Government would not allow people to do certain things in districts around Brisbane on certain hard and fast conditions which would have protected the taxpayers, but they now go one better and say, "We will give you a lease for forty years, and you can spend a large sum of money in the district." This is a volte face on the part of the Government in this important matter.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): The City Electric Light Company have some land on this side of Doughboy Creek, which also abuts upon Lytton road. It was originally a river frontage, but since then a lot of land has been reclaimed on the river frontage, and the company must be given access to high water by getting a lease of the reclaimed area.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*) presented the Bill and moved—

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

Question put and passed.

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

HARBOUR BOARDS ACTS AMENDMENT BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

"That it is desirable that a Bill be introduced to amend the laws relating to harbours and harbour boards in certain particulars."

On the initiatory motion I gave a brief outline of what the Bill contains. It enables the various harbour boards to make use of the local authority rolls without having to provide separate rolls. Under the various franchises which now exist the system varies. In some cases the harbour boards are appointed partly by the Governor in Council and partly by election by the payers of dues. In other cases the local authorities appoint their representatives direct, and the Governor in Council nominates representatives; in other cases the whole of the representation is made by local bodies.

Mr. T. R. ROBERTS (*East Toowoomba*): Do I understand that under this Bill it is proposed to give a vote to all the people who are on the parliamentary rolls within the prescribed area?

The TREASURER: Yes.

Mr. T. R. ROBERTS: That appears to me to be a very important matter. Large sums of money are involved in this connection, and I certainly think we want to give some consideration to the matter at a later stage.

HON. W. H. BARNES (*Bulimba*): This is another of those extraordinary Bills which are being introduced by the Government. A few days ago the Government absolutely objected to the people being appealed to in connection with a certain matter. They now say they are going to bring all the harbour boards into line. I take it that applies to Townsville, Cairns, Rockhampton, Gladstone, and other ports, and that the Government are going to give to all the people on the parliamentary rolls in the various districts the right of voting in connection with harbour board matters. They denied that privilege a few days ago when an amendment was moved to give that privilege.

Mr. PEASE: The people are to elect the Brisbane Tramway Trust.

HON. W. H. BARNES: We are not dealing with the Brisbane Tramway Trust just now.

Mr. PEASE: You are referring to it.

HON. W. H. BARNES: I am using it by way of illustration, and it evidently hit the hon. member. The fact remains that we are asked now to do what the Government refused to do the other day. We are to put on one side the payers of dues, and to say to the individual whose name appears on an electoral roll, "You are to be the one who is going to have the right to do this kind of thing." If the people are the ones who have the right to do it, why was it not done the other day in connection with the Bill which has been referred to by way of interjection? One cannot understand the attitude of the Government in these matters. The Government's policy is governed by the circumstances which may happen to operate at the particular time. I take it that this is a matter which will require the closest scrutiny when the Bill comes before us. There is another phase; we know that some of the harbour boards at the present time, according to Press reports, are very much overdrawn. Are these voters going to tell the boards what to do in connection with these big overdrafts? The Government have refused further loans because of the big amounts owing to the Treasury.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*) presented the Bill, and moved—

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

Question put and passed.

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

PRIVATE SAVINGS BANKS BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I beg to move—

"That it is desirable that a Bill be introduced to make provision for the regulation of savings bank business carried on in Queensland by private persons."

Hon. members will see, when they peruse the Bill, that it is a very necessary measure and contains wise provisions. As it is not intended to proceed with the Bill this session, I shall not trouble the Committee by explaining the details. I will just go through the formal procedure of introducing the Bill.

Mr. T. R. ROBERTS (*East Toowoomba*): I would like to know if the Bill will deal with the various branches of the Railway Department where savings bank business is carried on. They have agencies for the Commonwealth Savings Bank, and I would like to know if it is intended to cover those persons?

The TREASURER: It will not interfere with them.

Mr. T. R. ROBERTS: Has it anything to do with the local committees who look after savings bank business in various towns?

The TREASURER: No. It only provides for the proper regulation of savings banks run by private persons. It provides for any trading concern that wants to establish a savings bank.

Mr. FLETCHER: Are there any in existence at present to which this Bill will apply?

The TREASURER: Yes, the Federal Deposit Bank will come under it. It will not prevent them from carrying on.

HON. W. H. BARNES (*Bulimba*): I would like to know if the Bill will affect the shire clerks who are agents for the Commonwealth Savings Bank at the present time?

The TREASURER: No.

HON. W. H. BARNES: I am very much interested in savings banks, especially when we know that the Government allowed the Queensland Government Savings Bank to go out of their hands, and are now paying 4½ per cent. for money which they previously obtained for 3½ per cent.

The TREASURER: Not 4½ per cent.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*) presented the Bill and moved—

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

Question put and passed.

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

LOCAL AUTHORITIES ACTS AMENDMENT BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That it is desirable that a Bill be introduced to amend the Local Authorities Acts, 1902-1920, in certain particulars, and to amend the Victoria Bridge Act of 1897, and the Fire Brigades Act of 1920 in certain particulars."

At this stage I might explain that the reason for this amending Bill is to insert one or two important amendments desired by the local authorities. One is in regard to the difficulty regarding overdrafts, and this difficulty will be removed.

Mr. ELPHINSTONE: That is the difficulty with many of us. (Laughter.)

The SECRETARY FOR MINES: The Bill also allows shire councils to come under the same category as municipal councils in regard to the making provision against fire by requiring the erection of first-class buildings in first-class sections. That is the principal object of the Bill.

Mr. MOORE (*Aubigny*): I do not think the Minister has given us very satisfactory information. I was in hopes that he was going to say that the request of the Local Authorities' Association regarding the franchise would be agreed to. In connection with the Brisbane Tramway Trust Bill it was provided that the Trust would be elected by members of local authorities elected on the adult franchise. The Local Authorities' Association wants the ratepayers to have some control over the people to be elected, but evidently the Minister is not going to include that in this Bill.

The PREMIER: I thought you said you were satisfied with the Brisbane Tramway Trust Bill?

Mr. MOORE: I was not satisfied with the adult franchise.

The PREMIER: I accepted many amendments from the Opposition.

Mr. MOORE: We thought that an amendment of the franchise to restrict it to ratepayers would be advisable. However, many amendments have been asked for by the Local Authorities' Association, but I am afraid that, if we are to rush through a Bill like this, a large number of those we desire will have to be left out. There is one very important amendment dealing with the valuation of prickly-pear lands. I should also like to know whether another amending Bill will have to be introduced next year. At present the restrictions are so great that councils have pointed out year after year the necessity for amending the Act.

The PREMIER: The Home Secretary met the local authorities and proposed to introduce a comprehensive Bill, but, in consequence of his illness, it has not been proceeded with.

Mr. MOORE: I submit that it should have been brought in this session, in view of the promises which we have had from the Government. Promises have been forthcoming for the last ten years, and I thought that even at the end of the session one of them would have been kept; but I suppose that we shall have to wait till next session, when we on this side can bring forward a comprehensive Bill. (Laughter.)

Mr. KING (*Logan*): We had hoped that a comprehensive amending Bill would have been brought forward, but again we are disappointed to find that it is very different in its provisions from what we were justified in expecting. I will admit that the particulars given by the Minister indicate that the Bill will give a certain amount of relief. For instance, I know that the local authorities have desired liberty to borrow from banks up to the annual amount of their general revenue, and provision is also made

to give shires the same rights as towns and cities in making building by-laws. I hope that this Bill will be passed, and I can only express again my regret that we have not a consolidating measure or some comprehensive measure before us, such as was promised in the early part of the session by the Home Secretary. I regret very much indeed that that hon. gentleman is not here to introduce that Bill, but at the same time the unfortunate fact of his illness should not have prevented its introduction. In support of that opinion, a very important measure which was under the jurisdiction of the Home Secretary, the Brisbane Tramway Trust Bill, was introduced by the Premier, and I do not think anyone would say for a moment that the chances of its passing were hindered in any way because of that. Similarly, I think a consolidating Local Authorities Bill might have been brought in. We shall see later on what is contained in this Bill, and I anticipate that it will give relief in respect to some of the matters which have been mentioned.

Mr. T. R. ROBERTS (*East Toowoomba*): I am glad that this Bill, at any rate, will give the local authorities facilities in some directions in which they have asked for them. For instance, they have asked for a definition of their powers in connection with the limit of overdrafts, and I understand this Bill gives it to them. I think they should be allowed to spend up to the amount of the previous year's revenue, and I hope that that will be put into effect and made definite. I am very glad that the Bill is going to increase their powers, and that we are not going to encourage them to spend in anticipation of next year's rates.

The PREMIER: No.

Mr. T. R. ROBERTS: I would like to know whether any provision is made in the Bill—I do not know whether this would be the proper Bill in which to do it—to deal with the area of land on which a person may be allowed to erect a dwelling, that is, to fix a living area, as it were. We know that all the cities and many of the towns have given consideration to this matter. The Government with which I was associated prepared a Bill just in their last session, but it did not get any further, although the present Government have referred to the question on many occasions. Some provision to deal with the size of building sites is certainly a necessity. The way in which houses have been erected in certain districts is most unsatisfactory, and I would like to know whether it can be remedied in any way.

There is another matter which exercised this Government when they were altering the local authority franchise. They excluded the contingent vote, which I think is a very fair one, and gives people the opportunity to exercise their votes intelligently. I would like to know whether it would be possible to consider that matter in this Bill.

HON. W. H. BARNES (*Bulimba*): I notice that this Bill will amend the Victoria Bridge Act of 1897 and the Fire Brigades Act of 1920, but I do not think any reference whatever has been made by the Minister to those proposed amendments.

The SECRETARY FOR MINES: This Bill deals with the leases of certain lands under the control of the Victoria Bridge Board.

[*Mr. King.*

HON. W. H. BARNES: The hon. gentleman cannot be surprised at our asking questions, because we have noticed an agitation with regard to the inadequacy of Victoria Bridge for the traffic it is called upon to carry.

The PREMIER: There is no new bridge proposal in this.

HON. W. H. BARNES: Some of us, representing most important districts, such as Bulimba and Wynnum, are naturally keen to see that they are amply protected. It seems that the hon. gentleman thought that his reference to the Local Authorities Acts covered all the rest, but I say that that is not a fair thing at all. I admit that the hon. gentleman is not well, and a very great deal of latitude can be allowed on that account.

As to the amendments of the Local Authorities Acts, I would like to know whether provision is made for getting at that man who is an enemy to the country and the community generally, who erects houses, not on 15-perch allotments, but on very small areas indeed. The individual who does that should be deprived of the privilege at the earliest possible moment. There are places on the south side which it would be the greatest blessing—provided there were no children or other persons in the building—to put a firestick to them and burn them down. It is a disgrace to ask that children should be brought up under such conditions; it is against all sense of decency. I believe that every member of the House would be in favour of that. Could this Bill make such a provision?

The SECRETARY FOR MINES: That is provided for in the Undue Subdivision of Lands Act.

HON. W. H. BARNES: It is a blot upon the life of the community. I take it, from what the Minister has said, that this Bill is going to provide first-class sections in various areas. It is regrettable to find in different districts shanties put up which should not be allowed, and which are a detriment to those districts. The local authorities should have full control; they should be able to say that that should not be done. At present local authorities indulge in a good deal of bluff, but they would have no standing in a court of law if in some instances their actions were tested. I hope that this Bill will help the local authorities in that direction.

Mr. VOWLES (*Darby*): I was hopeful that we were going to get a comprehensive Local Authorities Acts Amendment Bill. I regret that the Minister is indisposed. From time to time we have had conferences of representatives of local bodies, at which Ministers and other persons in high places in the Government have associated themselves to a certain degree with the resolutions that have been passed. Those resolutions have been presented to the powers that be and consideration has been promised. That consideration has been so long deferred that we were in hopes that this long-promised one was going to be fulfilled. I understand that the Government have come to an agreement about certain principles, and the sooner they are put into effect the better it will be. Nowadays in Parliament it does not matter who is in charge of a Bill. The explanation which is offered is a departmental one, which

is understood in every detail by every member of the party, because it has been discussed amongst them. That being so, it is only a matter of registering the decision, subject to the criticism of the Opposition. Why could not the Minister have carried out the wishes of the Local Authorities' Conference, which is representative of all classes of political opinion?

The SECRETARY FOR MINES: We could not carry out their wishes in every detail.

Mr. VOWLES: Why could the hon. gentleman not carry out those to which the Government have agreed?

The PREMIER: It would constitute a very formidable Bill, which would have to be given a considerable amount of study.

Mr. VOWLES: We are prepared to do that if it is in the public interests. We are dealing with other matters to which we have to give a good deal of study, and an extra day or two on this would make very little difference, if there is any good to be got out of it. I am sorry that this is only a formal Bill, instead of the comprehensive one which we expected.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I am not going to allow the leader of the Opposition to infer that it is a matter of incompetency. The hon. gentleman should know that the amendment of the Local Authorities Acts suggested by the Home Secretary is a very comprehensive piece of legislation. The Home Secretary being sick when the Local Authorities' Conference was held in Brisbane, I met the Conference, delivered an address, and promised that the Government would deal in some way with the more important amendments. I stated that the Home Secretary had given the whole of his time during the recess to the study and drafting of a Bill. The hon. gentleman should know that, when one Minister has given so much time to a Bill, he is the most competent to deal with it. We did not promise a comprehensive Bill this session. I know that it is the Home Secretary's intention to consolidate the Local Authorities Acts.

Mr. T. R. ROBERTS: This is the last session of this Parliament.

The SECRETARY FOR MINES: The Home Secretary was dealing with this matter during the whole of the recess. The leader of the Opposition complained this morning that it is not possible for him to grapple with the whole of the Bills that are before him. That is not a matter of competency or incompetency; it is not a matter of breaking a promise. The local authorities were informed that a comprehensive consolidating Bill would be introduced next session by the Home Secretary.

Mr. VOWLES (*Dalby*): I did not intend to, nor did I, make any reflection on the hon. gentleman. In fact, I said he was competent, and that every Minister is competent to deal with the matter, because it has already been debated in Cabinet.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*) presented the Bill, and moved—

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

Question put and passed.

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

MATRIMONIAL CAUSES ACTS AMENDMENT BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That it is desirable that a Bill be introduced to amend the Matrimonial Causes Acts, 1864 to 1897, by making further provision for dissolution of marriage, and for other consequential purposes."

Mr. T. R. ROBERTS (*East Toowoomba*): I understood the Minister to say that it was the intention of the Bill to include insanity as a ground for divorce, and that it was intended to give equal rights for men and women in connection with divorce on the ground of adultery. This morning we have passed a resolution enabling Bills to be put through all stages in one day. We are dealing hurriedly with Bills, and this is one that will probably be hurriedly dealt with. There is a considerable issue involved in it. We all regret the fact that certain individuals have to be confined in asylums, and I have no sympathy with the proposal to allow insanity as a ground for divorce I sympathise with the person who has his loved one in an asylum. It is certainly a dreadful thing to pass a Bill enabling a person who is free and in good health to marry again while the other partner is confined in the asylum. I do not subscribe to that at all. Who is to bear the responsibility for the maintenance of the afflicted one? If it is the wife who is confined in the asylum, then the husband is liable for a certain amount of maintenance for her. Is the responsibility going to fall on the State in addition to many of the burdens that the State has now to carry? We have to recognise that certain contracts were made. We must recognise that, from a religious point of view, certain obligations are cast upon us. The Nationalist section of the Opposition are opposed to the provisions to make insanity a ground for divorce.

HON. W. H. BARNES (*Bulimba*): I endorse what has been said by the deputy leader of the Nationalist party. We are in full sympathy with the proposal to place women on the same footing as men. I do not think a man should have any legal privileges which a woman has not got. If I, as a man, do something I have no right to do. I have the right to be placed on the same footing as my wife is placed to-day according to law. She has a right to the remedy which is proposed in this Bill. I do not think that hon. members can support the other provisions contained in the Bill. When a man enters into marriage he does so with the full knowledge that his responsibilities are to be lifelong. Every man who goes through the marriage ceremony

desires that, not only should it be a happy wedded life, but that it should be a long wedded life. If the disaster of insanity overtakes the home, the responsibilities are no less binding upon the other contracting party. I do not think you are going to do any good by loosening the bonds of matrimony as they exist to-day. I believe it is going to be detrimental to the best interests of the State.

The SECRETARY FOR MINES: Is it not better to be married than to live in a state of adultery?

HON. W. H. BARNES: It does not follow that such a state of affairs exists. Is it not possible for a woman to recover after having been in the asylum for two or three years?

The SECRETARY FOR MINES: They must be in an asylum for five years.

HON. W. H. BARNES: I will take seven years. What is going to be the awful position when a woman recovers and finds that her husband has married again? That is bad for all. If there has been any issue in the first place, it is bad also for the children. I am going to record my vote against the introduction of this Bill, because I believe that it is altogether improper and should not be introduced by any Government.

Mr. KERR (*Enoggera*): This Bill is one of a very contentious nature. It is a non-party measure, and one on which we all have our opinions. I would like the Minister to give us some information at this stage to enable us to look up the authorities and formulate our opinions about it. I would like to know whether the court will have jurisdiction in the usual way in granting a divorce.

The PREMIER: It must be done by the court.

Mr. KERR: Will the matter be heard in open court? I would like to know how many medical officers will be concerned in the certificate which has to be granted?

The SECRETARY FOR MINES: Insanity will only be one of the grounds on which a party may apply.

Mr. KERR: There must be a certificate by medical officers to the effect that the person is permanently insane. Look at the awful position that would be created if the person recovers sanity later! The individual would have no knowledge of what had happened in the interim, and would, naturally, expect things to be vastly different from what they actually would be. I would ask the Minister for how many years must a person be confined to an asylum before a certificate can be granted.

The SECRETARY FOR MINES: A person must be five years out of six years in an asylum prior to 31st January next.

Mr. KERR: The time will be made retrospective?

The SECRETARY FOR MINES: Yes.

Mr. KING (*Logan*): I take it that the object of the Bill is simply to make lunacy a ground for divorce. The question as to whether the defendant in the action is a lunatic or not is a question upon which the judge will have to seek a decision himself. This Bill is not intended to oust the jurisdiction of the court. When a wife or husband is an inmate of a lunatic asylum, the other contracting party can petition for a divorce on the ground of insanity. The responsibility is taken from the Legislature—as is the case in all divorce actions at present—and the matter rests entirely with the judge. He has to satisfy himself whether the lunatic is incurable or not. The other portion of the Bill, giving the wife equal rights with the husband in connection with divorce, is a very wise provision indeed. We know that under the existing law a wife, if she wishes to get a divorce, must not only [12.30 p.m.] prove adultery, but must also prove cruelty or desertion for two years or upwards, but in the case of a husband who desires to get a divorce from his wife, all he has to prove is adultery. These are the main grounds for divorce. Of course there are other grounds on which a divorce is granted. What the Bill intends to do, so far as that aspect of the question is concerned, is to give the wife equal rights with the husband in obtaining a divorce, and that being so I see no reason why I should oppose it.

Mr. T. R. ROBERTS (*East Toowoomba*): I do not propose to divide the Committee at this stage, but I shall attempt to provide certain safeguards when the Bill reaches another stage, when I will test the opinion of the House on the question.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*) presented the Bill, and moved—

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

Question put and passed.

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

HAWKERS LICENSES AMENDMENT BILL.

INITIATION IN COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move—

"That is it desirable that a Bill be introduced to amend the Hawkers Licenses Amendment Act of 1869 in a certain particular."

This is a very small non-contentious measure which gives the Home Secretary power to reduce the license fee and reduce the period for which the license may be granted in the case of hawkers who carry their goods on their persons. Very often during a period of depression a man can make a living by hawking certain wares in the city and other places, and a fee of ten guineas for this privilege seems to be altogether too high. The Act has not been amended since 1869, and I think it is desirable that this amendment should be made.

Mr. T. R. ROBERTS (*East Toowoomba*): The Minister stated that the fee was ten guineas, but, if I understand aright, the fee for the city is two guineas for twelve months. The fee for a district license is ten guineas,

but such a license covers the whole of Queensland.

The SECRETARY FOR MINES: You are thinking of an auctioneer's license.

Mr. T. R. ROBERTS: I had a license myself at one time, and I know what I am talking about.

The SECRETARY FOR MINES: There is no license for a fee of two guineas.

Mr. T. R. ROBERTS: I have found that there is some difficulty in describing people who come from other countries, and I hope some consideration will be given to this question.

Mr. GILDAY (*Ithaca*): I think the hon. member for East Toowoomba is wrong in stating that a license can be obtained for two guineas. The present Act was enacted in 1848—when Queensland was practically New South Wales—and the only amendment to that Act was passed in 1869. During the last couple of years various deputations have waited on the Minister, and one particularly from the returned soldiers, who have asked that the fee be reduced. Personally I think it would be much better if we went further into the matter, but seeing that certain concessions are given to business people, I think the Minister should have power to use his discretion in regard to certain commodities. The present Act provides that the fee for a hawker's license shall be £10 15s., and the person who desires to get a license must also secure two bonds of £20, and it takes something like three months before it is possible to get a permit to hawk. After the war, Great Britain suspended the Imperial Act altogether, and the fee in England at the present time is only £1, and in some other countries it is as low as 2s. 6d. The highest fee paid for a hawker's license in other parts of the world is £1. In times of depression a large number of men are thrown out of work, and many of these men are too proud to get relief. They prefer to try and do something to earn a living, and they generally get some small article that they can hawk round for sale. I think it is advisable to give the Minister power to use his discretion in such cases, provided that it is not going to interfere with the rights of the general community. If this amendment is agreed to, it will meet the position.

Mr. KING (*Logan*): My only regret is that this Bill does not go far enough. We have different taxing authorities in the State so far as the issuing of hawkers' licenses is concerned. We have the license which is granted under the Hawkers Act on payment of a fee, and that license enables the hawker to carry on business all over Queensland. We know that the various local authorities have by-laws dealing with itinerant vending; but those by-laws have no jurisdiction in regard to the hawkers. If a man has a hawker's license, he can go into a shire area and hawk goods and practically defy the by-laws. I think that state of affairs should be remedied, and if, under the Bill, the local authorities are protected in this regard it will be much appreciated.

Hon. W. H. BARNES (*Bulimba*): The question has been raised once or twice as to what is the present exact local fee—I am not referring to the general fee. The Minister will tell us what that is.

The SECRETARY FOR MINES: Ten guineas.

Hon. W. H. BARNES: I take it that a man who wants to help himself has a right to do it. There is another phase we want to be careful about. The Minister should see to it that men who get these licenses are of good character. We know that in some of our cities the vocation of a hawker is in some cases rather detrimental to the community—some people have made use of it for improper purposes.

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

The resolution was agreed to.

FIRST READING.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*) presented the Bill, and moved—

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

Question put and passed.

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

UNIVERSITY SITE BILL.

DISCHARGE OF ORDER FOR THIRD READING.

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. J. Huxham, *Buranda*): I beg to move—

"That the Order of the Day for the third reading of the Bill be discharged from the paper, and the Bill be recommitted for the purpose of considering the preamble and schedules I. and II."

Question put and passed.

RECOMMITTAL.

(*Mr. Kirwan, Brisbane, in the chair.*)

The SECRETARY FOR PUBLIC INSTRUCTION: I move the omission, on lines 1 to 21, page 1, and lines 1 to 18, page 2, of the words—

"Whereas by a deed of grant under the hand of His Excellency Frederic John Napier, Baron Cholmsford, Knight Commander of the Most Distinguished Order of St. Michael and St. George, and the Seal of the State of Queensland, dated the thirteenth day of March, one thousand nine hundred and seven, and numbered 93555 (hereinafter referred to as the 'Trust Deed of the University Reserve'), certain lands (hereinafter referred to as the University Reserve), situated in the county of Stanley, parish of North Brisbane and State of Queensland, and containing by admeasurement sixty acres two roods and twenty-six perches more or less, and being the lands described in the first part of the first schedule hereto, the boundaries whereof are delineated and marked red on the plan in the second schedule hereto, were granted by His late Majesty King Edward the Seventh unto the Secretary for Public Instruction in Queensland, his successors and assigns, subject to the trusts, conditions, reservations, and provisoes in the said deed of grant contained, upon trust as a site for a University and for no other purpose whatsoever:

"And whereas by another deed of grant under the hand of His said Excellency and the Seal of the said State,

dated the twenty-eighth day of November, one thousand nine hundred and eight, and numbered 95698 (hereinafter referred to as the 'Trust Deed of Victoria Park'), certain other lands (hereinafter referred to as Victoria Park), situated in the said county and parish, and adjoining the University Reserve, and containing by admeasurement two hundred and ten acres two roods and eleven perches more or less, exclusive of a certain area therein comprised reserved for road and railway purposes, and being the lands described in the second part of the first schedule hereto, were granted by His said Majesty unto the council of the city of Brisbane as trustees and their successors and assigns, subject to the trusts, conditions, reservations, and provisoes in the said deed of grant contained upon trust as a reserve for a public park and for no other purpose whatsoever"—

with a view to inserting the following:—

"Whereas by a deed of grant under the hand of His Excellency Major Sir Hamilton John Goold-Adams, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Companion of the Most Honourable Order of the Bath, and the Seal of the State of Queensland, dated the sixth day of August, one thousand nine hundred and seventeen, and numbered 106220 (hereinafter referred to as the 'Trust Deed of the University Reserve'), certain lands (hereinafter referred to as the University Reserve) situated in the county of Stanley, parish of North Brisbane and State of Queensland, and containing by admeasurement sixty acres two roods and twenty-six perches more or less, and being the lands described in the first part of the first schedule hereto, the boundaries whereof are delineated and marked red on the plan in the second schedule hereto, were granted by His Majesty King George the Fifth unto the Secretary for Public Instruction in Queensland, his successors and assigns, subject to the trusts, conditions, reservations, and provisoes in the said deed of grant contained, upon trust as a site for a University and for no other purpose whatsoever:

"And whereas by another deed of grant under the hand of His Excellency Frederic John Napier, Baron Chelmsford, Knight Commander of the Most Distinguished Order of St. Michael and St. George, and the Seal of the said State, dated the twenty-eighth day of November, one thousand nine hundred and eight, and numbered 95698 (hereinafter referred to as the 'Trust Deed of Victoria Park'), certain other lands (hereinafter referred to as Victoria Park), situated in the said county and parish, and adjoining the University Reserve, and containing by admeasurement two hundred and ten acres two roods and eleven perches more or less, exclusive of a certain area therein comprised reserved for road and railway purposes, and being the lands described in the second part of the first schedule hereto, were granted by His late Majesty King Edward the Seventh unto the council of the city of Brisbane as trustees and their successors, subject to the trusts, conditions, reservations, and provisoes in the said deed of grant contained upon trust as a reserve for a public park and for no other purpose whatsoever."

There has been some oversight in the wording of the original preamble, rendering necessary the substitution of this amendment. It makes no difference to the area, which was correctly stated, and everything will now be in order, and will make the Bill satisfactory to the Brisbane City Council as well as to the Senate of the University.

Amendment agreed to.

Schedule I., Part I.—"*University Reserve*"—

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. J. Huxham, *Burnett*): I beg to move the omission, on line 29, page 4, of the words—

"No. 93555, volume 1,075, folio 65"—

with a view to inserting the words—

"No. 106220, volume 1,366, folio 230"

Mr. VOWLES (*Dalby*): This is not a very important matter; but, when a mistake like this occurs, it only shows the inadvisableness of rushing business through the House, and that what we on this side have been saying is correct—that the necessary time is not given to the various questions which come before the Chamber.

The PREMIER: It does not matter how much time is given, no one here could detect a mistake like that.

Mr. VOWLES: That is so, but I just take this opportunity of calling attention to the matter.

Amendment agreed to.

Schedule II.—"*Map*"—

The SECRETARY FOR PUBLIC INSTRUCTION: I beg to move the omission of Schedule II., with a view to inserting new Schedule II. (map) as printed.

Amendment agreed to.

The House resumed.

The CHAIRMAN reported the Bill with amendments.

THIRD READING.

The SECRETARY FOR PUBLIC INSTRUCTION: I beg to move—

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

Question put and passed.

INCOME TAX ACT AMENDMENT BILL.

SECOND READING.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): In moving the second reading of this Bill hon. members will understand that it is a very intricate Bill, embodying a large number of technical amendments, and it is impossible for members of this House to get a thorough comprehension of the amendments without a considerable amount of study of the different provisions. No matter how closely they may study the Bill, it is impossible for them to have a thorough comprehension of it unless they are legal men, or men accustomed to considering taxation matters, or unless they are taxation experts. In these matters we have to be largely guided by the advice of experts.

Mr. G. P. BARNES: Could you not simplify the Act somewhat?

The TREASURER: It is impossible to simplify the law dealing with technical matters of this kind. It is like the Succession law in that respect. Legislation of that kind is built up on long experience under the guidance of the experts controlling the administration. It is impossible, from the very nature of the business dealt with, to have it in a simplified form or to introduce it as simplified legislation. The Taxation Department, to a very large extent, is guided by legal procedure and by the practice which has grown up in the department, which has been found convenient in administering laws of this kind. The same thing applies in both the State and Commonwealth spheres. The Commonwealth Taxation Department has only been in existence since 1914, yet since that time they have built up a complete system of taxation laws, and they have issued orders containing explanations, interpretations, and rulings on sections of their Acts, embracing more than 1,000 orders to their officers. That shows how intricate a business it is. It is impossible, no matter how much time we give to it, for members of this House to make themselves thoroughly au fait with the measure.

Hon. W. H. BARNES: All the more reason why you should give us more time.

The TREASURER: I am not making any excuse for taking away time for the consideration of legislation of this kind. I am pointing out how impossible it is for hon. members who are laymen to comprehend it. I have given a good deal of time to it myself, and I cannot claim to be thoroughly au fait with all the intricacies connected with taxation matters.

Mr. KING: If the Bill had been circulated with the amendments some time ago, it would have been much easier for us now.

The TREASURER: I want to point out that it is impossible for me, in moving the second reading, to explain all the provisions of the Bill. It is essentially a Committee Bill. I shall take the opportunity of referring to the principal matters on the second reading, and I shall ask hon. members to defer the consideration of matters of detail until we get into Committee, when clause by clause can be referred to, and I shall be able to give all the information that hon. members may desire. At the same time, I sympathise with hon. members who have to consider the Bill from the point of view of criticising it, because I know how difficult it is. There are numbers of matters that are referred to in the Bill that are only to be found in the principal Act, and I know from my own experience it is an arduous task to get a thorough comprehension of everything.

The Bill makes provision for the continuance of the super tax. It is hardly necessary for me to dwell at any great length on that. We had a discussion of that matter on the Financial Statement, and we have had discussions previously when financial matters were under consideration. It is impossible for the Government to forgo the super tax this year, because financial exigencies necessitate its continuance. It is the hope of the Government that, at no distant date, the super tax may be discontinued and relief given to taxpayers in that direction.

Mr. FLETCHER: Do you see any real hope of it?

The TREASURER: Yes. I have already said that we do see some hope of it.

Mr. BEBBINGTON: Is there any chance of it?

The TREASURER: I only express my conviction that the time will come, at no distant date, when relief can be given to taxpayers.

Mr. GREEN: Does not this Bill perpetuate the super tax?

The TREASURER: No. Nothing that we do here can make it perpetual.

Mr. FLETCHER: You have to amend the Act?

The TREASURER: Yes, the Act has to be amended when we are revising taxation. If hon. members will let me proceed, I will explain the provisions of the Bill. The super tax must be continued. Hon. members cannot assert that this is the first intimation that they have had that the super tax will be continued. Early in the session, when the finances were under consideration, it was stated that the super land tax had to be continued and the super income tax would also be continued. It is undesirable to continue heavy taxation if it is not required, but in this case it is required. We have to get certain revenue from the system in vogue and from the system as modified under this Bill, which I consider is a more just method of doing it. I do not say that this should be looked upon as a permanent necessity. I should be sorry to think that our taxation cannot be lightened. As a matter of fact, I consider that it can be lightened later on. Costs are coming down, and that is a matter which affects the Government as well as private individuals. The cost of administration will be lessened, and the necessity for collecting taxes will be correspondingly lessened. The hon. member for Oxley, after making a study of the subject, referred to the question of amalgamating the State and Federal Departments so far as the collection of income tax is concerned. There is nothing to be gained by having a long protracted debate on that phase of the question. The hon. member referred to the necessity of amalgamating the two departments and took up a critical attitude against the Government for not having brought it about. I might point out that all the Governments of Australia and the Commonwealth as well have recognised that an amalgamation would be an advantage if it could be brought about, but there was always a difficulty in arriving at an agreement on the point. The difficulty in the way is almost insuperable. The question has been considered many times at Premiers' Conferences and Conferences of Treasurers. I have attended half a dozen conferences myself. At one conference, Mr. Holman, the then Premier of

[2 p.m.] New South Wales, and myself were appointed a subcommittee to consider the question in all its aspects and to report to a subsequent conference, which we did. Very grave matters have to be considered on a question of this kind before a decision is arrived at. I do not mind briefly stating my opinion. First of all, an amalgamation of the Commonwealth and State departments, or an absorption of the State Department by the Commonwealth Department, would, no doubt, save the State considerable expense. That cannot be gainsaid. But to comply with the conditions of the Commonwealth in what they

call an amalgamation—which is really an absorption of the State department by the Commonwealth department—would lead to a loss of control by the States of this important field of taxation and would restrict the sovereign rights of the State. So far, the Commonwealth have not been prepared to consider any scheme of actual amalgamation. The only one they are prepared to consider is one of absorption, which takes away very important rights from the State. It takes away—not the right to fix the amount of the tax or the incidence of the tax—but the right to administer the tax law, and thus would deprive the State authorities of the opportunity to get proper knowledge of the operation of their tax. In my opinion, that would indubitably lead to the Commonwealth collecting the tax and simply apportioning what the Commonwealth believed to be a fair proportion for State purposes. In my opinion, no other outcome would result from absorption by the Commonwealth of the State Departments. It is true that under the West Australian agreement and the proposed agreement between the Commonwealth and the other States, a State would have the right to get certain statistical information; but as one who has had something to do with the actual administration of the State Department, I know how difficult it is to keep in touch with the operation of the taxation system, to find exactly how a tax bears on the various taxpayers, whether a certain tax is equitable, and whether there are any anomalies. If, then, you had a Commonwealth Department which was the only authority conversant with these matters, how difficult would it be, not only to get advice from the only people who could tender it—that is, the men who are working, year in and year out, on taxation problems—but how restricted the State Government would be in getting information or advice, or entering into consultation with the officers who knew?

Mr. ELPHINSTONE: Do they experience that difficulty in West Australia?

The TREASURER: I believe they do, although it is difficult to ascertain that. Of course the agreement with Western Australia has been in operation for a very limited time, but the then Under-Treasurer, who was the Taxation Commissioner, in giving evidence before the Royal Commission on taxation appointed by the Commonwealth Government, stated that the arrangement was very unsatisfactory. The second report of the Royal Commission on Taxation, which was ordered to be printed on the 29th June, 1922, says—

> "The Under-Treasurer for the State of Western Australia, who was formerly Commissioner of Taxes in that State, furnished the Commission with a statement of his views upon the agreement between the Commonwealth and Western Australia. Generally he endorses the criticism of Mr. Weldon above cited, adding some further objections on points of detail. The general view he takes of the agreement may be inferred from paragraphs 7 and 11 of his statement, which are as follows:—
>
> 7. The only rights which the State retains under the Agreement are the power, through its Parliament, of prescribing the rates and incidence of taxation, and the power of obtaining such statistics relating to the taxes as it may desire.
>
> 11. In short, I regard the Agreement as expressing in legal form, not an amalgamation, but an absorption, a surrender by the State of valuable rights and executive power."

Much as we may desire to lessen the expense which devolves at present upon the State Governments in the matter of collecting taxes, we ought to hesitate before handing over to the Commonwealth a power which may lead to a serious curtailment of our sovereign rights. I have expressed the view—not a quixotic one—of what inevitably would be brought about. We would lose touch with the Taxation Department; we would be beholden to a large extent to the Commonwealth Department for advice and recommendations regarding the incidence of taxation, even in regard to the rate of tax; and we would be beholden to the Commonwealth Government for this important part of our State revenues. It may be desirable that that development should take place; but in my opinion it should not take place until there has been a reconsideration of the whole question of relative powers between the Commonwealth and the States. If the time has arrived to reallot those powers and to confer upon the Commonwealth greater powers, then undoubtedly this question of taxing authorities will have to be considered also; and, if greater powers are to be conferred upon the Commonwealth, no doubt they would require to have complete control over the income tax collecting powers which are now distributed between both authorities. It must be remembered, too, that the Commonwealth came into this field of income taxation only so recently as 1914; prior to that it did not levy any income tax. At the time when the Fisher Government introduced the proposal several of the States saw that inevitably there would be the growth throughout Australia of a second department covering the same field; and the States made to the Commonwealth the proposal that the States should collect the taxation for the Commonwealth—the Commonwealth to pass an Act fixing the rates and the incidence of their taxation and the State Departments to collect it. The Commonwealth would not even consider that proposal. However, a few years after the Commonwealth Department was established the Commonwealth complained of the overlapping in this field, and suggested that the States should gracefully retire.

In my opinion, we cannot decide a question of that kind without very grave preliminary consideration. That is why I raise the matter now; and that is why it has not been provided in this Bill. The States have shown a very reasonable spirit in consultation and in conference with the Commonwealth Government in agreeing to consider the various means of bringing about amalgamation. Suggestions have been put forward to the Commonwealth which the Commonwealth would not entertain, and which, I think, would have been a reasonable basis for an amalgamation. I think that the doubts which I have expressed in regard to the working of a single department would not exist if it were an amalgamated department—a joint department in which the Commonwealth and the States would be represented jointly, each having equal authority, which would require the officers of that department to furnish the information required, and to act as advisers. The Commonwealth would not entertain a

scheme of that kind. They want sole control of the department; they want to own the department, and simply pass on to the States the amount of money to which the States are entitled under their own Acts.

Mr. ELPHINSTONE: What would be your attitude towards the States were you Prime Minister of the Commonwealth?

The TREASURER: My attitude, if I were Prime Minister of the Commonwealth, would be the attitude that I have always adopted—the advocacy of an alteration in the Federal Constitution to give to the Commonwealth, not only additional taxing power, but additional constitutional powers which would warrant the additional taxing power. I am perfectly sure that, if all the States handed over on the same basis as Western Australia the collection of their taxes, in the course of a very few years the Commonwealth would exert sufficient influence to be able to determine how much of that revenue would go to the States.

It will be remembered what happened in regard to the Braddon Clause of the original Constitution, under which three-fourths of the Customs revenue was allocated to the States. That was part of the solemn bargain entered into, to cover a period of ten years. At the end of that period of ten years the States got very scant consideration, and had to accept, not three-fourths of the Customs revenue distributed pro rata, but the fixed amount of twenty-five shillings per capita. Since then there have been very definite threats—I might call them such—from the Commonwealth that that payment is to be whittled down until it almost disappears. At one conference that I attended, and which was attended by all the State Premiers and Treasurers, the Acting Prime Minister, Mr. Watt, definitely put forward a scheme which he said would come into operation whereby there would be an annual reduction in the 25s. per capita payment until it was reduced to 10s. per capita, which would be achieved in less than ten years. That was the intention and policy of the Commonwealth, and I do not know what particular force of circumstances led to that policy being put aside. It would make a very serious inroad upon a source of revenue of the State which the State has every right to expect while the Federal Constitution remains as it is now. While the responsibilities and duties under the respective Constitutions impose upon the States the obligations that we know of to-day, the States ought to have the full amount that they are enjoying now—25s. per capita—without that payment being whittled away. The amount should really be increased. If we hand over the collection of income tax to the Commonwealth, we shall in a few years be placed in a similar position. If the Commonwealth Government were to get into difficulties over their finances, it would be easy for them to say to the State, "We have been allowing £2,000,000 to Queensland, but we think you ought to be able to carry on your affairs with £1,000,000 from income tax, and that is all you will get." I am afraid that the position would be an unhappy one for any Government in office at the time. The question was such an important one, and so controversial, that it was referred to the Commonwealth Royal Commission appointed to investigate and make recommendations. Seeing that the States and the Commonwealth could not come to an agreement amongst themselves, it was thought advisable that the Royal Commission should thoroughly explore the whole position, and would possibly be able to make recommendations. In some cases additional commissions were issued to the same gentlemen on behalf of the States. In the report of the Royal Commission they referred to this proposal for amalgamation in these words—

> "The Western Australian agreement effects some useful reforms—e.g., it makes possible a saving in the aggregate cost of collection of direct taxation (Commonwealth and State) in that State. It tends to produce uniformity of income tax law and of the interpretation of that law; and it does away with the necessity for reference by taxpayers to more than one office. But by leaving intact all the differences between the Commonwealth and State income tax law, its value is very greatly reduced, and we do not recommend the adoption of a similar agreement by the Commonwealth and other States."

That is not a frivolous decision. It was the result of a very careful investigation by gentlemen who were exceptionally impartial. They were selected by the Commonwealth to investigate this question, and in their comments and investigations they fully traverse the various attempts to arrive at an agreement, and, after considering all those matters, they make that positive decision that they do not make any recommendation for the absorption of the State departments by the Commonwealth. It is to be regretted that the present expenses have to be borne by the two departments, and that they have to be continued. I regret to say that I see no means of avoiding that at the present time. I am of opinion that there will not be so many advantages resulting from the creation of one department instead of two as some people think. If there is an amalgamation, or if one department is created, it does not mean that the whole expenses of one department will be saved. As a matter of fact, the staff of taxation experts, the assessors and others concerned, who have to examine the various returns, will still have to examine the returns. The State will retain its own right to make provision for its own scheme of incidence of taxation, and its own proposals for exemptions and deductions. No State will give that up. Therefore, there must be supplied by the taxpayer two sets of information. One will conform with the State requirements and one will conform with the Commonwealth requirements; and, if they are examined by one man, it will take twice as long, because he will have to make himself familiar with both Acts. If they are examined by two men—which will be a more convenient and, no doubt, more expeditious manner, because each man then would concentrate on the particular Act which he would have to administer—you would have almost the same staff of assessors that you have now. If it is to be done by the one man assessing for both authorities, then it will probably take him twice as long, and the staff will practically have to be what it is now. You may save on the matter of records and in some clerical work, but in other ways you would only bring about confusion and inconvenience. What do you find at the present time in the Commonwealth? At the present time, with the enormous staffs which they

have, it takes many months to assess the returns for any year. From the time the returns are made until the assessment notices are issued it is nine or ten months, and in many cases when the taxpayers call attention to errors or the necessity for adjustments, they have to wait months again before they get decisions, on account of the tremendous volume of work that has to be done by the Commonwealth; and, where an appeal is made to the Deputy Commissioner for Taxation, where it involves interpretation, unless that interpretation is clearly set out in the orders issued from the central office, it has to be laid aside pending a decision on that question by the central office in Melbourne. The same thing would apply if the State's business was done by the Commonwealth. There would be just the same necessity for having uniformity of interpretation in regard to the State's business as there is in the Commonwealth.

Mr. ELPHINSTONE: Would not that be dealt with by the travelling board?

The TREASURER: A travelling board or an appeal board has been instituted, but that will not expedite matters. It may tend to get uniformity, and that is all it is intended to be—a kind of clearing house. The appeal board which has been established will deal with all appeals by taxpayers. All it does is to constitute an authority for appeal from the Federal Taxation Commissioner. They will all have to go through him. If a decision is set aside by the Deputy Commissioner, it will go on to the Chief Commissioner, and it may be months before he gives his decision, and therefore months before the appeal will be decided. The State system is far more satisfactory than the Commonwealth's can be. I do not say this to throw cold water on any suggestion that there should be economy, but to show that there are very grave matters involved in the amalgamation of the two departments.

Mr. J. H. C. ROBERTS: Will the Commonwealth not agree to the States collecting their share?

The TREASURER: On the first occasion when we failed to come to an agreement on the question of amalgamation, Mr. Watt said he would not have a joint department. He wanted the Commonwealth to collect, and he made an offer to the States. He said, "We will take over the whole business of the States and collect for them at a certain rate." Either Mr. Holman or the Victorian Premier, speaking on behalf of the States, offered to collect for the Commonwealth on the same basis, and said they would collect for the Commonwealth at a lesser rate than it was costing the Commonwealth at that time. The Commonwealth would not listen to it, and, of course, you can understand it would be a difficult matter for them to agree to it, because they have taxpayers making central returns—men who have incomes earned in more than one State. That could easily have been overcome if the Commonwealth had simply wanted to have one authority; but what the Commonwealth are concerned about is not having one authority to collect, but having the Commonwealth authority to collect in all the States. I put forward all these considerations to show that it is not so easy a question to decide as some people imagine.

The Bill itself deals with quite a number of things that have been found to be necessary through the administration of the department, either to lessen the severity of the tax in certain cases where hardship is occasioned, or to make the interpretation of the law clearer where there is ambiguity at present, and in some cases to prevent evasion. Where the intention of the Act is being evaded by astute taxpayers, where the general body of taxpayers are negligent and others are evading it, it is necessary to see that the intention of the Legislature that the tax should operate in a certain way is carried out and that all who come under its operations shall contribute. It is not fair to those who do not want to evade their obligations to contribute the full amount due, if others are evading it. That is why it is necessary to make the law clearer, and opportunity is taken here to do so, which I will more fully deal with in Committee.

There is a considerable amount of misunderstanding on the part of the newspaper Press which has been criticising this measure. I want particularly to refer to that, because some hon. members may have formed an erroneous impression therefrom. The "Courier" has seemingly laboured under a very gross misapprehension in regard to the effect of the Bill. I do not say it has done it wilfully, but it has persistently misunderstood the effect of some of the provisions of the Bill. Actually in one case, where a concession is granted to companies, it attacks that clause as an attempt to put the screw on harder, as it thinks. It has entirely misconceived the effect of the clause in question. It has also—and it has referred to it on more than one occasion since the Bill was circulated—reiterated that this Bill seeks to get round the decision of the High Court in the matter of the exemption from income tax of interest on war loan bonds. It will be remembered that in 1919 an amendment of the law was proposed which would have had the effect of compelling taxpayers to show in their income tax returns the amount of interest derived from war loans, not for the purpose of taxing that interest, which is free under the Commonwealth law, but for the purpose of determining the rate of income tax on the balance. That was held to be unconstitutional, and has since not been operative. The "Courier," in rather perversely insisting that this Bill attempts by a devious method to do the same thing, entirely misunderstands the section. The section refers to exempted income, but not to that class of exempted income which is exempt from taxation under the laws of the Commonwealth. It does not affect in any sense the interest earned on war loans or any other kind of loans.

Mr. KERR: It does not increase the rate of taxation?

The TREASURER: Not so far as that class of income is concerned. There is a reference to exempted income, such as dividends and income of that nature, which is not exempt from taxation but upon which taxation has been paid by the company, and therefore that particular income is exempt in the hands of the individual. We do not want him to pay a second tax on it, but there is no reason why he should not include it in his return for the purpose of arriving at the primary exemption in each case.

Mr. KERR: But he has then to pay at a higher rate.

The TREASURER: He does that now; but the exempted income is brought in for the purpose of giving him the exemption he is entitled to, and no more. Take a hypothetical case. Suppose a man has an income of £500 from personal exertion and he gets £500 in dividends from a company; his actual income is £1,000. He is not asked to pay an additional income tax on the £500 dividends. The company have already paid tax on it; but he is asked to return it, showing his gross income of £1,000, which would not entitle him to get the primary exemption. He does not get the primary exemption.

Mr. KERR: He gets no exemption at all.

The TREASURER: He gets no primary exemption because his gross income is £1,000.

Mr. KERR: That increases the rate.

The TREASURER: It does not matter what the effect of it is. The question is: Is it just that a man getting £1,000 per annum from personal exertion should get no primary exemption, while a man getting £1,000 per annum from dividends should get the primary exemption? That is the present law. It is only a question of bringing the law into equitable operation. The "Courier" is wrong in its statement that the proposal to exempt income refers to the interest earned on Commonwealth war loans or other loans.

Mr. FLETCHER: What difference will it make to the revenue?

The TREASURER: It is hard to say what difference it will make to the revenue. Probably the difference will not be very great. It is, however, treating with proportionate justice different classes of taxpayers. There can be no logical reason why a man who receives income from property or from dividends should be placed on a more favourable basis than a man who receives income from personal exertion.

I might now refer to some of the provisions of the Bill—I am not pretending to refer to every amendment in the Bill; I hope to do that in Committee. But I will refer to the important sections which are dealt with by this amending measure. One amendment relates to the assessment of fire insurance companies. At present they pay income tax on a profit calculated on the rather arbitrary basis of 25 per cent. of their income. In some cases it is easy to determine the actual profit, and the fire insurance companies think that they should be assessed on the actual profit. They have asked for this concession, and we have agreed to it. There is also another provision with regard to the method of computing the capital of a company. At present there are rather rigorous rules relating to this matter. Some companies have been employing their reserves as capital, and, in arriving at the profits earned by the company, they have had to pay on the higher form of taxation. A deputation from the Taxation Standing Committee waited on me and pointed out the hardship that this was causing to certain companies. We have agreed to meet them by allowing the companies to take into account a certain proportion of their reserves which are actually used as capital by the companies, provided that they have paid the full rate of tax on the reserves. The reserves are not distributed but are used for the purposes of the company, and so long as they pay the tax on the reserves, they can be taken into account as capital. We have also agreed to take as capital the average amount of capital used during the year instead of fixing the capital at the rate at which it stood at the beginning of the year.

Mr. KERR: What about the writing up of capital?

The TREASURER: We are providing for that. We are making provision to exempt certain co-operative companies from taxation. I do not want hon. members to misunderstand the application of this clause. It is impossible to exempt all co-operative companies from taxation, and there is no justification for it while other ordinary individuals pay income tax on moneys earned from their properties. There are some companies which are purely co-operative in nature. They have been formed, not for the purpose of making profit, but to render services to their suppliers or consumers. When their articles of association provide that the profits shall not be distributed, and that no profits shall be made, then they need not pay any income tax on their income.

Mr. J. H. C. ROBERTS: They cannot help making profit.

The TREASURER: So long as their articles of association provide that the profits are not to be distributed, they will not have to pay income tax. It may be thought that this should be made to apply to all co-operative companies, but it is impossible to do that. There is a great number of companies that are co-operative, but they are not co-operative in the true sense of the term. Many of them are producing companies. They are co-operative in the sense that their suppliers are shareholders and there are some distributing companies that are co-operative in the sense that most of their customers are shareholders. If we exempt companies of that nature from taxation, then it is only granting a concession to those who participate therein which is not given to the ordinary citizen. Take the case of a sugar-mill. Some of the mills are co-operative in the sense that the suppliers of cane are shareholders. There is no reason why they should get an exemption from taxation. If they are shareholders in that sugar-mill, and they were granted an exemption from income tax, they would be put on a more favourable basis than the growers supplying cane to a private mill. As a matter of fact, if those mills made no profit but distributed it by way of higher prices for cane—that is, distributed the whole of their earnings to the individual suppliers—the latter would have to show an extra amount of income. That shows that you cannot exempt a co-operative company justly, unless you are going to readjust the whole system of taxation. Then there are other companies which are not co-operative in one sense but are co-operative in another sense. There may be a company with 1,000, or 4,000, or 10,000 shareholders, and the benefits of their activities are distributed among that number of persons.

Mr. G. P. BARNES: It does not interfere with the previous principle?

The TREASURER: What I have in mind are companies established by farmers for erecting factories without any [2.30 p.m.] intention of making profits or dividends. If such a company showed in its accounts a small profit it would have to pay income tax; but under

this Bill it can get entire exemption by amending its articles of association to provide that all such profits shall be distributed by way of additional payments to suppliers.

Then we make an alteration with regard to the taxation of casual profits. If property has been sold after having been owned for twenty years, a rather arbitrary system is adopted of determining what the profits on the sale are and taxing them in the year in which it is sold. I know that hardship has been occasioned by the practice. The various State Commissioners, I think in 1917, formulated a draft taxation measure for the purpose of bringing about uniformity in these matters, but Queensland was really the only State which adopted it. We adopted the practice recommended with regard to several things, including deductions and exemptions and so on, but the other States refused to have anything to do with it. As most of the other States have not adopted the uniform proposal, I do not know why we should. In most of the other States casual profits are not taxed. In New South Wales a tax is imposed on casual profits made on the sale of land acquired within five years of the date of sale. By this amendment we propose to take it back seven years, which is a very fair compromise, considering that under the present system the period is unlimited.

Mr. KERR: Do you call profits made on a racecourse casual profits?

The TREASURER: Not many persons return those profits. The fact is that most of those persons who are foolish enough to invest money on a racecourse find themselves at the end of the year on the wrong side of the ledger; so that there is not much loss of revenue from the punter's point of view. Most of the profit is made by the bookmaker, and he has to return his profits.

Provision is also made for a tax upon a distribution of assets of a company by way of dividends which, through a defect in the Act, avoided taxation, and there is also an alteration as to the taxation of profit on the sale of goodwill in a business.

We also introduce a new section dealing with the taxation of profits earned by those engaged in the pearl-shelling industry. At present the Act is not definite that we can collect the tax, but I think we ought to make an attempt to do so. There is no reason why anybody who gets the protection of the laws of the State—and it is a very valuable protection—should not contribute to the revenue of the State. This has been a very vexed question for years, and it is known that the large profits made by some pearlers pay no tax whatever, either to the Commonwealth or to the State. Of course, in cases where shell is fished outside British territorial waters, it may be said that the profits are not liable because they do not arise in Queensland; but the business is carried on under the protection of the Queensland law, and we are now going to attempt to assess those engaged in the business.

Provision is also made for the registration of taxation agents. This is a novelty—in Queensland, at any rate—and I believe it will be beneficial. A great many taxpayers have recourse to taxation agents, and in some cases there has been absolute negligence on the part of the agent, causing delay, inconvenience, and actual loss. Taxpayers have been mulcted in many penalties because of the deliberate neglect or negligence of such agents, and this provision is an attempt to avoid that difficulty in the future. Reputable agents, I think, will welcome this clause. Some may think that the fees proposed are too high, but that can be considered in Committee. One of the associations embracing taxation experts intimated to the Government that a board should be appointed, and that a representative of the taxation agents should be put upon it. I think that is a fair proposal, and we can make that provision in Committee.

Provision is also made to tighten up the Act in regard to what are known as transient taxpayers, who come here under engagement or contract or in some other way and earn money in part of the year and leave without contributing their due proportion of tax. Such a person gets the same advantage as any other temporary resident of Queensland, including the protection of the State laws, but a great deal of evasion occurs in that way. By the proposals in this Bill we hope to avoid that in the future. As a matter of fact, the only way to get such persons is for the Commissioner to waylay them, get them to make returns, and assess them peremptorily on the spot. In some cases people come here on very high salaries—perhaps for three months for £500—and there is no reason why they should not contribute to the revenue in the same way as a man who is domiciled here and earns an income at the rate of £2,000 a year.

I should now like to run through the concessions which this Bill makes, and then refer to the provisions which may return additional tax. First of all, it gives a concession by treating as a dividend payments to directors in excess of a reasonable amount. The Act at present enables the Commissioner to prevent a company from paying fictitious amounts as fees to directors. Sometimes that method is resorted to by a company to avoid the payment of income tax on profits. For instance, instead of paying £200, which might be a fair thing, it pays £2,000, and thus avoids the payment of income tax. The Commissioner can still decide to limit the fees, but in that case the payments received by the director can be treated as dividends. If the company pays tax as on dividends, the director can return it as exempt income and double tax will not be paid upon it, as at present.

In the second place, certain foreign companies have had their rates of tax fixed in accordance with the ratio which the profits made outside the State bear to the paid-up capital when this ratio has been greater than the ratio of the Queensland profits to the Queensland capital, but this is now being cut out. That is a direct advantage to that class of company.

I have already referred to the reserves. The Commissioner may allow a company to include in its capital certain reserves, so long as it has paid the full amount of tax upon those reserves.

The rate of tax on dividends paid out of profits earned prior to 1902 has heretofore been one shilling in the £1. That is now being reduced to sixpence. It may seem remarkable to some hon. members that some of the profits earned prior to 1902 have not been distributed, but it is a fact, and under the present law the Commissioner is entitled to charge one shilling in the £1, although no income tax was applicable before that year.

I have already referred to the casual profits made from the sale of property.

Mr. G. P. BARNES: If the profit were made prior to the passage of the first Income Tax Act, what right have you to charge tax on it?

The TREASURER: The hon. member might have asked that question for the last twenty years. The law has always authorised it; but one shilling in the £1 is, perhaps, too great, and therefore the tax is being reduced to sixpence. Where properties are held for more than five years before being sold, the rate of tax has been reduced. The Commissioner, instead of charging the full rate that the aggregate amount would attract in the year in which it is distributed, divides the amount of the profit by the years over which the profit has accrued, and charges a correspondingly lower rate.

We propose to give the Commissioner power to allow the deduction of any amount paid for the cancellation of a lease. At present, if an amount is received as a premium on the sale of a lease, it has to be returned as income. If an amount is paid for the cancellation of a lease, it has to be returned by the person who receives it, but it is not allowed to be deducted by the man who pays it. The Bill corrects that anomaly.

We are allowing a reduced rate of tax to a landlord when a tenant effects repairs which become the property of the landlord, on which the landlord is taxed. Some hardship is caused when the lessee effects improvements costing in some cases thousands of pounds. It is taken as improving the landlord's property, and therefore as being income for that year. It has been a hardship to the landlord to have to pay income tax on that greater amount, therefore it will be reduced to a proportionate amount spread over a number of years. That is a concession.

At present, if a wife has income exceeding £15, the husband is not allowed to claim as a deduction £26 for her maintenance. The Act states that the wife must not have any income before the concession can be granted. We are now fixing £26 as the limit of a wife's income to enable the husband to claim the deduction under the Act.

We are allowing deductions to be made in regard to payments to Friendly Societies by persons other than those in receipt of wages and salaries. At present, deductions in respect of such payments can be made only by an employee, not by an employer, a small business man, or anyone else. We are correcting that anomaly. We are also allowing contributions in kind as deductions as well as payments in cash. Sometimes individuals, wishing to make a contribution to a charitable or educational institution, may make a contribution in shares—a contribution of very considerable value, perhaps, to the recipient—but that person is not allowed at present to claim that contribution as a deduction. We are allowing donations in kind to count as deductions.

We are reducing the rate of tax payable on certain interest paid out of an estate; reducing the penalities for late payment of tax; extending the time in which claims for allowance can be made; and certain absentees who earn income during part of the year will be granted partial exemption.

By altering some of the sections of the Act, additional revenue will be received. This is not being done as a means of increasing the taxation but as a means of bringing about uniformity between the various classes of taxpayers. Certain syndicates at present are in existence. Some of them actually were formed for the purpose of evading the income tax law. Those syndicates cannot be assessed as companies; they are not registered as companies, and they are not companies. We are altering the law to bring them in. It is not intended that this provision shall apply to bona fide partnerships—they will still be treated as partnerships.

Mr. KERR: You will have to make an amendment to your Act if you are excluding partners.

The TREASURER: We are making an amendment to the Act, making it more clear.

Mr. G. P. BARNES: It is not defined very well.

The TREASURER: If it is necessary to alter it, we can do it in Committee. There is no desire to bring in bonâ fide partners.

Mr. TAYLOR: Associations like the National Association can be brought in under this.

The TREASURER: If that is the case, we will correct it; it is not so intended.

Mr. KING: Where matters have been compromised and settled, what will be the effect of this? I see its operation goes back to last July.

The TREASURER: Those matters which have been compromised and settled will not be altered by this. The exemption of £200 (or part) will be reduced when the taxpayer receives income from dividends. That is the matter which we were discussing just now.

These are ways in which the amendments may affect the income in the way of increasing it; I do not want to keep that fact back from hon. members. These amendments are not intended merely to increase the revenue; that is only an incidental factor. Profits shown as the result of writing-up the values of assets owned by a company will now be taxable. That is justifiable. If the profits increase to such an extent as to justify the writing-up of the values of the assets, and that action is taken, that must be shown as profit for the year. Profits made on shares other than profits made by selling shares are to be taxed. Bringing in as sales the distribution of assets and the transferring of land resumed by the Government or by local authorities is effected by another amendment. In future dividends are to be added to a taxpayer's taxable income before the amount to be allowed as a deduction for the maintenance of dependants is calculated. Also, these allowances are to be rebated when a taxpayer is in the State for only part of the year. We are adding casual profits to the incomes of certain fire insurance companies which are assessed on an arbitrary basis. Fire insurance companies are assessed upon 25 per cent. of the premium income, but it is known that they have casual profits in addition to their ordinary business, and they will have to return those as profits and be taxed on them. We are also reducing the exemption of £200 when the income is earned during part of a year only.

I think that I have practically traversed the main features of the Bill. Much detail has not been referred to, but if questions are asked when the clauses are before the Committee, I shall be only too happy to give information or to explain the nature of the amendment.

Hon. E. G. Theodore.]

I should like, before concluding, to refer to a letter which I received this morning from the Taxation Standing Committee, signed by the secretary—Mr. Albert E. Harte. He points out what he considers to be several defects in the Bill and suggests certain amendments. Looking at them casually this morning, I could see that one or two of them can be accepted. Others may require some consideration. As he expresses an opinion in regard to the Bill itself, I would like to read it for the benefit of hon. members. He says—

> "The Committee recognise that the Bill is a serious endeavour to produce an improved Income Tax Act, and they are satisfied that it has such an effect. They believe, however, that their suggestions as herein stated would tend still further to improve the measure and give satisfaction to the community. It is admitted, however, that the Income Tax Act in its amended form will be very cumbersome by reason of the difficulty of relating the amendments passed in recent years with the principal Act. Accordingly, they respectfully urge that as soon as possible the Income Tax Act be consolidated and reprinted as referred to in section 30 of the Bill."

That is the intention. Clause 30 was put in the Bill in order to enable the Parliamentary Draftsman and the Government Printer to bring out a consolidated Act when this Bill is passed. The Parliamentary Draftsman will put the sections in their proper order according to chronological considerations and the subject matter with which they are dealing. The consolidated Act will be printed and made available in the course of a month or two after the passing of the Bill; therefore the taxpayers and those who are connected with the administration or interpretation of the measure will have the Act in a readily available and easily understood form. I now beg to move—

> "That the Bill be now read a second time."

Mr. ELPHINSTONE (*Orley*): The ramifications of this Income Tax Act Amendment Bill are such that it requires a trained mind to be able to follow them and judge the effects that they are going to have. Personally, I do not lay claim to such a knowledge of the subject as to permit me to give a thorough criticism of this measure. I do not suppose that the Treasurer even supposes that we are capable of doing it. We have had so many Income Tax Acts Amendment Bills—I think we have had one every session I have been in the House—that it makes it exceedingly difficult to follow these measures and trace them back in order to ascertain the effect they are going to have on the original Act. I am delighted that there are some prospects of having a consolidating measure to give to those who are not taxation experts—and we do not claim to be taxation experts—an opportunity of studying the effects of these various alterations and amendments upon the average taxpayer. Amongst the duties we are called upon to perform is to afford protection to the taxpayers. It is said that the Opposition represent the class which pays the taxes. If it is meant by that that the Opposition human frailties of the Opposition and the striving in the community, it is quite right that we should do that; and, therefore, the responsibility falls upon us of doing what we can to protect them. It is our duty, therefore, to understand this measure so far as we are able.

It is claimed that—

> "Man's inhumanity to man
> Makes countless thousands mourn."

The Government's inhumanity towards the Opposition during the last two or three weeks will make countless thousands of people in Queensland mourn, by reason of the fact that legislation is being passed in a speedy manner, which legislation we have not sufficient time to digest or criticise in a proper and thorough manner. It is humanly impossible for any man or set of men to study the present volume of legislation in the manner in which we should do as His Majesty's Opposition. (Government laughter.) We lay claim to that distinction, and I think the Treasurer has admitted that we are entitled to it. It is all very well for hon. gentleman opposite to specialise in certain measures, and for a Minister to control certain Acts with his officers sitting in the lobby giving him all the information he wants. We have to delve in all these measures. On one occasion we had ten Bills flung at us in one day. We are expected to digest those Bills properly, and give a faithful interpretation of them. It is impossible. I do hope that the time is not far distant when consideration will be given to the human frailties of the Opposition and the duties they are called upon to perform for the community. I listened with a great deal of interest to the remarks of the Treasurer with regard to the vexed question of Commonwealth and State taxation. There was a good deal of force in the arguments which he advanced in regard to the proposal that the State should surrender its taxation rights to the Federal authorities. I think it would be much better if the Commonwealth left its taxation matters to the State authorities rather than that the State authorities should relinquish their taxation collection in favour of the Commonwealth. There is no doubt that we have our officers available with a determining voice to say "Yes" or "No" without undue delay, and that is going to remove, to a certain extent, the harassing problems confronting the taxpayer. When you think that all these problems have to be referred to Melbourne, as is the case where Commonwealth taxation is concerned, it naturally follows that undue delay must occur. I am more in favour of a proposal for the Commonwealth to entrust the State with the collection of its taxation. I am very jealous of the rights of Queensland, and I do not want to see those rights filched away by the Commonwealth more than is actually necessary for the proper conduct of the Commonwealth. I resented very strongly the giving away or selling, or whatever you like to term it, of the State Savings Bank to the Commonwealth. It is quite amusing now to hear the Treasurer, who took a most important part in that transaction, defending the State's rights in regard to retaining its taxation privileges. Is it not a fact that the Federal Labour party, to which the hon. gentleman belongs, has as its objective direct unification?

The TREASURER: Reconstruction.

Mr. ELPHINSTONE: Reconstruction means unification in the broad sense of the term in its application to this particular problem. It means that the State is to be deprived of its rights. It sounds rather odd and almost amusing to hear the Treasurer

get up and defend the States' rights in this regard. We know that when the opportunity comes—God forbid that it be soon—for the Labour party to assume the reins of power in regard to Federal matters, the States' rights are going to be reduced to a negligible quantity. I was sorry to hear that there is not going to be greater relief given to the parent who bears the chief burden of taxation in Queensland. The exemption with regard to each child and the wife still remains at £26, which is totally inadequate under existing conditions.

The TREASURER: The purchasing power of money has increased.

Mr. ELPHINSTONE: The purchasing power to-day is still much less than it was in 1915, when this allowance was fixed. There is room for consideration in this direction. Further relief would be of benefit to the man with an income of £300, £500, or £600 per annum who belongs to what you might call the middle-class of the community—if we want to draw a class distinction—and who is trying to train his boys and girls that they may become of some use to the community, instead of belonging to that mass of unskilled workers which we see Queensland suffering from to-day. We look to this man to benefit the community by giving to his children the benefit of secondary education and such like benefits that will fit them to take a responsible position in the industrial community. I ask that the allowance for children and the wife be increased from £26.

If I am allowed to give an analysis of this measure, I would say, firstly, that clauses 5 and 8 prescribe that all those in receipt of an income of less than £1,000 per annum, any portion of which income is derived from dividends, will have to pay increased taxation. I wonder if the hon. gentleman really realises the significance of that point.

The taxation to be paid by companies and all large shareholders in such companies—who have really been anathema to hon. members opposite—is actually reduced by reason of the alteration in the definition of the term "capital." I am not saying that they should not be relieved of some taxation. We are often compelled to call attention to the inconsistencies of hon. gentlemen opposite. The point is that the taxpayers who are best able to pay the tax are being relieved, and those who are in receipt of incomes of less than £1,000 per annum, who derive any portion of their income from dividends, are having further impositions placed upon them by this measure.

The Treasurer did not refer to the intention of imposing a burden upon certain taxpayers in the way of keeping books. We know that there are many people in Queensland in large and small ways who evade taxation by reason of the fact that they do not keep properly audited books, from which a true analysis of their income and expenditure can be drawn.

Therefore, I quite agree that it is reasonable and necessary in most cases to insist that the taxpayer who purposely evades his obligations should be called upon to keep some system of books whereby the Commissioner of Taxes may derive some information as to the true position which that man is in financially. But the provision entailed in this measure gives the Commissioner of Taxes the right to insist upon every income earner in Queensland keeping a set of books, and the point I wish to make is that [3 p.m.] it is imposing a harsh burden upon the small man. Take a farmer, for the sake of argument, who belongs to a class in the community that the present Government have recently discovered has some rights and privileges, or should have. He is a man who will be adversely affected by insisting upon him keeping books. There are many farmers who do not understand figures and who do not want to be bothered with books, and the only way in which they can comply with this condition is by paying fees for books and accounts to be kept. There are many of these men who rely on their cheque books and bank pass books for information as to their financial position at the end of the year, and to show their turn over and general expenses and income. These men are to be compelled, if the Commissioner so wills it, to keep books, and that is going to entail a hardship and expense upon them. It is quite conceivable—and all I require in this regard is an assurance that it will be so—that no undue hardship will be inflicted by the application of this clause, because it will be a hardship on many of these men who are now burdened with all kinds of returns in the way of income tax to two channels, land tax to two channels, or, at any rate, to one, and it all depends on the sympathy which the Commissioner introduces in the application of this clause.

Another point is that we are imposing upon a section of the community which already pays fees for the privilege of attending to the financial business of clients a further burden of a registration fee of ten guineas. The man who spends the early days of his life in qualifying himself to attend properly to affairs of finance is to be called upon to pay a tax of £10 10s., while it is in the Commissioner's power to grant exemption to anyone not specialising in such work who does not expect to receive from the preparation of income tax returns more than £10. When we come to that clause in Committee, I shall have a good deal to say about it, and I am glad to know from the Treasurer that he will be prepared to listen to argument in that connection. I have here an advertisement which struck me as being particularly undignified. The advertisement reads—

> "HANDYBOOK TO LAND TAX (STATE).
>
> "By E. C. Landeman, an Assessor of Land Tax of six years' standing.
>
> "Each taxpayer should familiarise himself with the procedure and requirements of the Taxation Department. It means endless saving of worry and bother if you do. Landeman's Handbook, having been written by an officer of the department, with full official sanction, gives just what is necessary in clear and simple language which anyone can read, and it contains, moreover, specimens of all the forms properly filled in, so that you can just copy them to make out your returns.
>
> "To popularise and to introduce this book, I, the author, am prepared to give away from twenty to fifty copies free of all charge to farmers, graziers, and others on the land who, through drought or other financial straits, are applying for remission of tax under section 46. It will show them clearly what to do and what to avoid, and will ensure, as far as

can be done, the success of their application. If they derive benefit from it, they can recommend my book to their friends. There are no strings or bags attaching to this offer. The only condition attaching is that the applications, which should be addressed to me only, must be genuine, and they will be treated as strictly confidential. Price, £1 1s.

"E. LANDEMAN,
"Byron street, Bulimba, Brisbane."

I understand that this gentleman is an officer of the Income Tax Department, and in my opinion it is totally undignified for one of the department's officers to advertise his wares in that manner.

Mr. KIRWAN: I thought a public servant was not allowed to earn money outside the service?

The TREASURER: Not without permission.

Mr. ELPHINSTONE: Evidently this gentleman is. He is prepared to give away twenty to fifty copies free of charge to advertise his book, and he is advertising this work with the full sanction of the taxation authorities, or he says so.

The TREASURER: There can be no harm in explaining the taxation laws.

Mr. ELPHINSTONE: Not if the taxation authorities do it themselves, but here is an officer of the Taxation Department who is asking £1 1s. for a copy of his book, which he receives independent of his income from the department. I am not going to say that there is anything wrong in this proposal; but this is the proper stage to raise this point, now that we are talking about the taxation and registration of these experts, and it jars with me, at any rate, to see one of the taxation officers advertising his wares in that manner with the full authority, as he claims, of his principal. Does it not strike one as improper that one of the officers of the department should be permitted to draw fees independent of his salary for showing taxpayers how to reduce their payments to the Taxation Department?

Another point that I wish to deal with at this stage is that this Income Tax Act, which prior to 1918 was a model so far as Australian Income Tax Acts are concerned, is now becoming a terribly involved proposition. It is not only involved to us who are not expert at it, but it is becoming involved to those who are expert at it, and so involved indeed that I honestly say, with all due deference to the Commissioner, that he himself does not understand his Act. (Laughter.) You may laugh at it, but I have every ground for saying there are directions in which the Commissioner himself does not know where he is in regard to the effects and incidence of the original Act and the amending measures. I do not say it disparagingly of the Commissioner, because he would be superhuman if he could follow all the ramifications of this measure. I merely call attention to the fact so that we may have some consolidating measure prepared which will give the lay mind an opportunity of understanding his obligations to the State and fulfilling them in the way the great mass of people wish to do.

In this measure we see no reference to a limitation of the super tax on the income tax. In the Land Tax Act the reimposition of the super tax was limited to twelve months, though the Treasurer certainly told us when introducing that measure that it might be possible to reimpose it for a further twelve months.

The TREASURER: I said it might be necessary.

Mr. ELPHINSTONE: I was inferring by that that he meant his own Government would be out of power, and any new Government would not have to reimpose it. I can assure him that, had he put a twelve months' limitation on the super tax as regards the income tax, the same argument would apply with equal force, except that the super tax in regard to the income tax is about three times as heavy as the super land tax, and therefore it is a golden egg which the Government do not like to relinquish quickly.

The Treasurer carefully avoided all reference to the lottery clause. I do not know whether he did that by accident or design. What I want to call attention to is, that during the last two years the Commissioner has been extracting something like £60,000 in taxation from those gamblers which he had no right to collect—illegally demanding it from those people. The hon. gentleman did not tell us that. I thought the time had come when the Premier was beginning to tell us all the mistakes he had been making in the past, and he might easily have told us that and made a virtue of necessity.

The TREASURER: The Commissioner does not collect any income tax on that.

Mr. ELPHINSTONE: He is a party to it.

The TREASURER: He does not do it.

Mr. ELPHINSTONE: It is quite illegal. The Premier knows that it is illegal. One has only to look at his face to see guilt written there. (Laughter.) I think it is an acknowledged fact that the Commissioner has been collecting the tax of 3d. per ticket illegally, and that he has drawn from these people who buy tickets in these lotteries something like £50,000 or £60,000.

The TREASURER: If the hon. member is right, all the Commissioner has to do is to hand it back to the "Golden Casket" office.

Mr. ELPHINSTONE: Do you propose to do that?

The TREASURER: Certainly not. (Laughter.)

Mr. ELPHINSTONE: It is illegal and ill-gotten gain. My argument is that the hon. gentleman is improperly extracting this money from the workers and others, not even for the maintenance of the hospitals. If this money has been illegally obtained from those particular individuals, why should the hon. gentleman not hand it to the hospitals fund?

The TREASURER: I do not say that it is illegally obtained.

Mr. ELPHINSTONE: The Treasurer has felt so shaky about it that he has put a special clause in the measure to deal with it, and I think it will be admitted that what I say in that regard is correct. Another point is this: The Treasurer knows that, in addition to this taxation which is imposed on the tickets, the Commissioner can by law treat the income which the taxpayer derives in prize money from the lottery as income for taxation purposes.

The TREASURER: No.

Mr. ELPHINSTONE: We must take the hon. gentleman's assurance that he is not doing it; but if he does, he has been deriving

double taxation from the proceeds of these lotteries.

I want to deal with one or two points in the annual report of the Commissioner of Taxes, as this seems to be the right occasion on which to refer to the matter. In particular, I want to stress one or two points in the opening remarks of the Commissioner. He says—

> "Although the number of assessments for the year ended 30th June, 1922, increased by 11,135 as compared with the number for the previous year, the amount of tax collected showed a decrease of £215,808."

My point in stressing that feature is this—that, although the burden of taxation fell on 34 per cent. more people last year than the previous year, yet, in spite of that larger area for tax collecting purposes, the receipts were 17 per cent. less than in the previous year. Does that not really show the effect which taxation is having upon the community?

The TREASURER: No.

Mr. ELPHINSTONE: I argue that it does. Just as when you keep raising railway fares, it will have the effect of reducing the number of passengers if the limit of reasonableness is exceeded, so is it the case with income tax. When you get beyond a certain limit of taxation, you must of necessity reduce the amount of the tax you collect. Here we increased the number of taxpayers by 34 per cent., yet the total income derived from them was 17 per cent. less.

Mr. FERRICKS: You would like to see a dozen people paying the whole of the income tax.

Mr. ELPHINSTONE: I do not understand how the hon. member arrives at that deduction. In connection with the Premier's new-found sympathy for the man on the land, I want to give him a few figures in regard to incomes which were derived from the dairy farmer, the fruit farmer, and the mixed farmer last year, and I am talking about individual exertion and not companies.

The TREASURER: What page are you referring to?

Mr. ELPHINSTONE: Page 4 of the report of the Commissioner of Taxes, table A. The extraordinary feature is that there were only 339 farmers other than cane farmers who paid income tax last year, and of that number 197 were dairy farmers, eleven fruit farmers, and 131 mixed farmers.

The TREASURER: It shows that we were not taxing them off the land.

At 3.15 p.m.,

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

Mr. ELPHINSTONE: In spite of the small exemption, there are only 339 farmers—that is, dairy, fruit, and mixed farmers—who made sufficient money to pay taxation under this Government's regime, and only eleven of them were fruit farmers. It is unthinkable that out of the thousands of fruit farmers in Queensland only eleven made sufficient profit to pay income tax last year.

The TREASURER: The hon. member for Drayton said that we were putting the whole of the income tax on them.

Mr. ELPHINSTONE: I am not responsible for the utterances of the hon. member for Drayton. I am taking the Commissioner of Taxes' own report.

Another point I wish to stress is that there were only 388 hotelkeepers who paid income tax in the State last year. That is an astonishingly small number, and if the effect of these tightening clauses which the Commissioner has suggested is going to bring larger numbers of these men within the realm of taxation, it is well worth attempting. I am quite satisfied that there are many more than 388 working hotelkeepers in Queensland who are making an income of more than £200 per annum. We hear a good deal about the capitalists in Queensland—men with independent means we are led to understand them to be—yet there were only 138 men in Queensland with independent means paying income tax last year. I do not know whether the hon. member for Bowen is one of them—I dare say he is.

Mr. COLLINS: I am satisfied that you do not understand the figures you are quoting.

The TREASURER: The hon. member is wrong so far as hotelkeepers are concerned. There are 627 who paid income tax last year. Quote the table on page 7. You are only quoting with regard to income from personal exertion.

Mr. ELPHINSTONE: I am talking about personal exertion, and that is what we are interested in in Queensland.

The TREASURER: The hon. member said that he was surprised to see that only 388 hotelkeepers paid income tax last year.

Mr. ELPHINSTONE: I said on income derived from personal exertion. I am not interested at the moment in anyone who does not derive his income from personal exertion.

The TREASURER: But you cannot show the effects fully in regard to hotelkeepers unless you quote all their incomes.

Mr. ELPHINSTONE: This is the point I want to make—I am quite satisfied that there are more than 388 hotelkeepers in Queensland who derive incomes from personal exertion and who ought to pay income tax. I can read into this Bill in connection with the amendments which the Commissioner is suggesting that the time has arrived when he should get his hands on more of the taxable income made by this class than he has hitherto been able to do.

Mr. WEIR: Will not the provision for keeping the books deal with that?

Mr. ELPHINSTONE: Yes, but I am not referring to hotelkeepers when I am saying that in the matter of keeping books taxpayers should be treated sympathetically. I am simply applying that to the man on the land.

Mr. WEIR: You also know the difficulty there is in collecting taxation on cash sales.

Mr. ELPHINSTONE: I do.

Mr. WEIR: Is not that obvious here?

Mr. ELPHINSTONE: It is obvious. The deductions to be drawn from the figures I have mentioned with regard to hotelkeepers show that some method will have to be adopted to get a better percentage of taxation from that portion of the community.

Now, dealing with exemptions. We all know at the present moment that the exemption is £200, reducing by £1 for every £4 in addition to the £200 which the taxpayer may earn. Hitherto dividends have been taxed at their source, and they have not been taken into consideration

in arriving at the amount of exemption which the taxpayer is to enjoy. That is to be knocked out, as I will show by illustration directly. Taxpayers whose incomes are less than £1,000 are affected by this measure. It is the small man who is affected, and not the big man. With regard to taxpayers whose incomes are less than £1,000, under this new provision they will pay a higher tax, by reason of their taxable income being increased by the amount of dividends received. The whole question as to the way dividends should be taxed wants to be reconsidered. It is a pity that some reform in this direction has not been introduced in this measure. I think I am right in saying that the Commonwealth taxes dividends in the hands of the taxpayer, and then taxes the profits that are left in the hands of the company. Yet in our Income Tax Act the Government say, "We will tax all people's dividends alike." I will give an illustration to demonstrate my point. You may have two people getting an income from dividends. One man gets £2,000 a year and the other £200 from the same source. They both may be actually dependent on that source of income, yet they have to pay the same tax.

The TREASURER: You are quoting an exceptional case.

Mr. ELPHINSTONE: You have to quote extreme cases to exemplify the point. Is it not unthinkable that one taxpayer may be getting £2,000 from a company and another £200 in the form of dividends which is their only source of income, and that they should have to pay exactly the same tax?

The TREASURER: That is a very exceptional case.

Mr. ELPHINSTONE: The figures I am quoting are almost identical with an actual case. Nevertheless, the argument applies that these people are taxed alike, because we tax the dividends at their source instead of taxing them in the hands of the taxpayer.

The TREASURER: Our method is better than the Commonwealth method.

Mr. ELPHINSTONE: I am talking of the equity involved in this particular principle, and I am pointing out that the large and small taxpayer pay alike when their incomes are derived from dividends. Notwithstanding what the Treasurer has stated, it is a fact that the Government wish to drag in, in some form or another, the income which some people are deriving from Commonwealth loans, so as to raise the amount of the taxable income which the Commissioner has to tax upon in this State. We know that two distinct attempts have been made by devious ways and means to take into consideration the income which is derived from Commonwealth loans, and even State loans, so as to bring the income they derive from that source into consideration with other incomes, in order that the tax may be increased.

The TREASURER: Where were the two attempts made?

Mr. ELPHINSTONE: There is no need for me to recapitulate them.

Mr. POLLOCK: You have made a charge that there were two attempts made, and you ought to prove it.

Mr. ELPHINSTONE: The Treasurer knows them quite well. If the Treasurer wants me to give an illustration, I will give him one. I remember in the closing days of last session, when we were being "gagged" all hours of the day and night, and when our present Agent-General for Queensland was in charge of a taxation measure, of which he had not the slightest knowledge——

The TREASURER: You are wrong.

Mr. ELPHINSTONE: I say I am right. He had no knowledge of it, and he covered his ignorance of the measure by putting the "gag" on whenever he got into a tight corner. We know that that was done. When I was referring to the incidence of that particular clause the Speaker looked pointedly at the clock, and it was clearly an indication to me that I should not be on the earth at all. Yet within a few months of that particular incident the Treasurer had occasion, by regulation, to withdraw that provision.

Mr. POLLOCK: You said that two attempts were made. Where were the two attempts made?

Mr. ELPHINSTONE: Speaking from memory, the Government wished to deduct the amount of money which was invested in Commonwealth War Loans from the capital of the company, and thus increase the rate of dividend and the tax thereon.

The TREASURER: The hon. gentleman is wrong in saying that two attempts were made.

Mr. ELPHINSTONE: I have given one of them, any way. The other one was made two or three years previously, and I am sure that must be in the mind of the Treasurer at present.

The TREASURER: There was only one attempt.

Mr. ELPHINSTONE: Well, I will call it two editions of the same offence.

The TREASURER: Is there any attempt being made to bring them under this Bill?

Mr. ELPHINSTONE: Yes.

The TREASURER: You are wrong.

Mr. ELPHINSTONE: I will give you an illustration. (I may say that I am not connecting my remarks with any criticism that appears in the "Courier.") I will give my illustration, and the hon. gentleman can say whether I am right or wrong.

Mr. PEASE: You are wrong.

Mr. ELPHINSTONE: If the hon. member for Herbert says I am wrong, then I must be wrong. The hon. gentleman has a great knowledge of financial matters, and, when he tells me I am wrong, I might as well sink through the earth. However, I would sooner have the Treasurer's opinion on that matter than the opinion of the hon. member. Clause 10 of this Bill makes provision for the loss in business that may be deducted from any other income earned by a taxpayer. I ask if the deduction I make from that clause is right or wrong? A man in business may lose in one year £1,000 from that business. He may receive £1,000 from property; he may also receive £1,000 from dividends, and a further £1,000 from investments in war loan. That means that he has an income of £3,000 from other sources, although he has a loss of £1,000 on his own business. The present procedure is this: The loss of £1,000 on his business is put against the £1,000 income from property, so that he pays no income tax at all, as the

income from dividend is taxed at the source, and the income he gets from the war loan is exempt from State taxation. Clause 10 of this amending Bill provides that the loss of £1,000 in business shall be equally set against his income from the other three sources.

The TREASURER: That is the whole point.

Mr. ELPHINSTONE: No, it is not the whole point. You are cornered. Just be quiet and let me finish my argument, and I will listen to yours afterwards. This is what the Commissioner proposes to do under this measure: He places the loss of £1,000 against the three other channels of income, namely, the income from property, dividends, and war loan. He makes the loss on dividends £333, the loss on property £333, and the loss on war loan income £333. The result is that the Commissioner, in a very ingenious way, is going to assess that man on an income of £666, which is the net income that he is shown as receiving from his property.

The TREASURER: Will you answer this question? Is that right or wrong?

Mr. ELPHINSTONE: I say that my interpretation of that particular clause is the correct one.

The TREASURER: Do you say it is wrong?

Mr. ELPHINSTONE: I am not arguing that point.

The TREASURER: That is the only point involved.

Mr. ELPHINSTONE: The investors in war loans should not under any circumstances be called upon to pay income tax in regard thereto. It has always been understood that income derived from war loans should not be taken into consideration in arriving at a man's taxable income.

I have often been twitted in this House with having got various emoluments while asking people to invest in war loans. I am very proud of my achievement in that direction. When I was appealing for subscriptions to the war loans, I was often asked if the investors would have their incomes from war loan exempt from the realms of taxation, and I said they would. Naturally, I appealed to the selfish instincts of investors, and the result was that many of those men—I am not saying all of them by any manner of means—actually put their money into war loans for the purpose of placing their money away from the realms of taxation.

Mr. FERRICKS: And they called it patriotism.

Mr. ELPHINSTONE: I am not going to say what it was. If hon. members opposite think that I am going to defend the patriotism of many men who put their money into war loans, they are mistaken. I am not going to do it. We are now talking finance and not patriotism; and those men distinctly understood that that money would [3.30 p.m.] be put beyond any possibility of taxation. We have lately been devising ways and means of defeating this object, and I am not blaming the Commissioner for doing this. It is probably his duty to devise ways and means to meet the financial position, but at the same time it is not our duty to permit him or to allow ourselves to do anything which is going to be a breach of faith to those persons who took up war loan bonds. Now I have answered the Treasurer's question; he must be equally frank and tell me whether this provision of the Bill is going to have the effect I mention on that £1,000 which the taxpayer in the illustration draws from war loans.

The TREASURER: All it does is to bring in income which is exempt from taxation for the purpose of calculating the rate of tax; but you are using it as an instance where a loss is set off against profits, which is quite a different thing.

Mr. ELPHINSTONE: I gave the hon. gentleman a distinct illustration, and I do not want to repeat it. Is that illustration a proper one or not?

The TREASURER: It is a possible one.

Mr. ELPHINSTONE: Therefore I argue that all the thunder to which the hon. gentleman treated us, and by which he attacked the "Courier" just now, were unjustified. I do not say that the "Courier" is right in its deductions.

The TREASURER: It is wholly wrong, and you know it.

Mr. ELPHINSTONE: I admit that; but if the "Courier" had based its arguments on the provision I mention, it would have been on sound ground.

The TREASURER: If we were setting off a loss against exempt income, it might have been on sound ground, but not in setting off a loss against profits.

Mr. ELPHINSTONE: It is all very well to wriggle in that manner. I have given a distinct illustration by which it is shown that the fact that that man has an income of £1,000 from war loans means that he is going to pay a tax on £333 of income from property, which otherwise would have been exempt.

The TREASURER: In consequence of his being permitted to set off his losses against profits. It is not a question of the rate or the taxation of exempt income.

Mr. ELPHINSTONE: No, but it is taking exempt income into consideration in arriving at the rate he pays on the balance.

The TREASURER: I am willing to answer you on that in Committee.

Mr. ELPHINSTONE: Very well. I shall be very glad to argue the point then, because it is very important. I suppose the amount of money involved is negligible, but what I do dislike is the continual attempt to avoid our obligations to war loan investors.

Now I want to take an illustration of a man with an income under £1,000, a portion of which is derived from dividends, who is being called upon by this Bill to pay a greater amount of income tax than hitherto. I am going to take an illustration—a very popular one—of a farmer who is in receipt of £400 a year from personal exertion—perhaps I should not say "popular," because I have shown that he has not even made that—and who draws £25 in dividends from shares in a dairy company, making a total income of £425. At present he will be assessed on £250. Under the present law we do not take into consideration in arriving at taxable income the £25 received as dividends from a co-operative company, because it has been taxed at the source.

Under this measure, however, his taxable income is going to be increased to £256 by reason of the fact that his exemption is being reduced because it is calculated on a total income of £425 instead of £400. Therefore this small farmer is being called upon to pay a higher rate of tax than previously. And the strange part of it is that this applies only to men with smaller incomes than £1,000 a year. I thought these were the days when the Government were out to assist the small man.

The TREASURER: Why should he be on a more favourable basis than the man who does not receive a dividend?

Mr. ELPHINSTONE: Here is the peculiarity of the position—that a man who gets his income entirely from dividends—that is, a man who merely sits down and draws his money—is exempt from this double taxation, whilst the farmer—the man on the land—not only pays a tax on the dividends at the source, but the income which he derives from that company is taken into consideration in arriving at his taxable income, which is increased accordingly. If hon. members opposite want to send us out into the country with that to talk about, they are bigger fools than I thought they were.

The TREASURER: Do you say that is double taxation?

Mr. ELPHINSTONE: Unquestionably.

The TREASURER: You are wrong.

Mr. ELPHINSTONE: I am not.

The TREASURER: Why should a man who gets income from dividends be in a better position than a man who gets all his income from personal exertion?

Mr. ELPHINSTONE: To be a supplier to that company he must, if I understand the position rightly, take shares in it, and therefore the Treasurer's argument is totally unsound. That is part of his livelihood; but under the Government's proposal, the mere fact of his having that £25 in dividends from a co-operative company is going to be taken as a means of increasing his taxable income. The Treasurer knows that that is correct.

Now I want to deal briefly with the provision as to trade subscriptions. Under the measure it is provided that contributions to any industrial union, trade association, or agricultural society shall be treated as deductions. That is reasonable. But why is it that professional men—members of the Stock Exchange, members of the association affected by the Auctioneers and Commission Agents Bill, the very persons who, under this Bill, are called upon to pay £10 for the right to act as taxation agents—are not allowed also to claim these deductions?

The TREASURER: I am prepared to consider that in Committee.

Mr. ELPHINSTONE: Very well. Another point on which I wish to touch is with reference to contributions to employees' funds. It is gratifying to see that they are now to be deducted, because that is something which we need to encourage in our industries, so that employers' sympathies towards employees may receive some practical encouragement.

I do not think anybody is going to take exception to the provision dealing with pearl-shellers, to which the Treasurer referred. To my mind it is unthinkable that men resident in Queensland and deriving large incomes from such businesses should, by reason of the fact that their employees or agents operate beyond the territorial bounds of the State, be exempt from income taxation. All I hope is that the provision in the Bill will be sufficiently drastic to see that all profits derived from such sources shall be brought into the taxation realm.

There is one point in connection with the taxation of insurance companies to which I would like the Treasurer to give some attention. The present measure permits foreign insurance companies, other than life insurance companies, to be taxed on actual profits instead of on an arbitrary profit of 25 per cent. of the premium income. I am glad to know that. I understand the measure to mean that, if these companies can clearly establish their profits in Queensland, they will be put upon that new basis. With some knowledge of insurance, I can safely say I do not know any company which makes a profit of 25 per cent. on its premiums, particularly in these days of serious competition, when, as I have always argued, the State Insurance Office has had the effect of reducing fire insurance premiums. There is no doubt that to-day 25 per cent. is too high a calculation, whatever may have been the case in the past.

The extraordinary feature is that at present these companies may deduct from income only those reinsurances which are effected in Queensland. I presume that when that regulation was put in it was with the object of conserving for Queensland all the income which was paid in reinsurance, so that those companies which found it necessary to divide their risks with other companies did it with local companies or companies with local branches, so that we did not go outside the State or the Commonwealth and pay reinsurance premiums and lose the profit associated therewith. The present Bill permits all reinsurance premiums to be deducted. Why has that distinction been made? Why cannot we still keep the law so that only those reinsurance premiums can be deducted which actually have been paid in Queensland? We know that insurance companies carry on their business in all parts of the world, and all companies, foreign and otherwise, conduct extensive reinsurance business. I contend that our risks in Queensland are not sufficiently big to necessitate our going beyond our own State to do business. Therefore, I hope that the Premier will give us some explanation as to why it is proposed to permit companies to deduct all reinsurance premiums rather than to confine it to those paid in Queensland.

In regard to the registration of agents, I presume that this regulation is not made with any view to obtaining additional revenue or income from that source, but simply to give the Commissioner that control which it is highly necessary he should have over the people who prepare income tax returns. If that is the case, I submit to the Premier that he should materially reduce the fee. It should be sufficient only to pay for the actual cost of registration—one guinea would amply suffice. We should cut out this differentiation between town and country; I do not like it. If we can get down to a reasonable fee that all can pay, the need for that differentiation will disappear.

Another point that I want to stress has been touched on in the Press—that if this fee were made one guinea there would be no need for the Commissioner to exempt anyone from paying it. No man would worry about drawing up taxation return forms unless he could get income in excess of a guinea fee. Why cannot people go to a recognised agent? Any number will spring up when they know they are going to be protected by a regulation such as is proposed here. You might as well argue: Why should a man who has next door to him a friend with a good voice not go to him to sell his property? He has to go to a recognised auctioneer.

The TREASURER: We know that at present there are scores of taxpayers who call in country storekeepers or schoolmasters.

Mr. ELPHINSTONE: Why not allow the schoolmaster to become a registered agent, and become responsible under this Act? He could do as much harm to the taxpayer as any proper agent here could do.

The TREASURER: He might do two or three persons' returns and charge a guinea each.

Mr. ELPHINSTONE: Well, that would probably pay him. I do not care what the fee is, so long as it is some fee which will pay for the cost of registration. The mere fact of the Board having the power to issue licenses is, in my opinion, sufficient protection. I take great exception to the constitution of that Board. With all due deference to the Commissioner, I do not think that he should be on it. He is the accuser. He knows quite well to-day numbers of men whom he does not wish to see authorised as agents. Therefore, I do not think that he should sit in judgment upon those men. I am not suggesting any improper motives in regard to the Commissioner; I am simply looking at the matter from the standpoint of equity. Whilst the Commissioner is the accuser, he should not sit upon that Board. The Board should consist of the Auditor-General, the Public Service Commissioner, and a representative of the accountancy bodies. That would make a reasonable number. The Commissioner would have the right to bring forward his arguments, and the Board would arrive at decisions. Then I do not think that there should be any appeal to the Treasurer on the cancellation of a certificate. That is introducing the political phase, which is highly undesirable. The Commissioner and the Board are quite capable of determining which men should act as agents. For a disappointed agent who has been turned down by the Board to have the right to go to the Treasurer, and for the Treasurer to have the power to set aside the decision of the Board, is improper. In my opinion, that appeal should be eliminated.

The TREASURER: You think that an unfortunate agent should have no appeal to a lenient Treasurer? (Laughter.)

Mr. ELPHINSTONE: I do not think it is necessary. I have sufficient confidence in the Commissioner and the other three gentlemen I have mentioned to consider that the proposed agent will have all the protection he needs. It is not the Treasurer to whom I am taking exception; it is the political interference. A tax agent who has been turned down by the Commissioner because of improper practices could go to a Treasurer who—probably having some idea of his being a voter in his electorate—might say, "Oh, well; we will pass this over, but don't offend again." We would be absolutely undermining the work of the Board, and doing away with the very protection for which the Commissioner is asking. In my opinion, that provision should not exist.

Mr. KERR (*Enoggera*): There is no doubt that the taxation officers have made certain that there are no loose ends in regard to taxation, and also that nothing is to be lost. We recollect that in November last we had an amending Bill containing fifteen clauses, yet the Treasurer has seen fit at this early stage to amend that Act. In fact, if it were studied closely, it would be seen that this Bill wipes out a great number of the clauses then inserted. We know that the Taxation Department has grown very considerably during the last few years. We know, also, that the powers of the Commissioner have grown out of all proportion, and to the exclusion of the courts. The question of who is an agent has hitherto been one of fact to be decided in a court of law. Now that principle is to be abolished, and the Commissioner will have full power to state who an agent is. We know that that interpretation was introduced into the Land Tax Acts Amendment Bill, and it finds a place in the Commonwealth Income Tax Act. I do not think it is justified. I think that such a provision is very drastic.

The Treasurer stated that an ordinary partnership would not be taxed as a company. I have yet to learn that this Bill cannot be read so as to bring those people in. My argument is that under section 40 of the Principal Act the Commissioner has power to assess a firm's profits as the income of an individual if the net income exceeds £2,500. Power is also given to treat the income of a family as one income. The clause in the Bill can be extended to cover certain partnerships comprising a large number of members. The partnership law provides that no partnership shall consist of more than twenty members, nor of more than ten members in a case of a banking company. It is the intention of the Government by this measure to override the partnership law, and to include the profit of a partnership consisting of ten or fifteen members as one total profit, and not take a profit of the individual members when such profit is divided. This matter will have to be tackled and something definite will have to be decided. We know that the property of the partnership is the property of the members of the firm, but that is not the case with shareholders in a company. We know that there are rights to recover from members of a partnership, but there are no rights to recover from members of a company. In the case of a partnership the capital of each individual is utilised in the concern, and the profit is taxed in the same way as a company's profit is taxed. I hope an amendment will be accepted to show clearly what the clause means. If it is only to get at one-man companies, or companies that are not registered, then the matter should be made clear. The clause should not be left open in the way it is drafted. There is an alteration in the meaning of the term "dividend." The Bill provides—

> "To the definition of 'dividend' the words 'the term includes any payment to a shareholder as a bonus or a director's fee in excess of the amount allowed under sub-section (xii.) of section 16 of this Act' are added."

This amendment aims at regulating one-man companies who pay these large fees. Instead of the dividend being included in the individual's return and treated as the taxable income of the individual, it is going to be taxed as the income of the firm, and, when it is ultimately received by the individual as a dividend, it will be the means of making him pay an increased rate. It has not been definitely stated that this measure will mean an increase in the general rate of taxation, but that will be brought about by taking into consideration the dividends received from companies when fixing the amount of exemption. A taxpayer's income derived from dividends is exempt from taxation if the company has already paid taxation on such profits prior to distribution. A company pays taxation on profits; but these dividends, when they are paid out, will reduce the amount of exemption. A person in receipt of £203 per annum is allowed an exemption of £200; a person in receipt of £204 gets an exemption of £199; and for every £4 increase in income over £204 he gets £1 less exemption until he receives an income of £1,000, when he receives no exemption at all. That is quite all right. If a man receives £700 per annum, he receives certain exemptions up to £75, and, if he gets dividends amounting to £300 which are exempt from taxation, he receives no exemption from his general rate of taxation because his total income reaches £1,000, and therefore he has to pay a higher rate on his taxable income. That is the interpretation of the clause with regard to dividends. No one can possibly say that this process does not mean increased taxation. Take a man on a salary of £300 per annum. He receives £100 in dividends, which is exempt from taxation. It means that, for every £4 his income is increased over £204 his exemption is decreased by £1, until eventually his £100 in dividends is absorbed. By that process the rate of taxation is higher. It has been stated that those in receipt of war loan interest and dividends do not have to pay income tax on those amounts. That is quite correct. We know that income tax is not directly paid on that. But take the case of a man drawing £1,000 as income from a business, £500 in dividends, which are exempt from taxation, and interest from bonds amounting to £400, making a total of £1,900. Although the exemptions will be allowed, the income of £1,000 will be taxed at the rate of taxation applicable to a taxable income of £1,900. Or take the case where the ordinary income is £1,000, the income from dividends is £500, and the income by way of interest from Queensland loan bonds is £250, making a total of £1,750. The income of £1,000 is taxed on the rate applicable to a taxable income of £1,750. That is the meaning of this dividend clause, and I say definitely in regard to it that there is double taxation. In Committee the Treasurer should agree to alter that principle. It is wrong to take into account those amounts which are exempt from taxation when arriving at the amount of exemption and at the rate of the tax.

The Treasurer is quite right in saying that there is no increase in the rate on foreign companies. In order to show the impossibility of understanding these amendments in the short time available to us, I desire to point out that to arrive at the correct meaning of this clause in regard to foreign companies it must be considered in conjunction with the 1920 Consolidated Act, paragraph (viii.) of subsection (1) of section 7, which paragraph is made up of two paragraphs. Further, sections 31, 32, and 33 must be studied, and these are incomplete because they are amended by the present Bill; and how on earth any person, in the time at our disposal, can arrive at what it really means I do not know. It would take weeks of study to understand some of the clauses properly. However, it is quite apparent that this amending Bill is going to clarify the whole position. I have often thought that the expression "foreign companies" was a wrong designation, because a company with headquarters in New South Wales is looked upon as a foreign company. The foreign companies will only be taxed on the profits made in Queensland, and no one can deny that that is an equitable arrangement, and is coming back to a solid basis. I remember distinctly moving an amendment last session to wipe out the clause which provided that—

[4 p.m.]

> "The capital of the company invested in Queensland for the purposes of this paragraph is an amount which bears the same proportion to the paid-up capital of the company as the value of the Queensland assets bears to the value of the total assets of the company."

I stated on that occasion that it was unreasonable and unworkable, and it has been proved to be unworkable, and now, a few short months after the passing of that Bill, this amending Bill is introduced to wipe out that provision. I am satisfied that foreign companies will be on a much better basis, although, of course, the rate of the tax is still very high.

The writing up of capital is quite a legitimate trading operation. If I purchased land fifteen years ago for £5,000 and to-day it is worth £10,000, there is no reason in the world why I should not consider it worth £10,000. But why should the Income Tax Commissioner come in and say I have made a profit of £5,000 and then tax me on that £5,000? That is a wrong principle. The whole object of this amendment is to keep down capital. Why do the Government desire to keep down the capital of any company, whether it is a registered company or not? Because the ratio of net profits will be greater. If you are allowed to increase your capital, the ratio of profits on the capital will be less; and, if you keep the capital down, the ratio of profits will be greater, and you will have to pay at a higher rate. In the amending Bill passed last year, unless goodwill was paid for in cash, the value of the goodwill could not be considered as part of the capital. The companies recognise that there is not a great deal of gain to be obtained by unnecessarily increasing their capital, for the simple reason that, in the case of a fire, the insurance companies will step in and the amount of the capital will be the basis of payment. In the past the rate of interest charged on unpaid taxes was 5 per cent., but this Bill provides that the rate may be increased to 6½ per cent., although the Commissioner has power to reduce that rate. It is a small clause which is inserted in this Bill with a view to getting a few more pounds.

Clause 4 reads—

> "(7A) There shall also be collected as income tax on each ticket issued in a drawing for a cash prize an amount equal

to 5 percentum of the selling price of the ticket.

"The minimum tax charged on any such ticket shall be 3d."

It has been pointed out that a tax has been collected by the Government which legitimately they were not entitled to collect. On looking up the Income Tax Act which was consolidated in 1920, I find that such a tax is provided for. Section 12A (ii.) subclause (4) says that income liable to tax shall include—

"The amount of any cash prize in any lottery, drawing, or sweep carried on in Queensland."

Evidently that provision has been overlooked. I want to know if it is not possible to come into line with New South Wales with reference to the tax on bookmakers' tickets, of which I think there were some 15,000,000 issued in New South Wales, and every bookmaker is taxed on the sales of those tickets. That seems a very reasonable thing. I understand also that the bookmaker is taxed on the profits he makes during the year, and must submit a return in the usual way. Further, the people who bet in the same manner through the totalisator have to pay to the State something like £53,000 a year. We could surely insert a clause in the Bill to make provision that every ticket sold by a bookmaker shall carry a tax.

The SECRETARY FOR PUBLIC LANDS: How about booked bets?

Mr. KERR: There should be some way of getting over it, and I think we can get over it. It seems to me to be a very reasonable thing. I cannot see why a person using the totalisator should pay 5 per cent. taxation, while, if we go to the bookmaker, we have not to pay any taxation at all. That is not an equitable arrangement, and I hope that the Treasurer will make some amendment in that direction.

The super tax, of course, is indefinite as to the period of expiration. When the Land Tax Amendment Act was brought in a particular period was stipulated. If it is intended still to collect £300,000 a year, a stipulated time should be laid down, though I do not know that that is necessary now, as it looks as though Australia may possibly be involved in a war with Turkey. However, peace has never been officially declared with Turkey.

There is not much in the exemption of savings bank deposits. Possibly through an oversight, when the agreement was made with the Commonwealth Bank the interest on savings bank deposits was not exempted from taxation. When we had the State Savings Bank, interest on deposits was exempt from taxation, and provision is made in the Bill to bring that about again. I think that is right.

I want now to deal with the matter of the registration of taxation agents. It is made unlawful for agents to receive fees unless they are registered. They must satisfy a board which is entitled to deal with applications for registration as to their competency. I would like to know whether it is intended that applicants for registration shall pass an examination similar to that in connection with the local authority auditors. I know that the accountants in Brisbane welcome the fee of £10 10s., as they realise that it will make for the protection of the public and of themselves. A great deal of care has to be exercised when giving a certificate to an accountant. We know that a great deal of trouble has occurred in New Zealand in connection with the registration of accountants as income tax agents. When the board there was established, something like 2,700 agents were admitted, only about 200 of whom passed any qualifying examination. I have here an extract with regard to the legislation passed in New Zealand for the appointment of accountants.

The DEPUTY SPEAKER: Order! I hope that the hon. member is not going to discuss that aspect of the question now. The Bill deals with other matters entirely.

Mr. KERR: I am connecting it up with the Bill. The question of taxation agents has been discussed. I am not going to deal at any length with it. I think it should be placed on record what the position is in New Zealand.

The DEPUTY SPEAKER: The hon. member will be in order in dealing with the matter of registration of taxation agents in New Zealand.

Mr. KERR: There are very few people in Queensland to-day handling taxation matters who are not qualified accountants.

Mr. WEIR: There are a good many who are not accountants. You have never been out of Brisbane and do not know.

Mr. KERR: I have been all round the world. (Laughter.)

The DEPUTY SPEAKER: I hope the hon. member will confine his attention to the Bill.

Mr. KERR: The registration of income tax agents is a very important matter. It has been suggested that those who are practising now as agents should be prepared to undergo an examination. Some of them think that it is unfair to ask them to submit to an examination, seeing that they have been practising for so many years, but others are perfectly satisfied to undergo the examination and pay the fee, as they know it is for the protection of themselves and the public. The Bill provides for the imposition of a fee of £10 within the Petty Sessions District of Brisbane. We know that taxation experts have sometimes to travel all over Queensland, and the certificate should extend to the whole of the State. I hope an amendment will be accepted in that direction. I think that the fee of £5 imposed elsewhere in the State than Brisbane should be merged into the larger fee of £10, as I do not think that any accountant who goes outside the Petty Sessions District of Brisbane in connection with taxation work should have to pay £15 in fees.

At 4.15 p.m.,

The SPEAKER resumed the chair.

Mr. TAYLOR (*Windsor*): In introducing the Bill, the Treasurer told us that it was a measure of a highly technical nature, with which we all agree. It is a measure which baffles a good many of us in trying to completely understand it. It is really a Bill for accountants and legal men. However, the Treasurer gave us, as far as he possibly could, a very lucid explanation on the second reading stage. When we come to the Committee stage, we shall be able to get a better grip of the measure. We were pleased to

hear that the Treasurer hopes that before long there will be some remission of our present heavy taxation. The hon. gentleman has been a long time in coming to that opinion. The impression which he and most of his colleagues seemed to have formerly was that all they had to do was to levy taxation, spend the money when they got it, and everything in the garden would be lovely. But their experience during the last few years has shown them plainly that the higher the rate of taxation is the worse it is in the interests of the State.

We find that firms coming from Great Britain are establishing worsted and woollen mills in the Southern States. Owing to the fact that the taxation in Queensland is so high we find that these firms prefer to establish themselves in Tasmania.

The TREASURER: Cheap power is the consideration there.

Mr. TAYLOR: The cheap power may have something to do with it; but there is also the fact that the taxation which looms largely on the horizon in Queensland makes them go to Tasmania. I know three or four large firms in England who have started in Tasmania, where the taxation is less than Queensland. Whatever our ideas are in regard to unification or otherwise, it is quite evident to the people that, while there are two taxation authorities, like there are at the present time, acting quite independently and without any consultation with each other in raising the revenue which they consider necessary to carry on the Government services, that method must be costly. It is unfortunate to think that we have these two taxation authorities, and it would be better if there were an understanding between them regarding the methods of taxation. The Treasurer pointed out that the Commonwealth Government wanted a complete absorption of the State taxing authority. We are not prepared to accept that. There are certain things connected with our State which require a special knowledge of the State on the part of the taxation officers to enable them to deal adequately and efficiently with these things. Theoretically it is thought that there might be a great saving by having the collection done by one authority, but in practice it works out quite the reverse. Therefore we have to be careful about what we do in regard to an amalgamation of the Commonwealth and State taxing authorities. The Treasurer pointed out that we might have one taxing authority in Queensland to collect for both State and Commonwealth; but even then I do not know that it would make the tremendous saving some people think it would. On looking through the Bill I admit that in some directions it is going to work in the interests of a number of people; but I quite agree with the hon. member for Enoggera that it is evident that the Government and the Taxation Department are not leaving any loose ends where they can possibly get a few extra shillings in the way of taxation. I do not know the methods adopted by the taxing authorities to ascertain whether every person is paying his legitimate due to the State, but I certainly think there are a lot of people in the State who do not pay the taxes they should pay. I have no sympathy with any person who tries to evade the payment of what he is expected to contribute towards the upkeep of the State. If a man is not making any income, he should not be called upon to pay, but if a man finds he is doing particularly well in his business or any other activity he should be prepared to pay a certain amount of taxation in return for the benefit he receives from the State. As he receives protection from the State, it is only right that he should contribute towards the upkeep of the State in which he lives.

There was a matter referred to this afternoon which was also referred to when the 1920 Bill was going through, and that is the most ingenious attempt made by the Government to get at the income from Commonwealth war loans, so that the taxpayer will have to pay on a higher assessment. I remember referring to this at the time, and pointing out that we should not include the amount received from Commonwealth loans in the way of interest. What was the result? The High Court specifically and definitely stated that it was an attempt to get more revenue than the Government were rightly entitled to get in that way, and the Government had to give up that method of collecting revenue.

In this Bill it appears to me, if I understand the clause correctly, a similar attempt is being made to get at the interest received from Commonwealth war loans in some indirect way. There is evidently an attempt to get more revenue by taxing at a higher rate the income of the taxpayer who has invested his money in war loans. There is no doubt this is a difficult measure to understand, I think, when we are dealing with legislation of this kind, that it should be put before us in a better form. This Bill makes provision for twenty-two amendments of the principal Act. We do not know what we are amending, and it is high time that a different method was adopted in bringing forward amending legislation in this Chamber. I suggest that we should have in parallel columns in the Bill the amendments we are called upon to consider and the sections of the Act which it is proposed to amend. I am sure that that would be approved of by every member in this Chamber, and we would be better able to understand the Bills we are considering.

Mr. COLLINS: Hear, hear!

Mr. TAYLOR: It is only right that we should adopt some such method as that, more particularly as we have done away with the Legislative Council, and all Bills are now finalised in this Chamber. Once the Bills are passed here they become operative, and we should therefore be given an opportunity of intelligently discussing all Bills. That would be very much better for the people of Queensland and very much better for members of Parliament, and we would get through the business much quicker. I see there is provision for the registration of agents who prepare income tax returns. It is right that they should be registered, but we should not impose a severe charge upon them. There are probably thousands of income tax returns made out gratis by school teachers, police officers, and private persons. They are made out for persons in remote parts of the State who find it difficult to make out their own returns. These people make out income tax returns and do not charge for it. Others do make a charge but they specialise in the work, and it is only right that they should pay a fee, but it should not be a prohibitive fee. I do not think agents at present charge a prohibitive fee for the work they do. We have in

Queensland accountants' associations who give diplomas and certificates according to the competency of their members. They are competent to deal with these matters throughout Queensland without going in for any further examination.

Reference was made this afternoon to the text-book prepared by an officer of the department, which is offered for sale at the price of one guinea. Surely a text-book could be prepared by the Government and sold to the people at a small charge—just enough to cover the cost! I commend that idea to the Treasurer as a reform that might well be considered. A text-book would be handy to both employers and employees, and it would save a lot of the heartburning that is sometimes caused now when people are filling in their returns.

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.

SUITABILITY OF CROWN LANDS AT BANANA POCKET, PROSERPINE, FOR SUGAR GROWING.

Mr. COLLINS (*Bowen*) asked the Secretary for Public Lands—

"1. Has his attention been drawn to the vacant Crown land at Banana Pocket, near Proserpine, which is reputed to be suitable for sugar-cane growing?

"2. If so, is any action being taken to make it available for selection?"

The SECRETARY FOR PUBLIC LANDS (Hon. J. H. Coyne, *Warrego*) replied—

"1. Yes. A report has been received from the Land Commissioner covering an area of approximately 1,500 acres having frontage to the O'Connell River.

"Yes, a surveyor is being instructed to survey the land into eight portions, ranging from 150 acres to 260 acres in area. If any of the adjacent land is found suitable for agricultural purposes, it will also be designed for selection."

SUCCESS OF SOLDIER SETTLEMENTS.

Mr. J. H. C. ROBERTS (*Pittsworth*) asked the hon. member for Fitzroy—

"In view of the fact that in a return tabled in this House on 25th instant it is shown that there are 2,008 soldier settlement selections in Queensland and that 683 returned soldiers have vacated or thrown up their selections, does he still adhere to his statement, made on 19th instant, "that nearly all of our soldier settlements are a success."

Mr. HARTLEY (*Fitzroy*) replied)—

"Inquiries from the officer in charge of Soldier Settlements Branch show that of the 2,008 soldier selections allotted under the scheme, 1,773 were occupied and standing good at the date of the return mentioned. This leaves the small number of 235 blocks vacated during the seven years' operation of the scheme. The number of 683 returned soldiers mentioned by the honourable member represents the number of soldiers who have come and gone in the settlements during that time, who failed to make good, and not the number of selections that are failures. The 448 blocks vacated by these men have been reoccupied by other soldiers. With these facts in view, my statement 'that nearly all our soldier settlements are a success' still holds good."

GOVERNMENT MEMBERS: Hear, hear!

EVIDENCE OF AUSTRALIAN WORKERS' UNION REPRESENTATIVE BEFORE COMMONWEALTH PARLIAMENTARY JOINT COMMITTEE ON PUBLIC ACCOUNTS ON PRICE OF SUGAR CANE.

Mr. MORGAN (*Murilla*) in the absence of Mr. Swayne (*Mirani*), asked the Treasurer—

"Has his attention been drawn to the reported evidence of Mr. F. W. Martyn, when representing the Australian Workers' Union before the Commonwealth Parliamentary Joint Committee on Public Accounts, wherein the following statement appears as being made by him: 'In 1911 the farmers were lucky to get 11s. per ton for cane'? As reference to the audits of those mills which came within the scope of the Auditor-General's Office shows their average price that year to have been 15s. 4d. per ton plus 6s. from a rebate off the excise tax then levied on sugar, or a total of 21s. 4d., will he take the necessary steps, in the interests of the industry, to rectify such a dangerously misleading assertion?"

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

"I understand Mr. Martyn has already corrected the statements referred to."

FACILITIES FOR PERSONS HOLDING CERTAIN RELIGIOUS BELIEFS EXERCISING THE FRANCHISE AT ELECTIONS HELD ON A SATURDAY.

Mr. MORGAN, in the absence of Mr. Green (*Townsville*), asked the Attorney-General—

"In view of the provisions of sections 37 and 52 of the Elections Act of 1915, and of the fact that there are in Queensland certain classes of persons whose religious beliefs preclude them from voting before sunset on a Saturday, will he consider the advisability (by amendment of section 71 of the Act or otherwise) of affording facilities to such persons for exercising the franchise at State elections?"

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*) replied—

"This matter will receive consideration."

USE OF PETROL MOTORS AND MOTOR COACHES ON RAILWAYS.

Mr. T. R. ROBERTS (*East Toowoomba*) asked the Secretary for Railways—

"1. Has he seen the favourable report on the running of petrol rail motors provided to carry forty-three passengers, also trailer to carry twelve passengers and 2 tons of freight (as appearing on page 21 of the report of the Victorian Railway Commissioners for the year ended 30th June, 1922), which, on the Merbein-Mildura-Redcliffs section, have proved very satisfactory from the aspects of both public convenience and economical operation?

"2. Has he seen the further report on motor coaches on page 13 of the Western Australian report on railways and tramways for the year ended 30th June, 1922?

"3. Will he expedite the report promised in reply to my question of the 22nd instant, and, if possible, inform this House before its rising as to early action in the matter of providing a more frequent and expeditious service for our country railways?

"4. When will the Railway Commissioner's report for the year ended 30th June, 1922, be available?"

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

"1 and 2. I am procuring these reports.

"3. I will expedite the preparation of the report.

"4. Next week."

SPEECH BY SECRETARY FOR AGRICULTURE IN SYDNEY DOMAIN PROTESTING AGAINST INDUSTRIAL POLICY OF NEW SOUTH WALES GOVERNMENT.

Mr. GILDAY (*Ithaca*), without notice, asked the Secretary for Agriculture—

"Were there any other Queenslanders present in the Sydney Domain last Sunday week at the Labour meeting, when an interjector had the 'audacity' to malign Queensland, and he (Mr. Gillies) had the 'audacity' to defend the reputation of this fair State?"

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

"The hon. member for Fassifern, Mr. Bell, was present, but knowing his association with the notorious delegation which travelled 12,000 miles to defame our State, I did not expect any support from him. The following description of the Domain interjector handed to me throws a new light on this matter:—

1. Medium-sized man, soft hands, hard face.

2. Wearing brown suit and tan shoes, also member's gold Queensland railway pass; hair well brushed back; would be described by a Tory as belonging to the 'Better Classes.'"

(Government laughter.)

DATE OF TABLING OF AUDITOR-GENERAL'S REPORT.

The PREMIER (Hon. E. G. Theodore, *Chillagoe*): In answer to the question asked by the leader of the Nationalist party yesterday with regard to the date of the tabling of the Auditor-General's report, I have ascertained that the Auditor-General hopes to have the report ready for tabling on Friday next. (Opposition laughter.)

PAPER.

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

Report of the Commissioner of Prices for the year ended 30th June, 1922.

INCOME TAX ACT AMENDMENT BILL.

SECOND READING—RESUMPTION OF DEBATE

Mr. TAYLOR (*Windsor*): I think we all regret that the imposition of the super tax is to continue. It is unfortunate from every point of view, especially in view of the ordinary taxation which is being collected, that the super tax, which it was thought would only be required for about a year, is to be retained. I hope that the events of the last few years will convince the Government that the time has gone by when money raised by taxation can be expended on ventures which should not come within the scope of ordinary governmental activities, and I hope that at the end of June, 1923, we shall be in such a condition that we shall not need to collect it for another year. There is one point which I would like the Treasurer to go fully into. Quite a number of clauses will require a lot of explanation in Committee. I refer particularly to subclause (7) of clause 3, which deletes about fifteen words from the existing section and inserts a long new section dealing with averaging capital over a full year, and so on. Just how that averaging is going to be calculated, I confess I do not understand. No doubt, in Committee the Treasurer will be able to explain.

Reference has been made, by interjection, to the definition of "company" including "any body or association of persons which is not a body corporate." We asked, by interjection, whether that included agricultural and pastoral associations that are not run for profit of any kind but are run in the interests of the district or of the community. The definition as it stands gives the Commissioner power to make all those associations pay income tax. I think it should be clearly and definitely defined that such is not the intention of the Bill. I hope that we shall be allowed the fullest and freest discussion when the Bill is going through Committee, because it will tax the ingenuity of every hon. member to understand the various clauses which we shall be called upon to consider.

Mr. PEASE (*Herbert*): I am rather disappointed. The hon. member for Oxley had ample time to prepare his speech, and he was given every opportunity to make it. We certainly expected to hear from him some real criticism in connection with the income tax system in Queensland. During the last few weeks he has been going outside and stating that he was not given time in the House to discuss taxation principles. Consequently, I was astounded—and I am quite satisfied that all hon. members were—to hear the lame attempt he made to attack the income tax system of Queensland. In my opinion, he was very badly punctured. The hon. member shifted his ground during his speech. During the early stages of this measure he made the discovery that thousands of persons on the basic wage did not pay income tax; but I noticed that he did not pursue that argument this afternoon. If he went into the question of allowable deductions in respect of wives and children, he would find that the workers on the basic wage are not liable to pay income tax. There is no doubt that no worker who is liable to pay tax fails to pay.

The chief criticism of members of the Opposition is that the Government have increased the taxation; that they have

increased their revenue; and that they are wasting the money. The headline in the "Courier," when this Bill was introduced, stated, "More taxation." I compliment the Premier on the very fine manner in which he made his second-reading speech. I am sure that every hon. member in this House knows more about income tax now than he ever did.

Hon. members opposite talk without examining the figures. I was surprised that the hon. member for Oxley quoted the report of the Commissioner for Taxes only once during the whole of his speech; and then he misquoted it. He stated that only a certain number of hotelkeepers paid taxation. Had he taken the trouble to go right through the report of the Commissioner, he would have found that over 600 paid. If you examine the Commissioner's report for last year, and compare it with the report of the previous year, and with the Financial Statements issued in the other States, you will find that Queensland is the only State in the Commonwealth to-day which is working on a decreased general revenue, a decreased railway revenue, and a greater decrease in direct taxation than any other State. I take exception to the campaign of misrepresentation which has been indulged in by members of the Opposition throughout this year. They go out into the streets and make to the people representations which are absolutely false. When they come into this House, where they have the opportunity of making and proving those statements, they prove nothing. It is on a par with what is going on throughout Australia by this so-called Country party. Mr. Massy Greene, in the Federal Parliament, on 12th July, 1922, had this to say regarding that party—

> "Members of the Country party were never tired of slandering Australia and making political capital out of this."

Substitute "Queensland" for "Australia," and you have the attitude of the so-called Country party here. Mr. E. B. C. Corser, Member of the House of Representatives, on the same day said—

> "There had been no more bitter opponents to the sugar and other primary producers in Queensland than members of the so-called Country party."

"The Australian National Review," one of their own organs, on 24th July, 1922, had this to say—

> "In their anxiety to use any weapon with which to attack the Government, members of the Country party are adopting a singularly unpatriotic attitude.
>
> "They allege that primary production is on the decline, that rural homesteads are deserted, and that generally the country is going to the dogs."

Mr. Massy Greene, in the Federal House, on 12th July, 1922, also said—

> "Members of the Country party were never tired of slandering their country.
>
> "For two years they had been drawing their political life's blood from such defamation, and there was never a scrap of justification for their grumbling protestations.
>
> "It would have been better if, instead of the wretched, scandalous libels that were spread broadcast throughout the world, the Country party had given publicity to the figures he had quoted."

I am going to quote some figures in connection with the imports and exports of Queensland. Hon. members of the Opposition claim that we are the most heavily taxed State in the Commonwealth—that we have the most revenue, and that we are wasting the money. That is absolutely false. The leader of the Nationalist party claimed that the excessive taxation of this Government had brought commerce in Queensland to a very low ebb.

Mr. KERR: What has that got to do with the Bill?

Mr. PEASE: It is all very well for hon. members opposite to get up and slander Queensland. It is necessary for hon. members on this side to stand up for Queensland and the people of Queensland. We are not going to allow the Opposition to go out into the streets and say that we are a Government who are increasing taxation, that we are bringing in a Bill further to increase taxation, and that the commercial people cannot stand this taxation. The "Statesmen's Year Book" for 1922 shows that in 1915-16 the imports into Queensland amounted to £7,000,912, and the exports to £8,106,123. In 1920-21 the imports amounted to £11,840,442, and the exports to £15,171,719. That is an absolute record for Queensland, and it disproves the charge that the Opposition are making.

Mr. G. P. BARNES (*Warwick*): I rise to a point of order. Are these prepared documents relevant to the question before the House? We are discussing quite another question.

The SPEAKER: I have been waiting for the hon. member to connect his remarks with the Bill. It appears to me that they are rather wide of the mark.

Mr. PEASE: The Opposition claim that the provisions of this Bill cannot be made good, because the commercial community cannot stand up to them. (Opposition dissent.) There is no more prosperous State in Australia at the present time than Queensland.

The SPEAKER: I hope the hon. gentleman will connect his remarks with the Bill.

Mr. PEASE: When comparing the figures, it will be seen that there is a greater decrease in receipts from taxation in Queensland than in the other States of the Commonwealth. It will be necessary to give those figures to show that Queensland is in the happy position of having a Government who give a fair deal to everybody. The figures given by the Commissioner show that this is the only State in Australia which has given consideration to every section of the community, including the commercial community, which hon. members opposite say we are out to destroy. They say that this Bill is the last straw to break up the commercial community in Queensland. When we find that the imports and exports last year created a record, that is proof positive that taxation is imposed in Queensland in a fair way. The

figures dealing with taxation in the different States show—

COMPARISON OF DIRECT TAXATION RECEIPTS (SIX STATES.)

——	1920-21.	1921-22.	Increase.
	£	£	£
South Australia ..	1,622,076	1,778,372	156,296
Tasmania ..	708,602	727,687	19,085
			Decrease.
New South Wales	7,462,219	7,430,708	31,511
Western Australia	955,358	881,159	74,199
Victoria	3,701,911	3,594,192	107,719
Queensland ..	3,682,642	3,420,296	262,346

The Opposition state that Queensland is not enjoying prosperity. That is not correct. How could that be correct when the imports and exports create a record? Business people are extending their operations everywhere. This Bill will remove certain anomalies. It will mean some increased taxation, but it will be fair and just. According to the Commissioner's report, we find, in dealing with income derived from personal exertion and property, that 7,823 taxpayers earning an income up to £500 were assessed £49,721, or an average of £6 7s.; 1,218 taxpayers earning an income of £501 to £1,000 were assessed £47,292; 1,404 taxpayers earning an income of £1,001 to £6,000 were assessed £275,214; and 76 taxpayers earning an income of over £6,000 were assessed £157,263. When a comparison is made between the years 1921-1922 and 1920-1921, we find that the number of taxpayers has increased by 9,440, and the amount assessed has decreased by £202,211. The number of companies has increased by thirty-four, and the amount assessed has decreased by £41,451. The number of land tax payers has increased by fifty-eight and the amount assessed has decreased by £13,362. When we find such a decrease from taxation, it is necessary to introduce this Bill to tighten up the loop-holes so that we can get from the people the amount of taxation that they ought to pay. The total number of taxpayers paying tax on income derived from personal exertion and property was 10,521, and the income assessed was £529,490. All these figures show that the burden of taxation is placed on the people who are best able to bear it. The Opposition, who sometimes pretend to be the friends of the people, will not listen to these figures. We find that seventy-six taxpayers paid an average tax of £2,069 5s. each. We find that 10,521 taxpayers paid a total taxation of £529,490; and that 1,480 taxpayers paid taxation amounting to £432,477. Those taxpayers paid approximately 82 per cent. of the total tax, leaving 9,041 taxpayers to pay the remaining 18 per cent. We find that 11,551 farmers owning land valued at less than £1,231 were assessed at £19,020, making an average of £1 13s., whereas 1,341 graziers and pastoralists were assessed at £151,964, making an average of £113 6s. 6d. If we analyse those figures, we must come to the conclusion that the Government are working on a sound basis, and that this Bill will not be an impost on the community. It is not fair for the Opposition to state that we are taxing the business community only. They will not analyse these figures, because they disprove their pet theory. They simply go outside and tell the people that they are not allowed to discuss these matters in the House. They go and tell the people a pack of lies, which is certainly a very wrong thing to do. When they have an opportunity of proving their case in the House, they do not take advantage of it. Anyone who examines the figures with regard to taxation in Queensland must admit that this is the only Government in Australia who are really trying to legislate in the interests of the people. The Opposition try to put incorrect facts before the people.

Mr. SWAYNE (*Mirani*): Mr. Speaker, I desire to draw your attention to the state of the House.

Quorum formed.

Mr. PEASE: The Commissioner's report discloses that 2,207 farmers were assessed at £65,684, which is only 3.43 per cent. of the total tax, and that 2,128 pastoralists and pastoral companies, with an income of over £4,500,000, were assessed at £595,817, which is 31.06 per cent. of the total tax.

I am quite satisfied that the Opposition do not want to listen to facts like these because, if you analyse these figures, you will find out why the graziers are raising a big fund to fight the Government. They want to destroy measures such as this, which will tighten up the income tax that the graziers have to pay. No man should object to pay income tax when he has the income to stand up to it. The Government are [5. p.m.] not going to allow the workers on the basic wage to be forced to pay taxes which they should not pay. The hon. member for Oxley said the man on the basic wage was liable to be taxed; but when he went further into the matter, he found he was wrong and shifted his ground. In bringing forward this measure the Government are doing the right thing. They are giving relief in connection with taxation where it is necessary. That is proved by the figures I have quoted, which show that this is the only Government in Australia who are working with a reduced revenue, solely due to the relief given to primary producers and others who deserve relief. The aim and object of this Bill is to tighten up the Act and make those who are in a position to pay liable to income tax.

Mr. DEACON (*Cunningham*): I am disappointed at the Government not bringing in a more liberal measure than this. So far as I can understand the Bill, it will give a few small concessions to companies, and will tighten up the tax in other cases. It does not make a single attempt to remedy any of the injustices which the farmers suffer at the present time. The Government do not seem to think that the farmers are suffering any injustices. Most of the people whom I represent do not have to pay income tax. They are mostly dairy farmers and mixed farmers, and on the average, they do not pay a great deal. After seven years of this Government, only 328 dairy farmers and mixed farmers pay income tax at all, and they only pay £4,122, while 388 hotelkeepers pay £11,345. That shows the difference in the prosperity of the two classes after seven years of this Government. I also intend to quote, for the information of the hon. member for Herbert, the amount paid in taxation in the various States for the year 1921, which will show that Queensland is the second heaviest taxed State

in the Commonwealth. The rate per head for the various States in 1921 was—

	Per head. £ s. d.
New South Wales ...	16 5 6
Victoria	12 9 4
Queensland ...	16 15 0
South Australia ...	14 11 2
West Australia ...	20 17 4
Tasmania ...	9 17 10

Mr. F. A. COOPER: Is that income tax?

Mr. DEACON: No, the total taxation paid per head. I want to show where the people whom I represent are not treated justly. I might explain that very often a farmer realises two years' income in one year. He may sell the produce of the previous year in January, and then the produce of that year in December. He really receives a double income for the one year, but no exemption is allowed on that account. There is no system of averaging his income. If a farmer made £1,000 in one year and nothing the year afterwards, he would have to pay income tax on the full £1,000. He is not allowed to deduct in that year anything for his wife and children, and hon. members know that the wife of a farmer assists very materially in the work of the farm. She is in a different position altogether to the wife of a man living in the city, but in no case is the farmer allowed to deduct more than £26 for his wife. He cannot deduct anything for wages, although his wife may do a good deal of work at harvest time. Then, again, the farmer whose total income for the year amounts to £1,000 is not allowed to take anything off for children under sixteen, although children between the ages of fourteen and sixteen do a lot of work on the farm. In addition to that he is charged £35 a year for the produce consumed in the home, as that is considered to be part of his income. A great many people in the city keep fowls and produce their own eggs—plenty hon. members on the other side are in that position—and they may also keep a cow and produce their own milk and butter. They never return anything for those things, while the farmer is compelled to pay income tax on the produce consumed in his own home. They may sell what they do not require, but the amount received is not returned as income. These are only small injustices, but they ought to be remedied. Then there is the matter of the sale of land for road purposes to local authorities, although it is a transaction which seldom happens. If the land is sold at a higher rate than it was bought at, the difference beween the two prices is considered as part of the seller's income. In most cases of this kind the price paid for the land by the local authorities is a little higher than what it cost the vendor. Although the increased price is often paid by way of compensation on account of the inconvenience the vendor is put to, still that extra amount is treated as income.

Then take the allowance made in regard to board supplied to employees. If a youth of sixteen, a son of the family, is employed only 15s. a week is allowed for keep, while in the case of an older man he is allowed to deduct the whole of the cost, although a youth eats just as much as a man.

Then take the allowance with regard to depreciation. The Federal Income Tax Department allows a depreciation of 10 per cent. on farm machinery and implements, but the State will only allow 5 per cent. To be fair, I admit that the State makes an allowance of 2½ per cent. on buildings and fences, which the Federal Government does not allow; but 5 per cent. allowance for depreciation on machinery is not sufficient. The depreciation allowed on buildings and fences is quite a fair allowance, and the Federal Government should also allow it; but the State should also allow a depreciation of 10 per cent. on farm machinery and implements.

There is another matter which affects no one more than the farmers; that is the method of assessing income tax on transfers of property. If a man becomes entitled to property under a will the method of determining its value is to take the market value of the property at the time of death of the testator; but the method of determining the value of stock under those circumstances is different. If the stock have been bought during the year the testator died, the method of determining the value is to take the price at which the stock was purchased adding to that the amount of probate, succession, and estate duty, which amount is then treated as the price of the stock. It is quite possible that a man might have bought cattle in 1921 at £5 a head, and, if he died in 1922, the beneficiary would have to pay income tax on the value of the stock at £5 a head, plus probate, succession, and estate duty.

Mr. COLLINS: What do you suggest as a remedy?

Mr. DEACON: I suggest as a remedy that the cattle should be taken at the market value, the same as other property. If a man comes into possession of stock as a beneficiary under a will, it is a fair thing to take the stock at the market value at the time.

At 4.15 p.m.,

The SPEAKER resumed the chair.

Mr. DEACON: Then take the case of a man buying a farm. Possibly the Treasurer may accept some amendment in this respect. The farm may be in a bad state of repair, and the purchaser may spend a lot of time in making repairs with the assistance of his children, and may sell it at an increased price. The difference between the two prices would be considered income, while actually the difference only represents his industry. These are only small things, but they often affect the people in my electorate. I am sorry that the Treasurer in introducing the Bill did not take greater notice of taxation as it affects the farming industry. The Bill does not attempt to lay down a just method of arriving at a man's income. It all depends on the Commissioner as to whether you will get any concession or not. It does not matter how fair the Commissioner is, he has to collect the tax. I am quite willing to allow that, when we take a hard case to the Commissioner, he meets us as well as he can, but there are many cases of hardship which are beyond his power to remedy. In any case, all these matters should be included in the Bill. I hope that, when we get into Committee, the Government will give every consideration to amendments in the direction of remedying the injustices which have been pointed out.

Mr. BEBBINGTON (*Drayton*): I would point out that the farmer's income is very different to the income of a business man. The farmer's family do so much to earn his

income that, if the members of the family were paid at the same rate as business people are paid, the farmer would be called upon to pay scarcely any income tax at all; but he is not allowed sufficient deductions on account of his wife and family. I suppose the Commissioner is as fair a man as we can get, but he insists on his pound of flesh. If you can show him anything that he has no right to take, he is, as a rule, quite willing to make things right. There is one thing which has been brought under my notice to which I want to call the Treasurer's attention. If land is sold on terms extending over a few years, income tax on the profit on the sale has to be paid at once; it is all put down as income. But in the case of an hotel lease sold on terms, the payment of income tax is extended over several years until the whole of the purchase money is paid. If a person sells a farm worth £5,000 and the payments extend over ten years, the vendor is immediately called upon to pay income tax on the increased value in regard to that land. The purchaser may not be able to meet his obligations, but the person who sold the land is compelled to pay tax on the supposed income, which will probably never be received. If an hotel is sold at £5,000 extending over five or ten years, the amount of the tax is also extended for that time, and the hotelkeeper only pays tax on the income he actually receives. I would like to know from the Treasurer if that is correct.

The TREASURER: If the hon. gentleman raises that question in Committee, I will go into it.

Mr. BEBBINGTON: That was brought under my notice, and I will find out in Committee whether it is correct or not. I suggest to the Treasurer that he should agree to do away with all stock returns under 300 head. A few years ago the Commissioner gave the farmers the choice of sending in stock returns and deducting their values every year, or of merely sending in the income when they sold the stock, and send in no stock returns whatever. I know hundreds of farmers who should have availed themselves of that opportunity but did not do so. As they have complained since, I would like the Treasurer to exempt up to 300 head of stock. I remember on one occasion I branded fifty poddy calves, and I included them in my income tax return, which I had no right to do. The Commissioner included them in the income tax, and he did quite right, because they were assessed at a certain value. It was the Federal Income Tax Commissioner who did that, because I do not send in any stock returns to the State department, but acted under the permission the Commissioner gave us to send in actual income received. Under the Federal Income Tax Act I was charged £6 per head for those poddy calves, but before I got any return from them they were all dead. (Laughter.)

The TREASURER: The Commonwealth system is very hard.

Mr. BEBBINGTON: I suppose it is just the same as the State. I would certainly give the farmers an opportunity of paying income tax on the actual income received for their stock. I agree with the Treasurer that we should not amalgamate the two departments for collecting Commonwealth and State income tax. The more of our privileges and liberties we retain the better. I remember a Premiers' Conference where the Labour Premier went down to Melbourne and sold Queensland completely.

The SPEAKER: Order!

Mr. BEBBINGTON: At any rate, I agree with the Treasurer that we should not hand over the collection of income tax to the Commonwealth Government. We must keep our own liberties and responsibilities. There is one thing that I disagree with the Treasurer in, and that is where members on the Government side support unification and want to hand over the liberties of Queensland to the Commonwealth.

The SPEAKER: Order! I hope the hon. gentleman will confine his remarks to the Bill.

Mr. BEBBINGTON: I was supporting the action of the Treasurer in insisting on Queensland collecting her own income tax. If we have unification in everything, Brisbane will merely be a suburb of Sydney and Melbourne. So I congratulate the Treasurer in that respect. It is better to let Queensland collect for the Commonwealth than let the Commonwealth collect for Queensland. I suggest that the Commissioner should be asked to issue a small text-book of instructions in connection with the income tax, just the same as some private firms are issuing.

The TREASURER: The Commissioner is now preparing such a book.

Mr. BEBBINGTON: It shows that we agree on that. Two great minds always think alike. (Laughter.)

Mr. J. H. C. ROBERTS (*Pittsworth*): I listened to the speech of the Treasurer with great interest, but I am sorry to learn that he differentiates between co-operative companies. There are some co-operative companies that are largely out for profit. When we get to a later stage of the Bill, I think the Treasurer will appreciate the fact that most of our butter and cheese factories are not out to make big dividends, and they are not there to induce people to take up shares as an industrial concern. Our co-operative butter and cheese factories are there for the specific purpose of manufacturing our commodities through our own organisations and putting them on the market with greater advantage to the people than under the old system of proprietary manufacturing companies. I remember when the Downs Co-operative Dairy Company was started. It was stated that it would have no chance against the proprietary firms. At that time the whole of the butter in the dairying districts was manufactured by proprietary companies, although the output was not as large as it is to-day. The co-operative movement was an unknown quantity then; but it was suggested that if it were started it would assist the small farmer. Then came the question as to the amount of capital required and the best means of getting that capital. After giving the matter consideration, it was decided to limit the number of shares that one shareholder could take up. Some of them were "dry" shareholders, but they put in their money, not with the intention of making any big dividends, but because they were prepared to assist the co-operative movement in its initial stages. A lot of men put in £300 and £400, and I think it is only right that they should receive a certain percentage per annum on the money they put in. It was well known that whilst they

were farmers they were what we would call "dry" shareholders.

Mr. COLLINS: What is a "dry" shareholder?

Mr. J. H. C. ROBERTS: I would not like to reply to the hon. member as I intended. Many of those men were general farmers, but they were not dairymen. They were producers, though not producers in [5.30 p.m.] the same sense as the men interested in the formation of a co-operative butter factory, but they joined hands with them to bring those companies into existence. The question arose as to how the profits were to be apportioned—whether the directors were to have the power to declare a bonus before they declared a dividend, or whether the average farmer, recognising the usefulness of the money which those men put in, would be content to allow a dividend to be declared before a bonus. In the case of most of our co-operative companies they have to declare a dividend before they can declare a bonus, but that dividend is absolutely limited to a maximum of 6 per cent. The directors, having declared a dividend of 1 per cent. or 2 per cent.—a dividend, no matter how small—may then declare a bonus, which is distributed amongst the supplying shareholders. If those "dry" shareholders had not put in their money, the directors would have had to go to the banks, and it is better to get £2,000 or £3,000 from men who are farmers, although not actually interested in the particular industry affected, than to get an overdraft from a bank. I say that those men who put in their money on an assurance that the directors would have the right to declare a dividend before they declared a bonus, should not be sacrificed. I would like to ask the Treasurer to give serious consideration to that clause.

Another phase of the same question should receive consideration. As hon. members on the other side probably know, the articles of association of many of our co-operative companies provide that the shares are to be £1 shares, payable 2s. 6d. on application, 2s. 6d. on allotment, and a call of 5s. at the discretion of the directors at any time after the first six months, but that the directors shall not have the power to make any further calls unless and until a special general meeting of the shareholders has given them the necessary permission. Many of our co-operative companies have called up 10s. per share of their capital, and the directors, on the strength of the outstanding 10s., have got from the banks an overdraft equal to the amount of uncalled capital. I want the Treasurer to realise that the directors, in giving that guarantee jointly and severally, are really providing capital used in earning the profits of the company. I trust that the hon. gentleman will look at the matter in a reasonable spirit, and recognise that that should be looked upon as paid-up capital; because, if it were not for that money, many of our smaller companies could never carry on. Many of our companies have a paid-up capital of £1,300 or £1,400, and the directors have obtained another £1,000 in the way I have mentioned, and that latter sum should be taken into consideration when it comes to a question of whether the profits are 10 per cent., 12 per cent., 15 per cent., or 19 per cent. on the paid-up capital.

Last year I brought under the notice of the House what I considered to be a very great hardship on one company. That company took an advance for cheese early in the season, and when the cheese was sold the market had firmed very considerably, so they got very much bigger prices than they expected, and towards the end of May or early in June received a big cheque in payment of the difference between the advance and the realised prices. Their accounts at the end of the year showed a profit, or whatever it might be called, which was distributed early in July in bonus payments. The company was called upon to pay 3s. in the £1, because the Commissioner claimed that it was at the rate of more than 19 per cent. on the paid-up capital, with a super tax of 7d. I want the Treasurer to appreciate the fact that, if the co-operative movement as we understand it is ever going to become a power in the land, we have to build up reserves, and I do not see eye to eye with him in the view that a co-operative company must be looked upon as a trading company because it has distributed £2,000 or £3,000 in dividends. We are anxious to build up our co-operative movement, and the only way in which we can do it is by giving the companies the right to build up reserves. They are not able to build up reserves simply because the taxation upon them is so high that they prefer to distribute their money, and, therefore, no more money is available for propaganda work now than at the beginning. I cannot call to mind one butter, cheese, or bacon factory whose shares are worth more than £1. Fifteen or eighteen years ago a co-operative company may have been started in a very small way. The shares were £1 shares. To-day, such a company may hold a good deal of land and have five or six factories, yet the shares still remain at £1.

Mr. MORGAN: You can buy them for less.

Mr. J. H. C. ROBERTS: Yes, you can buy them for less. Unlike those of commercial undertakings, their shares are not used for trading purposes. We do not put them on the Stock Exchange, or let every Tom, Dick, or Harry come along and buy them. We try to retain them amongst suppliers to the companies, and I claim that on that consideration also the Premier might well see his way clear to extend the amendment he proposes on page 7 to cover a great many of the co-operative companies which are manufacturing butter, cheese, and bacon.

With regard to taxing the profits that are made on sales of lands, I do not disagree with the Treasurer in his desire to tax the man who deliberately buys land for the purpose of turning it over at a profit; he is entitled to be taxed, and should be taxed. But with regard to farming properties—many of which, unfortunately, are changing hands at the present time—there is one fact that the Treasurer and the Commissioner fail to grasp. If a property was valued in 1915 at a certain price, and sold in 1920 or 1921 at a certain price, we are entitled to deduct the actual expenditure of capital, or the value of the improvements we have put upon that property during that period; but there is a certain amount of work done by the small farmer for which no charge is made. He buys a piece of land; stumps it, cleans it up, breaks up a certain quantity of ground, and plants his crops. Those are all improvements that are not recognised as deductions from income tax, nor are those factors taken into consideration as deductions from the profit which the Commis-

sioner says he makes should he sell at a profit. It is an absolutely wrong principle to lay down. I hope that the Treasurer will be reasonable, and appreciate the fact that there are many points of view that have to be considered under this Bill in regard to the small farmers. I trust that the hon. gentleman is going to be open to argument and conviction.

The TREASURER: I am always open to reason.

Mr. J. H. C. ROBERTS: At most times the hon. gentleman is. I want to stress these particular points. I have had brought under my notice cases of men who have not employed any labour. They have purchased a property, worked it for seven or eight years, and sold it. They did not, in the first place, buy with the object of making a profit, but for the purpose of having a home. They continued to work on it for seven or eight years until their boys reached an age when they could help to work a bigger holding. Consequently the farmer sells that property, and he and his boys go into a district—probably further removed from civilisation—where they can get a larger holding. In cases of that kind every consideration should be given. If a man continues to live on a small farming property for six or seven years, he should not be taxed if he makes a small profit on the price that he paid six or seven years previously. No man buys a small farming proposition and works it himself with a view to making a profit out of its sale. He has to keep his improvements up to a certain state of perfection. A little while ago, coming down in the train, I heard it argued that a man is entitled to deduct the wages he pays. Quite so. But supposing a man spends £100 in wages to get 100 acres ready for lucerne? He probably has a property of 500 acres, upon which burr, thistles, and other noxious weeds may be growing. Instead of growing thistles, burr, and weeds, he plants lucerne, spending £100 in wages. He is allowed to deduct £100 in his income tax return for that particular year. But that lucerne is far more valuable than £100. He should be allowed to deduct that as an improvement. It is distinctly laid down that he should be allowed to take it off as an improvement. The man with capital, who is able to develop his land in such a way as to make 1 acre produce as much as we are making 2 acres produce at the present time is the man we want. Unless the Income Tax Act is so amended as to give these men every reasonable facility, our ambition in regard to a closer settlement scheme will be as far from its realisation as it ever has been.

I would like also to touch on the question of bookkeeping. I am quite in accord with the Treasurer's desire that individuals should be called upon to keep books. I am quite aware that many professional men get a guinea or two guineas as a fee for making out income tax returns, and put it in their pockets and nothing more is heard of it. I am quite aware that many people are more or less evading taxation; or, at any rate, they are not sending in correct returns. I take it that that clause in the Bill is included for the purpose of enabling the Commissioner or his officers to be able to check the returns sent in with the books in the possession of the taxpayers. I ask the Treasurer to realise that it is quite impossible for many small farmers to keep books, for the reason that they do not know anything about it. They may know how to keep a ledger in a certain way; they may be able to do it in such a way as to satisfy themselves and probably the Commissioner that their income tax returns are correct. But I certainly hope that the Treasurer is not going to insist upon the small farmers being called upon to keep a complicated set of books. If that is done, a good many farmers will always be in more or less serious trouble. As the hon. member for Cunningham stated, there are some years when some farmers have no income. All who represent farming constituencies know that. In cases of that kind, the bookkeeping may become a forgotten art; the farmers may consider that it is not necessary to carry on, and consequently a little later they may find themselves in an awkward position when the Commissioner comes along and asks for the production of their books. I hope that the Treasurer is not going to press that particular clause in its application to the small farmers.

I listened with a great deal of interest to the remarks by the Treasurer with regard to the creation of one department for the purpose of collecting taxes. I am not in favour of the Commonwealth collecting the State taxes. My experience in connection with the Commonwealth offices convinces me that we should have the head office of the department in Brisbane. I know a case where a man appealed against his Federal income tax assessment, and he had to wait fifteen or sixteen months before he could get justice. Such matters have to be referred from Brisbane to Melbourne, and probably further information is desired in Melbourne, and the matter is again referred to Brisbane. A man has to wait a considerable time before finality is reached. We can get immediate attention given to these matters by the State Commissioner of Taxes. If we go to him and ask him to go into a case that may be a hardship, he always goes into the matter immediately. I have always found that he gives every matter very favourable consideration. I am not in favour of having such cases referred to Canberra or Melbourne. I think we get better service from our own State Commissioner than we get from the Deputy-Commissioner in the Federal Taxation Office. I do not say that the Deputy Commissioner is not willing to do that work if he is permitted to do it. Unfortunately he is not permitted to do it, and he has to send the papers down to Melbourne to have them adjudicated upon.

I often wonder, if a farmer was permitted to deduct from his income tax return the amount he would pay to his sons and daughters on the farm if they were paid at union rates, what his correct amount of taxable income would be. Some parents deduct £1, £1 10s., and £2 per week for wages and food supplied to their sons. I always claim that the farmer is entitled to take into consideration the fact that his sons work more than eight hours a day. They are not the only people who object to working eight hours a day. The employees in the parliamentary refreshment-room do not like working overtime without extra payment. The farmers' sons are entitled to overtime payment the same as any other worker. If we took into consideration the number of hours that these young people work, I believe we should find that a very large number of farmers would not be called upon to pay any income tax at all, because year after year their operations would be

found to be non-remunerative. We know very well that during the years 1915 to 1919 the man on the land had a very rotten time. There was very little income tax paid in 1916, 1917, 1918, and 1919, when we had a phenomenal run of bad seasons. In 1920 many of the farmers grew record crops of wheat. Although I do not believe in retrospectivity, I think the concessions under this Bill should be made retrospective.

Mr. COLLINS: Be consistent.

Mr. J. H. C. ROBERTS: When it is to the advantage of the Government to make a clause retrospective, they always do it.

The SECRETARY FOR AGRICULTURE: The Government are the people.

Mr. J. H. C. ROBERTS: I do not believe that the Government of the day are the people at all. When the Government introduced the super land tax and the super income tax they made it retrospective. I hope that the concession clauses in the Bill will be made retrospective for twelve months or two years. That is only a reasonable suggestion. Now that we have a chance of getting something from the Government, we should be given the most favourable consideration. The hon. member for Cunningham mentioned depreciation. The amount allowed for depreciation by the Federal authorities and the State authorities is different in some respects. I believe it would be a very wise thing if the representatives of those two authorities could arrive at a common ground in regard to depreciation. Let me take the depreciation on the vats in the cheese factories and the machinery on our farms. The amount allowed for depreciation on certain utensils used in our cheese factories is not sufficient to enable us to pay for the vat when it is worn out and enable us to replace it with a new one. It might be possible in Committee to accept an amendment giving the Commissioner power to exercise his discretion to a little greater extent with regard to the depreciation of machinery that we use in many of our manufacturing companies. The amount allowed for depreciation on windmills, tanks, etc., is not sufficient. In some cases the water is of such a peculiar nature that it practically renders a tank useless in five or six years, and in ten years a 5,000-gallon tank is absolutely eaten through and has either to be patched up by cement or replaced with a new one. You cannot very well lay down a hard-and-fast rule with regard to depreciation, but I hope the Treasurer will see his way clear to give the matter some consideration.

Mr. G. P. BARNES (*Warwick*): I am quite in agreement with the Treasurer that it is pretty well impossible for hon. members to fully comprehend and get a full grip of the measure before us. There is an aspect of the question which has not engaged the attention of the House, and which should engage it, and I shall confine my remarks to the broad principles of the legis-

[7 p.m.] lation which we are discussing. It is regrettable that we should have to face an amending Bill which gives little or no relief to the people. Many people are about exhausted in many directions as a result of taxation, and relief in that regard would certainly have been very helpful to the people. I am also in agreement with the Treasurer regarding his attitude in connection with the Commonwealth controlling the collection of taxation. We can well afford to manage our own affairs in that direction. I am against doing anything that will interfere with State rights, because our knowledge of the people is such that we are better able than those at a distance to deal with those various matters with which the State has to do. The Commonwealth have to do with the greater affairs of the country, and do not come down to the details of things such as the State does, and consequently we can manage our affairs in this direction satisfactorily. It may be that expense would be saved by an amalgamation of the State and Federal taxation authorities, but, as the Treasurer pointed out, the disadvantages cannot be gainsaid. Looking at the matter broadly, I am against unification, and in accord with the Treasurer in that regard.

The point I wish to make is that it is to be very much regretted that the Treasurer, instead of bringing down this Bill, is not in a position to indicate that taxation would be reduced and relief given to the taxpayer at an early date. Instead of that, we have a reimposition of the super tax. I think that the Treasurer might have taken the bit into his mouth and exercised some courage. By the curtailment of expenditure, he might have been able to do without the reimposition of the super tax. Of course, I am aware that taxation is now bringing in less than it did, but that is the very reason why taxation should be lessened. The Treasurer made reference in his Financial Statement to the matter to which I am now referring. He said—

> "Although receipts from taxation exceed the estimate by £192,796, they were £262,346 below the amount received for the previous year. The excess of receipts beyond the estimate is all accounted for by income tax."

My argument is that the people are less able to bear taxation than they were before. The revenue received from taxation is gradually being reduced, and the Government have brought about that reduction by faulty administration and by entering into enterprises which have miscarried. The fact that revenue is diminishing is a reason why consideration should be given to the reduction of the income tax, instead of reimposing the super tax and increasing the burden in other ways. I appeal to the Treasurer to take these matters into consideration and give due weight to what I am saying. The Commonwealth Government have realised the necessity and the wisdom of reducing taxation. I maintain that the outlook was not more hopeful for the Treasurer of the Commonwealth when he agreed to reduce taxation by some £3,000,000 than it is for the Treasurer of Queensland. The Commonwealth Treasurer realised, as I think our Treasurer should realise, that this is a time to try and undo things. If the Treasurer had indicated that the super tax would not be reimposed, it would have sent such a wave of confidence through the land as would have strengthened the Government.

Mr. BRENNAN: That is only camouflage.

Mr. G. P. BARNES: The Treasurer wants to do something, and to do it with courage. I can show what they are doing in connection with taxation in New Zealand. In the Brisbane "Telegraph" of to-day's date appears a cablegram from New Zealand which reads—

"Auckland, 27th September.

"Reductions in land tax are proposed

> in an Amendment Bill which was introduced in the House of Representatives. The super tax on land will be further reduced—from 20 per cent. to 10 per cent.—and the super tax on incomes will be removed altogether. The total concession is estimated at £829,000."

That shows that an amending Bill has been introduced to reduce taxation there. If the Treasurer takes notice of the statement made by the democratic Premier in New Zealand in this connection, he will learn a good deal. Speaking in the House of Representatives the Prime Minister, Mr. Massey, stated—

> "He was making the reductions because the financial outlook has somewhat improved. He was taking a risk, but he had thought the matter out carefully and believed the proper thing to do was to take the risk, and trust to the industry of the people and the productive capacity of the country as a whole. If this country maintained its present enormous load of land tax and income tax they would run into disaster. They were killing industry by asking the people to pay such an enormous amount of taxation. There were arrears of land and income tax to the amount of £900,000. The reductions would commence this financial year."

That is something that this State might take into consideration because it is a splendid example to follow. The position of New Zealand is analogous to our own, as it was burdened with taxation. Of all the States of Australia, we are in the worst plight. The Treasurer wants to turn the corner and face the music in the direction which I have indicated, by bringing down taxation.

The TREASURER: I have given some concessions.

Mr. G. P. BARNES: Yes, there are some concessions, and other things have been brought into line. There are also increases which I consider should take place.

Mr. BRENNAN: Then why stonewall?

Mr. G. P. BARNES: I am not stonewalling. The evidence I am bringing is not on the lines of general criticism, but I want to interest the country and interest the Government by telling them that they should bring down taxation. I am aware of the pious hope expressed by the Treasurer when he said he thought that taxation ought to be lightened by and by. But from the way the administration is being conducted to-day, unless there is a change in the attitude of hon. members, the case is pretty well hopeless. No matter what amount of money may be brought in, it will be expended.

The TREASURER: You are too pessimistic.

Mr. G. P. BARNES: If my being pessimistic would lead the Treasurer to go in a different direction. I would continue to be pessimistic. The time is ripe for something to be done. The Treasurer should look to production and try to inspire the confidence of the people; and the confidence of the people can best be secured by properly considering the well-being of the people. In a year or two, we have some £25,000,000 of loan money falling due, the renewal of which will certainly cost the country not less than 1 per cent. more than we are paying on the average at present. Possibly it will cost 1½ per cent. more. There may be an increase in our interest bill of £250,000 or £350,000, so that, although the Treasurer is hopeful, unless he mends his ways, the position is utterly hopeless, because the calls on the Treasury are going to be much greater in the future than in the past.

I would like to point out that the burden of taxation is falling on only a few people. I find by Table L attached to the Commissioner's report that the total number of taxpayers—companies and individuals—is given as 29,098, although I hold that those figures are altogether wrong, because in that number are included banking institutions, insurance companies, manufacturers, manufacturing companies, merchants, mercantile companies, pastoralists, pastoral companies, and public utility companies, who, although they number only 7,031 taxpayers, yet represent many more, because every company represents a large number of shareholders. I am particularly mentioning this because almost every session, and sometimes two or three times during the session, the hon. member for Bowen refers to the smallness of the number of people who pay taxation. In many instances those companies represent many hundreds of shareholders.

There is only one clause in the Bill to which I intend to refer particularly at this stage. Clause 18 imposes on farmers the duty of keeping books. I have had so much to do with these men, to whom even the writing of an ordinary letter is irksome, that I believe that, although they and the community generally would be better for keeping books, nothing could have such a disturbing influence on them as to be told by the Commissioner that they must do so.

The TREASURER: It will only be required in cases where, without keeping books, they cannot keep correct accounts.

Mr. G. P. BARNES: My experience is that the great bulk of farmers simply run banking accounts, and many of them endeavour to put everything through those accounts, and when the year comes to an end they simply hand their bank books and their cheque books to an agent to make up their returns. The keeping of books is certainly an unknown thing to a great number of them. I hope that in whatever is done in that direction we shall err on the side of leniency. If it is to be done, let the Commissioner not wait for twelve months until the returns are coming in, but let him indicate forthwith what he requires to be done. An hon. member to-day urged that he should issue instructions. In addition to issuing instructions, let him give an example of the books that he suggests the farmers should keep. If it is made clear to those men what books they should keep, it will lessen the apprehension that many of them will have. I hope the time will come when relief of a substantial nature will be afforded in regard to taxation.

Mr. GREEN (*Townsville*): The Treasurer rightly indicated that such a measure as this required a large amount of time, a great deal of consideration, and a fair knowledge of matters appertaining to taxation in order to obtain a proper grasp of its provisions. I think the House will agree with him in that. I am extremely pleased that the Treasurer has at last realised the unfair and unjust position in which he has been placing the Opposition in connection with the various measures brought forward during this session and the previous sessions of this Parliament. But not only taxation Bills require a large amount of time and

consideration. Hon. members should have ample time to give fair consideration to every measure introduced, so that they can analyse it and discuss it in a proper manner. That time has not been given. I would refrain absolutely from discussing a measure with which I was not in touch. It is not fair to the electors that hon. members should be placed in that position. I hope that at the last moment the hon. genleman will repent of his action in snowing the members of the Opposition under with the various Bills that have been submitted to us.

I appreciate the manner in which the Treasurer always introduces the second reading stage of Bills. He goes into the matter thoroughly, and, even if he deals with it from his own viewpoint, the information which he discloses is very valuable. At the outset he stated that it was impossible to forgo the super tax, owing to the financial exigencies of the State. It is to be regretted that such an admission has to be made. I feel sure that in such a prosperous State—a State with such possibilities and potentialities—a State which has been blessed abundantly with good seasons during past years—there should be no reason to reimpose a super tax upon the people. The hon. member for Warwick has pointed out the steps which have been taken by the Federal Government and the Government of New Zealand to lighten the burden of taxation. I feel sure that the Treasurer will agree that Queensland should be in the same position. Now that the great war has ended, we should attempt to lighten the burden of taxation that is pressing heavily on the shoulders of every person in the State, whether he pays taxation or not. It is the many and not the few who bear the burdens of taxation. That burden rests upon every section of the community, and, when that burden is lightened, its results will be reflected in renewed prosperity and renewed vigour. It is a pity that the Government have not followed the good examples set by the Commonwealth and New Zealand in attempting to lighten that burden by exercising efficient and economic control. If we inquire as to the industries that have been established during the past six or seven years, we have nothing to be proud of. If we consider the number of employees engaged in those industries, we have nothing to be proud of; and, if we consider the amount of wages which the employees have earned in those manufacturing industries which have been ground down by taxation, there is nothing to be proud of. Let me quote from the Commonwealth "Quarterly Summary of Australian Statistics" for June, 1922.

The SPEAKER: I hope the hon. gentleman will connect his remarks with the Bill.

Mr. GREEN: I am saying that the result of burdensome taxation is reflected in the amount of wages paid to the people in the industries, and I think I am quite right in doing that. We find, according to Knibbs's figures, that the wages cost in proportion to the value of the output in manufacturing industries in the different States show—

	Per cent.
Western Australia	25.09
South Australia	21.76
Tasmania	20.76
Victoria	20.17
New South Wales	18.59
Queensland	16.89
Commonwealth	19.39

Queensland is in the worst position. That is largely due to the burden of taxation placed upon the industries. The Treasurer stated that it is undesirable to continue this heavy taxation. I think every hon. member will say "Hear, hear!" to those sentiments. The hon. gentleman said that he hoped that the time was fast approaching when the taxation could be lightened. There are no prospects of progress while we have this pressing taxation. What prospects have we for a reduction in that taxation in future if the Government continue to spend money on unproductive works? The Commissioner, in his report, points out that during the past year there was an increase in the number of taxpayers, yet there was less received by way of taxation. If it had not been for the increase in the number of taxpayers, and the prosperity which existed in the sugar industry during the previous twelve months, there would have been a still further falling off in taxation receipts. Now that the basic wage has been reduced, probably a large number of persons who previously paid taxation will be relieved of that necessity. Unfortunately we know that the sugar industry is not likely to be in a very flourishing condition this year. It appears to me that, instead of expecting a reduction in taxation, we can very well look forward to a further increase in taxation.

Let us look at the increase in loan expenditure. The Treasurer says he hopes there will be a reduction in taxation in the near future; but what have we to hope for? In seven years the loan indebtedness [7.30 p.m.] has increased by £30,000,000, and during the present year there will probably be a further loan expenditure of £5,000,000; and, as many hon. members have pointed out, that £5,000,000 will only earn from ½ per cent. to 1 per cent., and I expect the Government will have to pay from 5½ per cent. to 6 per cent. for the money. Therefore, the position does not look hopeful in any respect. If this loan expenditure is to be continued, we cannot hope for any reduction in taxation in the future. Because of the increased loan indebtedness there has been an enormous increase in the interest bill during recent years. In 1915 the interest bill amounted to £1,975,000, while in 1922 the amount paid in interest was £3,286,000, an increase of £1,311,000 in seven years—an increase of 65 per cent. If that loan money had been expended on reproductive works, or on works which would bring in an income, there would have been no necessity for additional taxation; but the Treasurer will agree with me that such has not been the case. As the hon. member for Oxley stated, in 1915 the interest on our public debt was £1,975,000, but the loan money expended up to that date earned an income of £1,707,000. Thus there was only an amount of £268,000 charged to the consolidated revenue, and which the taxpayers of this State had to bear.

The TREASURER: Do you think we ought to stop work on the North Coast Railway?

Mr. GREEN: I do not, because that is reproductive.

The TREASURER: It will not earn 2 per cent. for ten years on the money expended.

Mr. GREEN: That is because you are not carrying out the construction of the line efficiently. The Bowen Coalfield Railway took five years to build. That line should

have been rushed through in twelve months or two years, and if it had been built efficiently and quickly, it would have earned 5 per cent. interest or more for the State. Let us look at the 1921 figures. In that year the interest bill was £2,930,000, and the loan money invested at that date only brought in an income of £812,000, thus bringing about a loss of £2,118,000 which had to be borne by the taxpayers, as compared with a loss of £268,000 in 1915.

The SPEAKER: Order! I do not wish to interrupt the hon. member, but I would point out that on this amending Bill the hon. member will not be in order in discussing the whole gamut of the finances of the State.

Mr. GREEN: The Treasurer in his remarks indicated that he hoped the burden of taxation would be lightened, and I am pointing out that if this loan expenditure is continued at the rate at which it has been increasing during the past few years, there is no possibility of that burden of taxation being lightened. The increased interest payable on maturing loans also indicates that it will not be possible to reduce taxation. As I have already stated, the expenditure of loan money on the Dawson Valley scheme and other schemes of a similar nature indicates that we cannot expect any reduction in taxation if the same want of efficiency is manifested. However, I do not wish to deal any further with those matters, as the Speaker has ruled that it is not in order on this amending Bill, and I do not want to go beyond the scope of the Speaker's ruling.

At 7.35 p.m.,

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

Mr. GREEN: We are pleased to know that this Bill is going to give some relief by correcting anomalies in regard to the income tax, though, as the hon. member for Oxley pointed out, it appears that the man whose income is below £1,000, if some of that income is made up from dividends, is being penalised to a greater extent than the man who has a larger income than £1,000. There are many provisions in the Bill which are exceedingly acceptable, and we are pleased to know that the Treasurer has indicated that he is prepared to accept certain amendments.

I think it is wise that the men who make up returns for taxpayers should be registered for the protection of taxpayers. Every Tom, Dick, and Harry should not have the right to make up returns for the taxpayers of this State; but I think the fees chargeable for registration are rather too heavy, and I hope the Treasurer will be prepared to accept an amendment to reduce the amount of fee to be charged. I also hope the hon. gentleman will be prepared to accept an amendment regarding the Board that is to be appointed under the Bill. I think it is wise that those persons who make returns on behalf of the taxpayers of the State should have representation on that Board. I hope also that the personnel of the Board will be altered in other respects. I do not think there is any need for the clause in the Bill which allows an appeal to be made to the Treasurer. I feel that that is not necessary.

There is another matter referred to in the Bill—that is, the interpretation of "capital." Under previous Acts capital was considered to be the amount of capital invested from time to time at the beginning or the end of the company's year, and we are pleased to know that there has been a little recognition made in regard to reserves which are carried forward. They certainly are a part of the capital which is earning profits, and I am pleased to know that they are to be considered as capital. We should go a little further and allow undistributed profits to be also treated as capital. Every hon. member will agree with me that undistributed profits are also used to earn revenue.

There is one other matter which affects to a large extent the people in North Queensland, not only the ordinary residents in regard to their homes, but also the farmers and others in that portion of the State—that is, the expenditure on buildings which have been destroyed by cyclone. We have no cyclone insurance in this State. In the past money expended on repairing or replacing buildings that were destroyed by cyclones was not allowed as a deduction by the Commissioner. Such expenditure is a fair deduction. If a person has been practically ruined by having his home or other buildings destroyed by storms, by restoring such buildings they are not in any better financial position than they were in previously, and the expenditure in that connection should be allowed as a deduction when making returns for income tax purposes. I trust that the Treasurer and the Commissioner of Taxes will take that matter into consideration. In conclusion, I would like to point out that the Commissioner of Taxes is always willing, with due regard to the finances of the State, to discuss with us any matter we bring before him and make every possible allowance, and we appreciate his action in that direction.

Mr. J. JONES (*Kennedy*): I would point out how unfairly the income tax is operating against the men on the land; that is, in particular, against men who take up dry holdings. I have known many men in my experience who have been struggling along for years without doing any good, and then, when they have had a good year and a couple of hundred pounds in hand, instead of spending that money on the homestead and making things more comfortable for their wives and children, they have spent it in sinking for water, and as we know, water is one of the most important requirements in Queensland. To-day there are hundreds of holdings where you will find bores in operation, and that provision enables more stock to be carried in a dry period, and thus increases the national wealth. When men put their money into wells, they improve their holdings, not only for their own benefit but for the benefit of the country generally; yet the Government make them pay income tax on the money spent in sinking the wells. There are different classes of holders. Some of them have plenty of money and some have not. When a man who has not much money puts his savings into a well-sinking scheme, and, after giving his labour and time in addition, he finds no water, he deserves every sympathy. If the Treasurer wants to show statesmanship, he ought to encourage these people to put down bores in these dry areas, and not penalise them as he is doing. I have an instance in mind of an unfortunate man who spent £2,000 on one bore, which proved a failure. If the bore had turned out successful, it would have brought additional wealth to the holding and

also to the country; but, although there was plenty of water found in that case, it was not suitable. Yet he had to pay both Federal and State income tax on the £2,000 which he expended. The Government ought to encourage people to improve the national estate, and, if a man can improve the holding and increase the carrying capacity of the country during the period of lease of twenty-one years, the Government should not penalise him, but should encourage him to make all the improvements he can.

Again, in regard to education, people who live too far away from schools to send their children to them do the next best thing. They get a governess to train their children, and they have to scrape together the few pounds necessary to do it. Hon. members have talked about the noble women in the bush, and that is quite right. Most of these governesses are young women and are very intelligent. They are on selections with only the wife and, perhaps, a couple of children, while the husband is away. These young women are a great comfort to the families they live with. The settlers have to economise in order to employ these governesses, yet this Government—and the same thing applies to past Governments—make them pay income tax on the money utilised in this way. I think the Government ought to encourage the employment of governesses in the bush, because the more governesses you get to go into the bush, the more people will get married. (Laughter.) If you have these young ladies where there is a piano, young fellows will come along for social entertainment. I hope I am making myself clear. (Laughter.) We should do all we can to encourage the small selectors in any part of the State.

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 to-morrow.

SUGAR WORKS BILL.

SECOND READING.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): The Sugar Works Bill is rendered necessary because of the likelihood of the erection of a proposed new mill or proposed new mills in Queensland in the near future. An announcement has already been made of the appointment of a Royal Commission for the purpose of recommending a location for the erection of an additional mill or mills. That Commission will shortly enter upon its duties, and will, in the course of a few weeks, no doubt, submit its report recommending the most suitable site for a mill in this State. The Government have given very careful consideration to the question of extending the sugar industry in this way, and anticipating that there is no great danger to the stability of the industry, they have deemed it advisable to consider the question of entering upon the erection of at least one additional mill. The increase in the aggregate consumption of sugar warrants the early consideration of a proposition of this kind, for there is a definite annual increase. If the proposition is entered upon at the present time, it must be at least three years before the mill will be operating, and by that time, the consumption of sugar will have increased by a great amount. It is anticipated that, by that time, the production of sugar will not nearly meet the requirements of the Commonwealth. It is possible in an exceptionally good season that, under existing circumstances, the production may equal the requirements of the Commonwealth; but taken year by year, or taking the average experience for a period of years, the production will not equal the consumption in Australia; therefore from that point of view, it is perfectly safe to proceed with the erection of at least one additional mill.

The Bill authorises the Government to create a sugar works area, the location of which will be decided when the Royal Commission makes its report. It authorises the corporation which is now established and controlling certain Government sugar-mills in Queensland to construct and control sugar-works and maintain and carry on such works when they are erected. Power is sought in the Bill to acquire land for the purpose of the works, and for the purpose of the production of sugar in the area. This is one of the new features of the Bill which I desire to dwell upon. The last measure under which sugar mills were erected was passed in 1911, and it made provision for the erection of sugar works, but did not provide for the acquisition of lands, and it led to evils which are well recognised in the Babinda and South Johnstone areas—especially in the Babinda area. It is generally recognised by those people who know the circumstances that such a difficulty should be avoided in the future. I cannot say at present where this mill may be located, but it is tolerably certain that it will be somewhere in North Queensland in the coastal area. There is an agitation for a sugar-mill back from the coast on the Atherton tableland, and there are agitations for mills in other districts, but I think it is almost certain that the Royal Commission will recommend the location of the mill in the coastal area, somewhere on the North Coast Railway. It is certain that the recommendation will relate to a district which is at present unsettled; but no matter what district the recommendation applies to, it is bound to be found that there are large areas of freehold land. In the interests of cane-growers in the immediate vicinity of the mill, it is far better for the Government to acquire the land and apportion it in reasonably-sized areas among the intending growers of cane there. When the Babinda Mill was established, a few large freeholders in that district benefited to the extent of hundreds of thousands of pounds, and the farmers growing cane in the Babinda area had to pay for their land at a considerably increased cost. We know that they had to pay a fabulous price for the privilege of occupying that land and growing cane for the mill. They could have been relieved of that great burden if the Government had pursued the course that we are following in this Bill, and that is to acquire all the land adjacent to the mill. The owners of the freehold will get a fair value for their land. If the owner wishes to retain portion of the area for himself, he will be allowed to have a preëmptive right to a fair-sized holding for the purpose of carrying on agriculture and growing cane. I do not want to prejudice the selection of the site by the Royal Commission, but I might refer to the possibility of a new mill being established on the Tully River in the Banyan district, at

Bailey Creek, on the Daintree River, or on some other area along the North Coast Railway. Under this proposal the freehold will be acquired compulsorily by the Government at a just price, and present values will be paid to the owner. The Bill provides, as did the earlier Bill of 1911, for the erection of a township area and the proper control of that area. There will be no decision to erect a mill in any area until the report of the Royal Commission is presented. We must adopt the recommendation of the Royal Commission in regard to the location of the mill. When I was introducing this Bill at the introductory stage, the hon. member for Mirani and also the hon. member for Bulimba raised a question in reference to the application of the co-operative principle in regard to the sugar-mill ownership.

Mr. BEBBINGTON: I, also, asked that question.

The TREASURER: Yes, the hon. member for Drayton also referred to it. There is no provision in this Bill for the co-operative ownership of the mill by the farmers, for reasons which I shall now proceed to set out. It is tolerably certain that this mill will be located in an area which at present is not occupied by farmers. It will be practically vacant land, and to some extent it will consist of large freeholds. That is almost certain, knowing as I do the likely localities where the next sugar-mill will be constructed in Queensland. There are no farmers at present in those areas, although there may be an isolated selector here and there. At any rate, there is not a sufficient body of canegrowers to come under the provisions of the Co-operative Sugar Act of 1914. There is a principle in the 1911 Act which sets out that farmers in the course of years may establish cane credits and become owners of the mill. There are weaknesses in that which I will proceed to show. That Act required that a certain sum of money in each year should be set aside for the redemption of the original loans from the Treasury.

Mr. SWAYNE: The first two years were exempt.

The TREASURER: Yes. In the early history of the mill the redemption charge amounts to a very serious charge on the suppliers of cane. In fact the suppliers of cane to the South Johnstone Mill in the first year asked the Government to relieve them of that charge and make the mill solely a nationalised mill. Every year when the balance-sheet comes out showing the amount of redemption that has to be paid by the farmers we find that the farmers object to it, and they have asked us on numerous occasions to relieve them of the charge and make the mill a nationalised mill. The redemption charge in the early history of the mill is, no doubt, very heavy. It is fixed on the basis of liquidating the original indebtedness in a period of twenty-one years. That is a serious charge in the early years of a sugar-mill, and it falls upon the suppliers of cane at a time when the sweetness of the cane is not as great as it becomes in the later history of the mill. That is the time when the farmers have to incur initial expenditure in preparing their farms, and where the mill has great difficulty in meeting its obligations. It is almost invariably the experience that there is a big under-supply of cane in the earlier years.

Mr. BRAND: It was only 2s. 10d. per ton at South Johnstone last year.

The TREASURER: Well, 2s. 10d. per ton and all the initial expenses which the farm has to carry is a burden to those who are doing all the pioneering work at a time when there is only limited production.

Mr. BEBBINGTON: That 2s. 10d. includes interest.

The TREASURER: I am speaking offhand in regard to that. At any rate, the redemption charge is a very severe one, and because of that the growers of South Johnstone requested me, as Treasurer, to relieve them of that charge and make it a nationalised mill. Now, there is no desire on the part of the Government to prevent the farmers, if the mill proposition develops successfully and profitably, from becoming the owners and true co-operators in operating the mill. Until that occurs there will be no redemption charge. The only charge that will be made by the Treasurer is for interest on the outlay and a sinking fund for reasonable depreciation. There will be no redemption of the loan to pay. That will be entirely eliminated. When the undertaking gets on a reasonable business footing the farmers, if they can carry the necessary annual charges, may make the mill their own after a reasonable period, and the Government will be quite willing to apply the co-operative principle, and the farmers can take over the mill as a co-operative sugar-works, or else ask the Government to give them legislative authority to do it. Knowing as I do the experience of farmers in a new district, I know that for some years they will be happy to have the whole of the obligations borne by the Government. I think that is a fair proposition for the new settler.

Mr. BEBBINGTON: Will you lease the Crown land, and allow that to go towards the redemption of the cost of the new mill?

The TREASURER: Yes. It will be paid to the credit of the mill. The cost of the resumption of the land will also have to be charged. It is almost certain that the mill will be established on the North Coast Railway, north of Townsville. Of course, the Commission will be free to make any recommendation they like, but I know the extent of the Crown land available, and the vacant land close to the railway along the North Coast. The North Coast line will be completed in the next eighteen months, and the mill is bound to be placed close to that line.

Mr. BRAND: There is no question about that.

The TREASURER: I think there is no question about it. Therefore we need only consider how it will apply in a new area such as that to which I am referring, where there are no existing settlers, but where the land has to be subdivided under the authority of the corporation, new settlers established there, and the mill perhaps kept operating for a season or two without a full supply of cane, as was the experience of South Johnstone. I do not say that that latter possibility is inevitable. It may be that, under wise administration, sufficient development will take place to keep the mill fairly fully supplied even in the first couple of years; but, at any rate, we know that initial

[8 p.m.]

difficulties are inseparable from an undertaking such as this.

The land will be made available under leasehold tenure. I think that is the most favourable tenure which can be applied to settlement in cases of this kind. It does not require any portion of the intending settlers' capital for the purchase of land.

Mr. CLAYTON: Is it intended to make it optional?

The TREASURER: No. It is the intention to make the land available as leasehold. No land settlement is taking place in Queensland under any other tenure.

Mr. EDWARDS: You believe in a freehold tenure for yourself.

The TREASURER: I did not catch what the hon. member said, but I do not want to start an argument on that point, although the Government can quite easily defend their leasehold policy. I think it is far better not to make it a party question. If hon. members opposite eventually get on this side of the House, they will have the responsibility of formulating their own policy, and they will have a perfect right to do it. Meanwhile, so long as this Government continue in power, the leasehold tenure will be continued, because we think it is a tenure which gives a new settler a better chance than a tenure under which he has to spend a considerable portion of his capital in buying land, whether it makes that demand upon him in a lump sum or spreads it over a number of years. I do not want to claim for this Government the credit of having initiated the leasehold tenure, because it would not be correct. The fact is that the leasehold tenure or the perpetual leasehold tenure even for agricultural purposes was in vogue in other countries long before Labour got into power in this State. It has been advocated in the Southern States by men who closely studied the Queensland question long before the Labour movement was founded, and the leasehold tenure was actually introduced into the 1911 Act by the hon. member for Bulimba when he was Treasurer as the only tenure which could be availed of in connection with the holdings in the township sites.

Mr. EDWARDS: You will go cold on it, all right.

The TREASURER: I do not think the hon. member is competent to express an opinion as to my views. I have been a champion of the leasehold system consistently, and it is a question which I can argue perfectly logically, without a scintilla of reason for shifting my ground. Nothing has happened in Queensland since the beginning of land settlement to justify me in changing my opinion in the smallest iota. Experience in every direction has shown that this tenure is well justified, but I should be sorry to make it a question for bitter party rancour or discussion. The Government's policy is leasehold for settlement, and it will not be changed while they remain in office. When hon. members opposite get over here—if they ever do get into office—they will have the opportunity to carry out their policy. There need be no misapprehension as to where I stand. The Government can justify their policy right up to the hilt. I say this to remove the question from the realm of ordinary party consideration, which may tend to import misunderstanding into the debate. We do not claim that the Labour party are the originators of the policy, but they are firm believers in it. They uphold it; and they will carry it out.

I do not know that there is any need for me to say any more. The Bill is a perfectly simple one. It will relate to one mill. I do not know that there will be justification for more than one. The intention is that, when the Royal Commission makes its recommendation, the Government will proceed to call tenders for the erection of a mill. I do not know whether hon. members want me to communicate anything to them on that point. The last two mills were imported mills, the successful tenderers being English manufacturers. I think that, if it is at all practicable, the mill should be built in Queensland.

HONOURABLE MEMBERS: Hear, hear!

The TREASURER: Of course, to a large extent it will depend upon the financial considerations involved in the tenders themselves. Competitive tenders will be called, and if it is possible, a Queensland tender—and I know there will be more than one from Queensland—will be accepted, although I do not say that we can absolutely bind ourselves to give the work to Queensland manufacturers.

Mr. BEBBINGTON: What margin would you be prepared to allow?

The TREASURER: I do not mind indicating that. The Government, ever since they came into office, have carried out a policy of giving a preference to Australian manufacturers of 15 per cent., in addition to the preference afforded by the Customs duty, and in regard to a sugar-mill I would be prepared to go even further for the sake of keeping the work in Queensland. At any rate, that is a very substantial preference for Queensland or Australian firms, although I do not know that any firms outside of Queensland will tender.

I might say one word with regard to the future of the industry, though I know that that is a question we might discuss all night without coming to a decision. I have been watching very carefully the agitation with regard to the renewal of the agreement, and, upon the assumption that the Commonwealth Government will do the correct thing by the industry, the Government base their confidence in going on with this proposal. I say quite candidly that there would in my opinion be no justification—there would even be a danger—in proceeding with the erection of additional mills if we could not feel sure that the industry would be stabilised. If the sugar agreement were not continued and no further protection were offered to the industry, it would be calamitous. The Government would not only be unwarranted in going on with the extension of the industry, but I for one would be in considerable doubt as to what would happen to the mills now established. I am firmly of opinion—which I think was expressed in the Financial Statement or perhaps in the Governor's Speech—that, recognising how valuable this industry is from the point of view of the settlement of the tropical parts of the State, and realising the tremendous amount of capital invested in it, and the enormous number of people who are absolutely dependent upon it, it would be nothing short of a calamity if we were left to the uncertain conditions that existed before the war and before the present agreement was made. At the same time I would like to

voice this warning—that it seems to me that the portents in the sky indicate unfortunately that there is not likely to be a renewal of the agreement. I do not want to make any capital out of that; we should not make this a party question. The Commonwealth Government have been strongly exhorted by hon. members on both sides of this House. The Government has made direct representation. I have interviewed the Prime Minister on two or three occasions, the first interview being as early as last November. Deputations have gone down from the various associations representing the sugar industry—the Australian Sugar Producers' Association and the United Cane Growers' Association. The Council of Agriculture has interested itself, and so has the Secretary for Agriculture. Notwithstanding all that agitation, there is no definite result yet; and, judging by the reports which have come recently from Melbourne, and the published statements of Senator Crawford and others, there seems to me to be an indication that there is no likelihood of a renewal of the agreement. Therefore the industry must look for some other form of protection. The agreement, I think, we should have; but, failing the agreement, we must have some adequate protection, otherwise the industry will be very seriously in danger. The Government are trying to keep this question free from party influence and entanglements in every way; we hope that it will not be made a subject for party disagreement or consideration. I hope that before the Royal Commission's report in regard to the location is made, some action will have been taken by the Federal authorities to reassure those concerned that the industry will be placed upon a sure foundation. Failing the agreement, let us have high protection, because the industry is subject to competition from low-wage countries, against which it has no possible chance of surviving. If we have to fall back upon the mere Customs duty to protect the industry, the Queensland Government will have to co-operate with those concerned in the industry—the millers, the growers, and the workers, too, I expect—with a view to trying to make the best arrangements possible under an increased protective duty. I mention this because I think it is of interest to everyone in the industry. The Queensland Government would have to act for the industry in making the best terms they could with the refiners. That is the only alternative. Though the Government have been strong champions of the present agreement, they cannot be in as advantageous a position as the Commonwealth Government to negotiate a satisfactory agreement with the Colonial Sugar Refining Company. If the Queensland Government could negotiate an agreement on such a satisfactory basis as the Commonwealth authorities can, there would perhaps be less necessity—so long as we got fair protection—to insist upon the Commonwealth renewal of the agreement. If the Commonwealth will not renew the agreement but will give additional protection, the Queensland Government will have to take up the matter with the Colonial Sugar Refining Company, and make the best terms they can. I beg to move—

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

HONOURABLE MEMBERS: Hear, hear!

Mr. VOWLES (*Dalby*): I think it should be the desire of everyone in Australia, and of Queensland in particular, that the question of the stabilisation of the sugar industry should be settled, if possible, once and for all. Whether it be in the form of an agreement or protective tariff, so long as it is suitable to the industry, that is all we require. It is the earnest desire of every member of the Opposition that something should be done definitely in that direction as soon as possible so that the growers will know exactly where they stand.

We have been placed in this position in Parliament to-night that we are entering on new legislation with a view to establishing other sugar works; and, unless the industry is put on a firm basis, there will be little necessity for those works. The Treasurer has told the House that a Royal Commission has been appointed whose function is to report on the most suitable site for the establishment of a new mill. Anybody who has read the Bill itself must realise that, no matter how great the claims may be that existing districts have for sugar-mill accommodation, it is not the desire of the Government to give existing selectors those privileges, but they desire to reserve for the future an area which is to be a nationalised area, and the whole of the money which is to be set aside by Parliament for this purpose is to be applied towards some experimental scheme in that direction. It reminds me to a very great extent of the position in which certain selectors find themselves in regard to railway construction. Men have gone on the land in the past on the promise of railway construction, pioneered new districts, and sat down waiting for railway facilities to enable them to get their produce to market. In many other districts we find that selectors have gone on land which is suitable for the growing of sugar-cane and is undeveloped merely because we have not sufficient mill power to deal with additional crops. I think we should, first of all, consider the existing conditions. If those conditions exist which I have mentioned, the claims of those districts should first of all be advanced for this new mill. Someone who had read this Bill remarked to-day that he regarded is as the advance guard of the "Red Army."

The TREASURER: He was a pessimist.

Mr. VOWLES: In the past, in areas where mills have been established, the establishment has been on the principle of co-operation. Instead of applying that system of co-operation to this mill, it is proposed that it shall be nationalised; and, although the growers or the tenants, as the case may be, have not to find anything in the way of redemption of the loan which is advanced to the corporation, they nevertheless have to find the interest if the mill itself cannot find it. We find ourselves in this remarkable position: that, if in any one area there is a shortage in the working of the mill, that shortage has to be made good by certain individuals who will never receive any benefit, or who will never receive any credit for payments from future profits. We know the personnel of the Royal Commission which has been appointed, and we have a good deal of confidence in it. It is to be hoped that, whatever area may be decided upon, it will be the most suitable. The Treasurer anticipates that it will be necessary to acquire by resumption existing areas—freehold properties and other Crown lands. I sincerely trust that those resumptions will be small,

so far as private property is concerned. We do not want to put upon a concern such as this a greater burden than is necessary. Are we to understand that all the good land in the vicinity of the North Coast Railway which has been constructed, in the district where there is a likelihood of the mill being established, is in the hands of speculators? I admit that it is rather a regrettable thing if that is so; although those speculators under the scheme are not to receive anything in the nature of unearned increment, and are not to get any better price for their land as the result of the establishment of the mill. They are to receive nothing greater than the value of the land to-day. It seems to me a strange thing that that land should have been acquired. It would be very interesting to know whether it has been acquired recently, or whether the railway was put through the freehold lands in those particular areas.

Mr. GLEDSON: No freehold land can be acquired under a Labour Government.

The TREASURER: If you are referring to the land in the Tully River district, it has been held for some years.

Mr. VOWLES: The railway line was surveyed long before this Government came into existence.

Mr. GLEDSON: Speculators were allowed by the previous Government to obtain the land.

Mr. VOWLES: Quite possibly that is so. The tenure of land in those days was freehold, and there is nothing wrong in a man having acquired land under that tenure. I presume that those men have put the land to some use. I understand that most of the sugar areas are scrub lands and need a good deal of preparation before they are in a position to grow cane. The scheme here is that the Governor in Council may, by Order in Council published in the "Gazette," create a sugar works area. Once the area is proclaimed the proclamation extends to all the lands in that area. The Bill provides—

> "The Governor in Council may direct and empower the corporation to construct sugar-works within a sugar-works area, and thereafter to manage, maintain, work, and control the same."

Provision is made for the cost to be defrayed out of moneys appropriated by Parliament, and reference is made to the payment of interest, which is left at an indefinite rate. The corporation is to have full power and authority to manage, maintain, work, and control the sugar works, and to regulate the leasing and selling of all land within the sugar-works area, to grow cane upon any land, and to deal with the purchase of cane from any person. The employees appointed in connection with the management of the works are to be exempt from the Public Service Acts. The Bill further provides—

> " . . . the corporation may acquire, either by agreement or compulsorily, any land within a sugar-works area (or if such land is required for the sugar-works, outside a sugar-works area), including land held under lease or license from the Crown or land alienated from the Crown . . ."

The area will be prescribed and the corporation will have power to acquire land compulsorily outside of the proclaimed area.

The TREASURER: For the purposes of the works.

Mr. VOWLES: I desire chiefly to refer to the powers of the corporation and the individuals in this model township. The corporation has power to start a township, and for that purpose it has the right to build accommodation houses, lodging-houses, and other buildings, and has the right to furnish same and maintain, manage, and fix the charges for the use of same. This is purely nationalisation or Government ownership of the whole of the buildings, and I regret that our experience in connection with Government enterprises in other directions has not been such as to cheer us when we find that the Government are going in for enterprises of a similar nature in this direction. According to the extraordinary powers given to the corporation, a man can be ordered to grow sugar-cane on any land within the area, and if he neglects to do so, and there happens to be a shortage, that person and any other person who has neglected to grow cane can be charged the whole of the loss that occurs in the one year.

The TREASURER: The same thing applies at South Johnstone.

Mr. VOWLES: It all depends on what the growers' interests are. South Johnstone is a co-operative scheme where the men work and take an interest, but that is not to be the case under this Bill. A man can be made to grow cane whether he likes it or not.

The TREASURER: If no cane is grown, the mill will be a failure.

Mr. VOWLES: In dealing with the original owner of the land, the Government are going to acquire the whole of the land with the exception of a suitable area for cane-growing, and the corporation will demand what is to be done with that land in the future

The TREASURER: That was always done under the old Act.

Mr. VOWLES: In those cases, there was the co-operative system. That will not be the case under this Bill. The Bill provides—

> "No supplier within a sugar-works area shall have the right to sell, assign, or dispose of or to give or grant any mortgage, lien, or other security or pledge on or over any sugar-cane or sugar-cane crop, or any money, or other consideration, due or accruing due to him for the sugar-cane supplied or to be supplied to the sugar-works, to any person other than the corporation without the express consent in writing to the corporation in that behalf first had and obtained . . ."

The Bill further provides—

> "No person shall lease, or sell, or transfer or enter into any agreement to lease or sell or transfer, to any person any land or any interest in land within any sugar-works area unless he has previously received the consent, in writing, of the corporation to such lease or sale or transfer, or agreement therefor."

The TREASURER: That is provided in connection with South Johnstone and Babinda.

Mr. VOWLES: The principles here are not the same as in the 1911 Act. Under that Act the obligations fall upon the co-operative tenants. The tenants under this Bill will not be co-operative tenants.

The TREASURER: Is not the provision under the 1911 Act the same as is set out in this Bill?

Mr. VOWLES: I submit that they are very different in this Bill. We were told by the Treasurer that, if the tenants desire in the future, provision can be made whereby this scheme can be turned into a co-operative one, and the tenants can acquire the mill, but I cannot find any suggestion of that in the Bill.

The TREASURER: It is in the Co-operative Sugar Works Act.

Mr. VOWLES: There is nothing about it in this Bill.

The TREASURER: That Act applies to any mill.

Mr. VOWLES: Does the hon. gentleman say that the same principles would apply?

The TREASURER: It would apply to this mill, if necessary.

Mr. VOWLES: How are the tenants to make it apply?

The TREASURER: By petitioning in the manner set out in the Act.

Mr. VOWLES: They have not got that right.

The TREASURER: They have got that right.

Mr. VOWLES: Under the co-operative system the man practically owns the land, but in this case it belongs to the corporation. Have they the right to petition for a certain thing to be done and alter the whole of the scheme that is now being considered by Parliament? Have they the right to do away with all this nationalisation?

The TREASURER: Under the 1914 Act, they have the right to petition—so long as they comply with the terms—and they can acquire the mill by co-operation.

Mr. VOWLES: I am pleased to hear that. Then they have the same right under this Bill as is given under the 1914 Act?

The TREASURER: Yes.

Mr. VOWLES: I am pleased to hear that, as it will remove some of the objections that I had to the Bill. It seems to me that there will be too much restriction in these areas. The tenants will be under compulsion. They will have no liberty of their own. They cannot handle their own money, transfer their own property, or sell their own cane.

The TREASURER: The same thing applies to all the growers for the existing mills.

Mr. VOWLES: The conditions are very different.

The TREASURER: They cannot sell their own cane.

Mr. VOWLES: The principles are the same, but the conditions are different. There are many places in the North that desire and deserve more conveniences in the way of sugar-works. I do not think it is fair for the Government to expend the amount of money that will be necessary for this undertaking in a new area for the purpose of developing it on nationalisation lines. We have so many existing areas that are hungry for the same facilities, and where the land is ready to be put under cane as soon as a mill is erected. Those districts have been waiting for many years. Promises have been made to them.

The TREASURER: What districts does the hon. gentleman refer to?

Mr. VOWLES: There is plenty of valuable land in the Herbert district.

The TREASURER: The site I am talking about is in the Herbert district.

Mr. VOWLES: I was shown some beautiful land in the Herbert district.

Mr. BRENNAN: You were there only one day.

Mr. VOWLES: I was there for several days. There is land there that would be immediately put under cane if a mill were erected. Every consideration should be given to the present sugar-cane districts, and we should not cater so much for new districts under the conditions that exist to-day.

At 8.29 p.m.,

The SPEAKER resumed the chair.

Mr. FERRICKS (*South Brisbane*): I have great pleasure in supporting this Bill, because I recognise in it the second stage in the Government sugar policy—the Regulation of Sugar Cane Prices Act being the first stage—which policy will eventually give justice to the three sections of the community concerned—the producers, the millers, and the consumers. During the last twenty years or so there have been numerous alterations in connection with the system of erecting sugar-mills by the Government. The first system was under the Sugar Works Guarantee Act of 1893, under which system great responsibilities were placed upon the owners of land and the land within the benefited area to be served by the sugar-mill. That Act was amended in 1908 to bring about a settlement in regard to some mills which had defaulted in their redemption payments, as was mentioned by the leader of the Opposition. The owners of the land under these conditions were not only subject to pay a rate which was levied on them in case of loss, but they had to hand over their deeds to the corporation—the Treasurer—as security for the erection of the mill. In 1911 the Denham Administration, under the Sugar Works Act of that year, provided for the building of the South Johnstone and Babinda central mills. That was followed by the Sugar Works Co-operation Act of 1914, under which it was necessary for any body of persons desiring the erection of a sugar-mill to provide one-third of the capital cost—an impossible task, realising as we do how the average community of settlers is situated in that regard.

Mr. BEBBINGTON: How is it possible for the dairymen to find one-half?

Mr. FERRICKS: The cost of a small up-to-date mill at that time was about £150,000 and the growers would have had to find £50,000 in cash before going to the Treasurer for an advance of the other two-thirds of the estimated cost. That was an impossible proceeding, and it caused no surprise that that Act was not taken advantage of. Why I am particularly pleased to see the introduction of this Bill on the lines proposed is because some seven years ago—in 1915—I wrote a series of articles for the Press outlining what I believed to be a sound State sugar policy, and in those articles I pointed out what I believed to be the soundness of the proposition, notwithstanding that the articles met with some criticism. In fact many of those who were opposed to me politically, in a friendly way used the term which is freely used by the hon. member for Oxley, inasmuch as they said it was the

outlook of a visionary. Those who were in accord with my views in that regard said there might be something in it, but it seemed to be impracticable. However, this Bill is bringing that policy into actual realisation. In those articles I said that it appeared to me that when a sugar-mill was erected in any district, especially in a new district, it should be built under the same conditions as a Government railway is built, and I maintained that the establishment of a central sugar-mill in North Queensland in districts suitable for the erection of sugar-mills created just as much land settlement, equally as much trade, produced just as much revenue, and provided as much or more work inside the area and outside the area benefited as did the building of a railway, and I argued, as I am going to argue now, that that being so, Government sugar-mills should be built on the same lines as our Government railways are built. Realising the great advance that has been made in many of the Northern settlements, such as Proserpine, Babinda, Mossman, and Gordonvale, we realise what the establishment of a sugar-mill means in those areas. It is a safe assumption to say that many of those places within the past ten years—from the census of 1911 to the census of 1921—as was pointed out in an article in the "Daily Mail" the other day, have increased their population quite 50 per cent., and Townsville, the commercial centre of those districts, has during that period increased its population by practically 100 per cent. It is well known what great advantages the initiation of white labour in the sugar industry has had for the community of Townsville, commercially and from a population standpoint. Early in this century Townsville was in a condition of stagnation; half the shops in the main streets were vacant; there was very little or no casual work doing, and the whole of the community was despondent. With the activity and improvement brought about by the expansion of the sugar industry, Townsville has progressed commercially, until to-day it is the third shipping port of the Commonwealth. That goes to show the great advantages of the sugar industry. When railways are built, it would be a preposterous idea for anyone to suggest that the community using those railways, or the area of land being served by the railways, should be burdened with redemption payments yearly sufficient to pay off the cost of those railways within a certain time. That would be a most outrageous proposal and a most senseless one, and I contend that an up-to-date central mill, with due regard paid to additions, renewals, and maintenance, will last just as long as a railway does, and that it is just as permanent a work. A railway would not last very long if it were not attended to from the point of view of maintenance and renewals, and central mills will, if these improvements are made, not only keep up to their original value, but the asset will be improved. There is not a mill in North Queensland to-day which has not a greater value than it had at the time of its construction, due to the fact that it has been kept up to date and that additions have been made.

On this question of redemption, to the absence of which the leader of the Opposition took exception, it is not proposed to burden the mills to be erected with this charge, and I will endeavour to show what that actually means to the people who are to supply the mill with cane. At the time I wrote those articles I have referred to, I had represented the electorate of Bowen, and, naturally, I was conversant with the operations of the Proserpine Central Mill, and I showed what these depreciation payments meant to the people who were supplying cane to that mill. These figures were taken from the Auditor-General's report on central sugar-mills for that year, and I am going to use them now, as I used them seven years ago, to show how true they are to-day, and to show the difference between the administration of central mills by an anti-Labour Government—because that was the last year of the anti-Labour Government—and the administration of those mills by the Labour Government. I showed that out of the proceeds of that year's crushing—which totalled 55,968 tons of cane—an amount of £4,969 was charged for maintenance and renewals, in addition to which there was an interest charge of £1,195, making a total of £6,165 for maintenance, renewals, and interest—quite a legitimate charge, and one which should be made, and a charge which will be made in connection with the mills which are to be erected under this Bill. But when those charges have been met, what more do the Government want? The Government of that day wanted this—and this is what they took—after they had deducted £4,969 for renewals and maintenance, they took off a sum of £3,853 for depreciation.

After deducting that amount, which worked out at a rate of 1s. 4½d. per ton of cane, they asked for the repayment of £3,080 as annual redemption of the original sum advanced, which represented 1s. 3d. per ton of cane. On the top of that, out of a profit of £12,747 made for the year, under an arrangement which was brought about to cover the deficiencies, shortages, and mismanagement of the Bureau of Central Sugar Mills under Dr. Maxwell's jurisdiction, the Government of the day introduced a system under which they exacted half the profits of the mill from the growers to cover what they were pleased to call arrears of redemption of the mill. That amounted to £6,373 representing 2s. 3½d. per ton of cane. These three items, which I say were unwarranted and should not have been imposed—depreciation 1s. 4½d. per ton, annual redemption 1s. 3d. per ton, and out of profits 2s. 3½d. per ton for arrears—made a total of 4s. 11d. per ton of cane.

The leader of the Opposition asked to-night if these men would not be allowed to pay back these redemption payments. The hon. member for Brisbane reminds me of the price paid for cane in those days. The price paid in those days was about 12s. per ton, in addition to which, of course, there was a rebate, which did not come from the mill. They were paying 12s. 6d. per ton for cane, and 5s. per ton more, as the hon. member for Mirani knows, would have made all the difference to the growers in those days. It was an unwarranted imposition to place on the suppliers of those mills, who had been struggling for years and years until this Government passed the legislation in connection with Cane Prices Boards, giving them something approaching a fair return for their labour. But under the Administration represented by hon. members opposite, this particular department was presided over at the time by the hon. member for Bulimba as Treasurer, and, as I often told the hon. member in this House, the department was not able to show satisfactory results in

connection with the operations of the central mills, for the simple reason that it did not suit vested interests to have the full price given for the cane supplied by the growers to the central mills. The price of the cane at the central mills was always kept below the price given by the private mills in the Burdekin and Mackay districts, and that is how they kept the prices down—by absorbing 4s. 11d. per ton in these unjust charges which were being made, and in other ways. There will be nothing like that under this Bill.

The building of central sugar-mills to increase the settlement which has been brought about by their establishment throughout North Queensland should be on the same principles as the building of Government railways, as it is an infinitely safe proposition—infinitely more so than many of the railways which have been built in Queensland under the gerrymandering and wire-pulling conditions of the old days. In addition to the charges for maintenance and any other demands made under the operation of this Bill, any extensions provided for will be paid out of profits, which is a just claim for the Government to make from the suppliers to the mill or from the profits of cane. For this reason, if the suppliers to the mills to be erected at Tully River or elsewhere want additions to their mills, or want the crushing capacity of the mills brought up to the latest modern lines, it will cost them a few thousand pounds, but it will result in their cane being subject to a higher extraction of sugar, consequently they will get a higher price for the cane, and it will pay them very well to contribute from the profits of the mill towards the payment of the renewals and additions made.

In connection with the mills erected in 1893, there was too much interest and redemption to be paid. The interest and redemption payments amounted to £5 13s. 2d. per cent., which was too burdensome altogether. In 1914, when the price of money got dearer and these redemption payments had to be made, the rate was £7 12s. 4d. per cent., and that is the rate under which the Babinda and South Johnstone mills are operating to-day.

Mr. KIRWAN: A Shylock Government.

Mr. FERRICKS: The rates I have referred to at Proserpine mill under the previous Government were £6 15s. per cent. interest and redemption payments in connection with the money owing. It is an extraordinary payment for any body of men who are earning their living as primary producers to have to make. Coming back to the remark of the leader of the Opposition as to the men supplying these mills desiring to become possessed of the mills, what would be said of any community or users of a railway who desired to act co-operatively and obtain possession of the railway? They never do so, and I am satisfied that, when these mills are erected, the suppliers will never want to obtain possession of them. All they want is the full market value of their cane, and they will get that, as these undue claims for so-called redemption payments of which I have spoken are absent from the provisions of this Bill, under which those mills will be erected. One of the objections which will be raised is as to whether the Government are warranted in proceeding with the erection of central sugar-mills on the same lines as they construct railways. I think I have shown that the stability of the central sugar-mills is equal to that of railways. I claim that they are equally a national work, and should be built under similar conditions. It is not proposed to build mills indiscriminately in localities which may not be suitable. Although I am a Queenslander born in the southern part of the State, I am compelled to confess that the trend of the sugar areas is northwards. I believe that in future the sugar industry, with the exception of perhaps isolated spots in the south, will be from Mackay north. The density of the cane is greater in the North.

Mr. BRAND: Queensland did not prove that last year.

Mr. FERRICKS: There are isolated instances to the contrary. I know some places which, despite the climatic conditions, produced from 50 to 60 tons of cane per acre; but I say that from Mackay north will be the sphere for sugar production in the future. The mills, I take it, will be located with every regard to the merits of the various localities. If there were any doubt about the stability of the line of action which I am proposing—and I do not think there is any doubt about the soundness of it—a margin of one-half per cent. sinking fund would cover any contingency. It may be said that sugar is a highly protected industry, that we are dependant for its successful continuance on the whims and fancies of the Commonwealth Parliament, that the Customs duty may not be maintained and may be reduced at any time. I argued seven years ago in my articles—and I repeat the statement here to-night—that the fact that Queensland has such a large amount of money involved in the sugar industry is absolutely the best buttress for the stability of the sugar industry from a Federal point of view. The fact of the State being interested, and having this money at stake, is a factor which no Federal Government can overlook in considering the merits of such an industry as this. I say that the industry is all the better for having Government money invested in it as a safeguard for the industry. The agitation which has recently arisen as to the supplanting of the request for a renewal of the sugar agreement in favour of a higher protective duty, in my mind, is unsound. Even if the sugar duty were £14 a ton, the hon. member for Mirani knows that no such offer as that was ever made in the past. It was considered extravagant to mention £8 or £9 a ton as a protective duty—but even if the duty were £14 a ton, or even £20 a ton, it would not be as good as Government control. If the producer loses Government control, he will not get a fair value for his commodity. There was no Government control in the sugar industry in the old days, when the canegrowers were selling their cane for 7s. and 8s. a ton. There is Government control to-day, and I learn from the last report of the manager of the central sugar-mills that the price paid for cane at Babinda last season was £2 2s. 8d. per ton; at South Johnstone, £2 2s. 2d. per ton; at Proserpine, £2 13s. 1d. per ton; as against 12s. 6d. per ton paid only seven years ago. A protective duty is no guarantee without Government control to see that the grower of cane will get a fair return for his labour. The canegrower will be at the mercy of the refining monopoly without Government control, just as the sugar-growers of Queensland were for many years until this Government took action in 1915 by commandeering the sugar crop.

The Queensland Government then made the first agreement with the Federal Government in the interests of the sugar-growers of Queensland, and that principle has been preserved ever since. The indications are that influences are at work which will make it very difficult at least to bring about a renewal of that agreement. As far back as January last I wrote some opinions in the Press regarding the agitation which had been going on in the South against the sugar industry of Queensland as a whole. It is no desire of mine to introduce a party strain into this discussion, but I bring to the notice, particularly of those people who are talking about a higher duty for sugar now, who did not have anything to say when the last tariff was going through the Commonwealth Parliament, the fact that there are nine Nationalist members representing Queensland in the House of Representatives, as against one Labourite, Mr. McDonald, the representative of Kennedy, who does not enjoy good health, and whose electorate is not concerned in the production of sugar. Discussing the tariff, when the item of sugar was going through the House of Representatives, not one of the nine Nationalist members purporting to be representing Queensland said so much as one word in favour of the Queensland sugar industry.

Mr. FLETCHER: Mr. Higgs made reference to it.

Mr. FERRICKS: He did not. The hon. gentleman can take my assurance, and, if he looks it up, he will find that what I say is correct, that, when the item of sugar went through, no reference was made to it by any one of those nine members. That silence created a suspicion in the South.

Mr. BRAND: The sugar-growers do not ask for a higher duty.

Mr. FERRICKS: We have always been in favour of a higher sugar duty in Queensland. Even for the sake of argument, if we say that the sugar-growers did not ask for it, look at the splendid opportunity there was for a discussion of the sugar industry generally; but the silence of the Nationalist members created a suspicion amongst the Southern members of the Federal Parliament. The policy of "hush" was used by the Southern members who were interested in the sugar industry from the fruit and jam viewpoints as if the Queensland members had something to hide. It made the people most concerned receptive for a campaign of misrepresentation which was gone into shortly afterwards by the Southern Press and on many platforms throughout the Southern States. The Queensland sugar industry needs no exaggeration. It needs no overstatement of the case to justify its position as the greatest work and wealth producing primary industry in Queensland. It can stand on its merits. All that is wanted in the Southern States is a ventilation of the sugar position, and a claim for the renewal of the agreement, and I venture to assert that there is no place better fitted for the ventilation of the claims of Queensland than in the halls of the National Legislature. Despite that fact, nine Nationalist members, supposed to be representing Queensland, let the case slide without so much as saying "Boo" to those who were out to down the Queensland sugar industry and make capital out of it.

Mr. FLETCHER: It was too early then.

Mr. FERRICKS: This question was before the Queensland Parliament last session. If the hon. member for Musgrave were here, he would bear out the statement I made to him some weeks ago when we talked about the question of mill white sugar—a matter on which I spoke on one occasion last year.

Mr. COLLINS: I also spoke on it in 1916. It appears in "Hansard."

Mr. FERRICKS: I did not give a full exposition of the subject last year, because I thought it desirable that nothing should be obtruded that might operate against the possibility of the renewal of the sugar agreement. While a protective duty increase would be welcome to the industry, the fact remains that, when the tariff was going through the National Parliament, was the time when the increase should have been made. A protective duty is no compensation for decontrol by the Government, because decontrol will place the industry at the mercy of vested interests. We shall have vested interests on the top, the primary producer at the bottom, and the consumer in the middle, and both producer and consumer will be exploited.

Mr. BRAND: Are you in favour of a duty of £14 a ton?

Mr. FERRICKS: I believe that a duty of £14 a ton has been asked for, but I pin my faith to a renewal of the sugar agreement first. I do not think it would be wise to obtrude any alternative into the case that Queensland has made. The onus is on the Commonwealth Parliament. We would be playing into the hands of vested interests if we removed Government control of this industry. Government decontrol would not be in the interests of the primary producer or the consumer. When we talk about unrestricted control it reminds me of an incident that occurred at Ayr on the Lower Burdekin when the Federal Sugar Commission was holding its sittings in 1911. The millowner, Mr. John Drysdale, was giving evidence. It has been said that Mr. Drysdale has done a great amount of good to encourage the sugar-growers. I am prepared to admit that he advanced money and all that sort of thing, but he always got his fair return back again. Just to show the prejudice and political bias of those days, for three years at any rate the sugar-growers on the Lower Burdekin received 12s. 6d. a ton for their cane, when they should have been receiving £1 a ton exclusive of rebate. Of course they laughed at the idea of getting £1 a ton, and they did not agree with my sentiments when I advocated that the sugar-workers should receive a minimum of 5s. a day, and they cheerfully and gleefully, and with great satisfaction to themselves, gave me the boot when the opportunity arrived. However I did not cry about it. The Federal Sugar Commission visited the Ayr district, and the chairman, Sir John Gordon, asked Mr. Drysdale to give him a statement regarding the operations of the Pioneer Mill—a mill which could not have cost more than about £100,000, including all the money spent on it in additions, improvements, and extensions. Mr. Drysdale quite calmly said that, after providing for additions, renewals, extensions, and fair interest he made a profit. Sir John Gordon asked him what he considered would be a fair interest, and Mr. Drys-
[9. p.m.] dale replied, "As much as a man can get." After providing for renewals, additions, extensions, and fair

interest—which according to his own words was as much as a man could get—his books showed a profit of £155,000 in five years on a capital which I am quite safe in saying did not exceed £100,000.

Mr. KIRWAN: He crushed the growers as well as the cane?

Mr. FERRICKS: Exactly, and made a profit of 8s. 6d. per ton of cane for five years. When we read of the conditions which operated then, we may well feel very uneasy about the failure of the Federal Government to continue Government control of this industry. But even if that does come to pass, I feel satisfied that the policy of the Government in going forward with the erection of mills on these lines will be safe. It is a system which I advocated here many years ago when the Government purchased the Inkerman Estate. I argued that they should build the railway and erect a Government-owned mill and keep it a Government-owned mill before they put a price on the land, and then sell the land to the farmers, so that they would have a mill and railway and retain possession of both for all time. Those sentiments were not entertained in those days, of course, with the result that we find congestion on the Lower Burdekin already, so that, with the operation of the irrigation system, it appears to me that the erection of another mill is necessary. I know that country, and I am one of those who believe that its productivity will be immensely increased by the application of water. When these mills are erected on the sites chosen by the Royal Commission, they will remain Government mills, and the suppliers will receive the full milling value of their product—a most desirable condition, which I am satisfied will be gladly seized upon by the growers in those localities, who, I believe, will never aspire to be burdened with redemption payments for, perhaps, fifty, sixty, or seventy years in the vague hope of becoming possessors of the mills—not for themselves, but for other people who may follow afterwards. I believe that this Government, when the time comes, will receive from Northern Queensland whole-hearted endorsement of the line of action they have taken.

Mr. SWAYNE (*Mirani*): Of course, anything in the way of legislation affecting the erection of sugar-mills must be of very great interest to the people of Queensland. I find that the mills which have been erected with Government assistance have been responsible for turning out about 1,250,000 tons of sugar since the first of them crushed in 1897. Taking that as worth from £10 to £30 a ton, it is easily realised that, with Government assistance, a huge sum of money has been added to the national wealth, and that such measures concern every member of the community.

First of all, I would like to compare the legislation with which we are now dealing with the legislation of previous Governments. The first Act of the kind was what is known as the Sugar Works Acts of 1893 to 1896, under which very fine mills were erected in different parts of Queensland, from Nerang in the South to Mosman in the North, and considerable additions have already been made to them. That enactment was quite a new departure, and it was only natural that defects existed in the first measure. The difficulty was that the whole security for the Government was over the land, so that the landowners became shareholders in the mills whether they grew cane or not. The Labour party were in existence then, and I find, on looking over the debates of that period, that their members were just as ignorant, if one may use that term, as those of other parties on the question. There was nothing to keep those mills co-operative. There was nothing to prevent the shares from getting into the hands of persons who were not suppliers and the mill proprietaries from degenerating into joint stock companies. However, Parliament was embarking on a new field, and may be excused for those mistakes. As time went on the defects became apparent, and in 1911 a most beneficial departure was made. In that year a proviso was inserted in the law which enabled the growers of cane to become owners of the mills. Mortgages were not taken over the lands attached to a mill, but it was provided that the Government should have power to rate them in case of deficiency—as in this Bill—and the State got security in that way. Then the system of cane credits was established. As the redemption money was paid by a grower, it was credited to his account, and, when the aggregate of the cane credits equalled the Government indebtedness, a company could be formed and the shares allotted in proportion to them. In other words, the man who grew most cane had the greatest number of shares. Further, this protection was afforded to the producers for all time. Dividends were limited to a maximum of 5 per cent.—a provision which prevented mill shares from being exploited or becoming a subject for speculation. I think that has done a considerable amount of good. Two large mills, Babinda and South Johnstone, have been built under that Act, and the question naturally presents itself to one's mind, Why should we have this legislation before us?

At 9.15 p.m.,

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

Turning over another page in the history of sugar legislation in Queensland, I come to the Co-operative Sugar Works Act of 1914, which, I contend, is the most purely co-operative measure ever placed on the statute-book of any country in the world. I have the Act here to justify my contention. Let me read paragraph (ii.) of subsection (3) of section 3, which provided that every application for a mill should be accompanied by—

> "A copy of the memorandum and articles of association of the proposed company; such articles shall provide that no dividends at a greater rate than £5 per centum per annum shall, at any time after the advances by the Treasurer have been repaid, be declared or paid or credited by the company."

That, of course, was also in the 1911 Act.

> "And, further, that no person shall be qualified to hold shares in the company unless he is and remains a grower of cane under a canegrowing agreement as hereinafter provided."

Hon. members will notice how carefully the co-operative principle was safeguarded for all time. Nobody but a grower could hold shares. I contend that, had that provision been included in the 1911 Act, it would have been a far better Act, so far as the farmer is concerned, than the measure we have now before us. I might describe this Bill as one

illustrating the great gulf that exists between the farmer and the socialist. We have a departure from the co-operative system, which has been brought to a very high standard, and the adoption of State ownership—or, on the other hand, communistic ownership—of the mill. The Treasurer said that by and by, when the State was paid off, the farmers might purchase the mill. There is not a single word about that in the Bill. I fail utterly to see how the hon. gentleman can give any indication of what is likely to be done by those who hold office twenty-five years hence. I think I am justified in accusing the Treasurer and the hon. member for Mackay of something very like deception when this Bill was in its introductory stage. We know that, once the introductory stage is past, there is very little scope for amendment. The hon. member for Bulimba and I questioned the hon. gentleman in charge of the Bill as to whether the co-operative principle was embodied in the Bill. We had not then seen the Bill, and we took in good faith the assurance of both hon. gentlemen that co-operation was perfectly safe in their hands. The hon. member for Mackay said, "The co-operative principle is safe in the hands of the Government." The Treasurer said, "The co-operative principle is perfectly well safeguarded in this Bill." Yet there is not a single word about co-operation in the Bill. Now, when we come to the second reading stage, the Treasurer unblushingly tells us that in the sweet by and by—a generation hence possibly—the then Government may allow the growers to acquire the mill. It is no use trying to delude people in that way. The farmer hopes to see the day when he will control the transit of his produce from the land on which it is grown until it reaches the consumer, and, as far as possible, cut out all middlemen's profits. This will be a communistic affair, and in all probability the great army of officials which will be created will take more from the farmer than the middleman takes at the present time. The farmer should set this off against the window-dressing agricultural legislation that we have lately had. Judging by this measure, the Government are directly opposed to co-operation. I ask the farmers to bear that in mind.

Speaking as to the disabilities of those who own land, the Treasurer tried to create the impression that the provision in the Bill applied only to Crown lands. The Bill itself indicates that it will apply to areas in which there is a considerable quantity of freehold. Let us see how the freehold fares under this Bill. It says—

> "No person shall lease or sell, or transfer, or enter into any agreement to lease or sell or transfer to any other person any land or any interest in land within any sugar works area unless he has previously received the consent, in writing, of the corporation to such lease or sale or transfer or agreement therefor."

He loses all property rights for all time. I think the Treasurer said there was something of the kind in the 1911 Act. The corresponding provision in the 1911 Act is nothing like as drastic. This Bill lays it down that, before any transaction can take place, application has to be made. The 1911 Act simply provides that the corporation may regulate. This takes the owner's rights away from the start. Furthermore, under the 1911 Act the owner who temporarily had his rights impaired had the consolation that he could look forward to the time when the mill would be his; he got a quid pro quo for the temporary surrender of those rights. In this case the mill will never be his. The original selector, after having held on for good times, after all his privations and hardships, for the rest of the time will have no rights over his land. There is a distinction between this Bill and the 1911 and 1914 Acts. Under the latter, before the growers submitted to the deprivations of their property rights, they had to petition for an area. In this case, without any "Yea" or "Nay" on their part, without giving them any option at all, the corporation steps in, declares a certain area to be sugar-works area, and from that time all their rights to the land disappear. I hope that we shall be able to rectify that in Committee.

The Treasurer tried to gloss over the fact that there was nothing co-operative in connection with the Bill. I am a farmer, and I have been connected with the mill in my district which was built by money borrowed from the Government. We have paid off our indebtedness, and we now own the mill. I look upon my redemption money as having been well spent. So long as you get a fair crop of cane and a fair price, the redemption cost per ton of cane is a comparatively small amount. In the case of the first mill, interest and redemption were met by a charge of £5 13s. In 1911 I suppose money was dearer, and interest and redemption were met by a yearly charge of £7 12s. per cent. To-day I find that money for main roads purposes is being loaned to local authorities on a thirty years' term. Although previous terms covered a period of twenty-one years, I do not think that mills should get a shorter term than is given to local authorities. This mill will probably cost £400,000, and will be capable of turning out about 120,000 tons of sugar per annum. With an average crop of 80,000 tons, I think it will be found that about 2s. 8d. per ton will liquidate both interest and redemption charges. I am not very far out in those figures. It would be better if the growers had the right eventually to own the mill. Why not leave it to the option of the growers to decide whether they want to conduct the mill on co-operative lines or allow it to remain a State institution for all time? There has been bitter complaints with regard to State-owned mills at South Johnstone and Proserpine. The management do their best, but the political influence always intrudes. In 1918 there was a dispute at Innisfail. There was an award in existence covering the industry, but when the time arrived for the cutting of the cane the workers demanded exorbitant terms that were far and away above the award. The farmers had suffered a loss because the cane had been blown about by the cyclone. A strike took place because the terms were not granted, and in some cases the farmers were confronted with a total loss on their crops. There were three mills in the district, two being privately owned and one State owned. The management of the private mill told the farmers that they could do their own work and use the mill, but the growers for the State-owned mill were not allowed to use that mill. They were practically told that the cane could rot on the ground first. The two sections of the farmers near the private mills were in a far better position than were the farmers near the State-owned mill. The trouble was rectified after three or four weeks, when Mr. Justice McCawley visited the place and pointed out that the demands

were extravagant. But during those three or four weeks, one section of the farmers did not get off one stick of cane. The same complaints have been made at Proserpine. Hon. members will agree that there should be no industrial disputes when there are awards. There are three different rates applying to No. 1, No. 2, and No. 3 districts. The rate in the North is slightly higher than in the Centre, Mackay and Proserpine being in the Centre. The Proserpine employees demanded that the Northern rates should be paid in the Central district, and, although the farmers protested, they had to pay it. This meant a similar demand from the field workers. There is always trouble in connection with Government mills. The Treasurer, in speaking at Cairns in 1919 alluding to the State-owned mills, said, in dealing with industrial disputes, that he could not understand how the Australian Workers' Union tolerated the extreme element. He said that they had always fomented trouble. There is an admission by the Treasurer that there is more likely to be trouble in State-owned mills than in other mills. My experience is that co-operative control is the best. When the 1911 Act was going through the House an amendment proposed by me for the appointment of an Advisory Board was accepted and has been a great success. I remember under the Acts of the "nineties," many of the mills were operated successfully under the control of the farmers; but I have a letter from the Proserpine farmers saying that recently they have not been consulted in any way. On 4th November, 1919, I asked the Treasurer—

> "2. Did the Canegrowers' Association at the Proserpine wire him supporting or in any way regarding the action of the Proserpine mill management in the stand it adopted?
>
> "3. If so, did he reject the advice of the Growers' Board by granting the strikers' request for controlling the employment of labour in the mill?"

The Treasurer replied—

> "2. Yes.
>
> "3. No."

On 8th December, 1919, a letter was sent to the Treasurer, stating—

> "Sir,—I have been directed to point out to you that your reply to question No. 3, which was asked by Mr. Swayne, is not correct, as you did reject the advice of the Growers' Board by granting the strikers' request for controlling the employment of labour in the Proserpine Mill."

The farmers were game to come out in the open and say that an inaccurate reply had been given to me on that question. Was it for political reasons? The hon. member for South Brisbane said that 12s. 6d. per ton was a common price for cane. I have been growing cane since 1892, and I have never received a price as low as that. In 1892 I received 13s., and then 14s., and since then the price has gradually increased. I took the trouble to look up the price paid in 1911. Taking the ten mills under the supervision of the Auditor-General, I find that the price was 15s. 4d. a ton, and there was a rebate on the excise duty of 6s. per ton, making the price 21s. 4d. I am quite prepared to agree with the hon. gentleman that the legislation dealing with the regulation of cane prices has been a great advantage to the growers. That legislation really originated on this side of the House, and hon. members on this side were just as much in support of it as hon. members opposite. It became law with the assistance of the Upper House before it was "packed." As business men, we should look to the future of this industry. The industry depends on the ability of the growers to repay the money that is used for the establishment of the different mills. I believe in the present Commonwealth control, and I believe that an agreement similar to the one in existence should be entered into. I cannot understand the hypocrisy opposite in regard to "mill whites." Last session a resolution was moved by me, and seconded by the hon. member for Musgrave and generally supported by hon. members on this side. That resolution was carried, providing that a commission of inquiry should be appointed to deal with the question of "mill whites." At the previous Sugar Conference, the Hon. Massy-Greene, representing the Federal Government, the Secretary for Agriculture, the Australian Sugar Producers' Association, and the United Canegrowers' Association agreed that a commission of inquiry should be held into the matter of "mill whites." When I moved a resolution dealing with that matter in this House, it was carried, but up to the present day it has not been acted on. As all hon. members know, during the last two or three months the whole sugar situation has been in the melting pot, and, if the Government were in the least sincere in this matter, they would have had a commission of inquiry appointed nearly twelve months ago. We are all aware of the agitation that has been going on in the South in regard to a renewal of the sugar agreement. From the papers we get from the other side of the world on the sugar question, we can see that the indications are of a hardening of the markets. Our friends the fruitgrowers in the South may talk as much as they like, but, from the information we have, they could not bring sugar into the Commonwealth at a very much cheaper rate than that at which they are getting it at the present time; and, even if they could do so, it would only be for a short time, and, instead of them carrying us on their shoulders, as was stated by a deputation to Mr. Rogers the other day, the reverse has been the case. During the war we carried them on our shoulders, and they were able to export millions of pounds' worth of jam through the help of the Queensland sugar industry. If there had been no Queensland sugar industry, there would have been no jam for export, and not even sugar for local consumption, and I think it is most unfair that they should talk about carrying us on their shoulders. Possibly for a few months they might be able to get sugar at a lower price than that which they are paying for Queensland sugar.

[9.30 p.m.]

At 9.37 p.m.,

The SPEAKER resumed the chair.

Mr. SWAYNE: Going back to this subject of co-operation, the Treasurer, in moving the second reading of this Bill, professed that he was in favour of that principle. I intend to put his protestations to the proof, and I hope I shall be in order in moving an amendment on the question now before the House.

My amendment will give us an opportunity of testing the good faith of hon. members opposite in this regard. I beg to move the addition to the motion "That the Bill be now read a second time" of the words—

> "And that it be an instruction to the Committee, when constituted, in considering the Bill in detail, so to amend its provisions as will provide for the acquirement of any sugar-works constructed under the Bill from the corporation by a co-operative company of sugar-cane growers upon terms similar to those contained in the Sugar Works Act of 1911 and the Co-operative Sugar Works Act of 1914."

That will give hon. members opposite a good opportunity of showing whether they are honest or not in this matter, and it will let the farmers see from the very start that they will have an opportunity of acquiring these mills. To say that at some period twenty or twenty-five years ahead they are to be given an opportunity to acquire these mills is all "bunkum." There is no getting away from the fact that this amendment is most pregnant in view of the interest professed to be shown by the Government in the agriculturists during the last few weeks. I hope the amendment will be accepted. If it is accepted, and the Bill contains the provision I have suggested, it will be welcomed by members on this side; but as it is at present, I look upon it as a decided drawback. I cannot for the life of me see why there was any need for the introduction of a new Bill at all; or, at all events, for anything more than a reintroduction of the 1911 Act with certain provisions of the 1914 Act in regard to co-operation included. I move the amendment, and hope that it will be accepted.

The SPEAKER: For the information of the hon. member, I would point out that he cannot move an instruction to a Committee that does not exist. We are not in Committee just now.

Mr. SWAYNE: It is an instruction from the House to the Committee, when constituted.

The SPEAKER: If the amendment is in order, the hon. member will have an opportunity of moving it when the House goes into Committee; but this is not the time to move the amendment.

Mr. SWAYNE: I was depending on Standing Order No. 246, which reads—

> "Any other amendment may be proposed to such question, provided that the amendment is strictly relevant to the Bill."

That is on the question of the second reading.

The SPEAKER: Order! The hon. member is not in order in moving the amendment.

Mr. COLLINS (*Bowen*): I have much pleasure in supporting the second reading of this Bill for several reasons; one reason being that outlined by the Premier, that it would be for the development of North Queensland. I was somewhat surprised at the tone of the hon. member for Mirani in discussing the Bill, but we might expect that this Bill is too advanced for the hon. member to grasp. This proposal is something which, as was pointed out by the hon. member for South Brisbane, we as a Labour party advocated when we sat in Opposition. Therefore, we are only pointing out what we think is the proper thing to do in connection with sugar-mills. I notice the Bill provides that, where a sugar-mill is to be erected, an area will be proclaimed, and we shall not suffer like we suffered at Babinda. I was one of those who had the opportunity of seeing the growth of both the Babinda and the South Johnstone mills. We know that the building of the Babinda Mill considerably enhanced the value of the private land in the vicinity of the mill. I, personally, know that men like Dr. Read, Dr. Knowles, and Mr. Mayers held large areas of unimproved land, in many cases only standing scrub. As soon as it was known that the Government were going to build the Babinda Mill, the value of that scrub land went from £2 an acre up as high as £10 and £12 an acre, in some cases reaching £20 an acre. In other words, the State, by spending a large amount of money in the construction of the Babinda Mill, enhanced land value around Babinda to the amount which the mill actually cost, and the money went into the pockets of a few individuals who happened to possess the freehold of that particular area. The same remarks apply to the South Johnstone Mill, and also right throughout Queensland. In carrying out our policy we seek to avoid that, and in the future the sugar-mills will be under the control of the Government. The hon. member for Mirani may talk about communism in connection with sugar-mills, but we all know what the grower is anxious to get is a good price for his product. He is not concerned so much as to who owns the mill, or whether it is owned co-operatively, so long as he gets a fair price for his product. That is what he is most concerned about, but it is what he did not get in the past. We all know that the Commonwealth, owing to the increase in population, will require more mills than there are now in Queensland to meet the sugar requirements of Australia. I am one of those who believe that the future of the sugar industry of Queensland will be found in the country from Rockhampton to the far North. Having travelled over most of that country, I know from experience that it is suitable for sugar-growing. It does not follow that the present mills cannot be enlarged. I know that the Proserpine Mill can be enlarged. When we have sufficient cane grown to supply the Proserpine Mill up to its present capacity, we shall have to take into consideration the enlargement of the mill there. We know that a Royal Commission has been appointed, and when the Commission visit the North some regard should be paid to the sugar lands around Bowen, and between Bowen and Inkerman. I am satisfied that, when the Inkerman irrigation scheme is in full swing, we shall require an enlargement of the Inkerman Mill and the other mills in the locality, or else we shall require to have a new mill erected. I am satisfied that there is land between Bowen and Inkerman suitable for canegrowing. One little centre there—Gumlu—is already turning out several thousand tons of cane. I am satisfied that on the banks of the various creeks between Bowen and Inkerman there is room to grow a larger quantity of sugar-cane than is being grown now. We all know that the sugar-growers are anxious for the renewal of the sugar agreement with the Commonwealth Government. I would like to draw the attention of the Treasurer to the need for the establishment of further sugar-mills in the North. The time is not far distant, in my opinion, when most of the sugar produced in the Commonwealth will be grown north of Rockhampton, and this Government

will have to take into consideration the establishment of sugar refineries in the North. I know of no better place to erect a sugar refinery than Bowen, which is centrally situated, with a very fine port and railway communication.

The TREASURER: Hear, hear!

Mr. COLLINS: I hope that the matter will not be lost sight of by the Government in the near future. I am very pleased that this Bill has been introduced, and I am satisfied that, as time goes on, the people of Queensland will realise that this session of Parliament has been one of the best which has ever been held in Queensland—that is, if the people take into consideration its constructive legislation, because many measures of a constructive nature have been introduced during the present session.

Mr. J. JONES: Some destructive legislation, too.

Mr. BRAND (*Burrum*): I listened with a good deal of attention to the Treasurer when moving the second reading of the Bill, but I failed to learn from him whether it was the opinion of his experts that it was necessary to bring in this proposed legislation, since we have already on the statute-book a Sugar Works Act which could fulfil, with slight amendments, the purpose which the Treasurer seeks to achieve. The Treasurer said that the Bill had been rendered necessary because of the probability of the erection of new mills, for which purpose a Royal Commission had been appointed to report on the most suitable sites. This proposed legislation has not, in my opinion, been brought in for that reason at all, but more particularly to carry out the Government's policy of socialisation of industry. Most of the Bills which have been brought forward this session have been measures of a communistic character, but there has been no measure yet submitted which contains so many clauses of a communistic character as the present Bill. I submit that all true lovers of the co-operative sugar-mill system should oppose the measure in its present form. The Treasurer, in moving the second reading, suggested that it might be desirable, in future years, for the sugar-growers in those areas to take over the mills. If he is of that opinion, I submit that we should, either at the present stage or when we get into Committee, seek to have an amendment placed in the Bill whereby the growers will, if they elect to do so, at a future time, be able to take over the control of the mills. I was pleased to hear from the Treasurer that these mills are going to be erected by tender, and that Queenslanders are going to have preference in the contracting. We know that Queensland firms have built many sugar-mills in Queensland and they are working successfully to-day. Walkers Limited have erected several sugar-mills in Queensland, one in particular being the Isis Central Mill in my own district. The Isis Mill is an up-to-date mill, and last year it paid off its indebtedness to the Government. I hope the Treasurer will consider the suggestion thrown out this evening to give the contract to a Queensland firm for the benefit of our own workmen in Queensland. Many mills were erected under the old Sugar Works Act by previous Governments, and practically the whole of them proved advantageous to the sugar-growers. To-day, those mills are a credit to the State. We have six mills in Queensland which are operated to-day by the Treasurer under the management of the general manager for Government sugar-mills. It is singular that in practically all these instances the mills which are working under the Corporation of the Treasurer pay a much lower average price per ton of cane than the mills which were erected under past Governments under the 1893 Act. They also pay a lower average price than the mills erected by private enterprise.

The TREASURER: Four of those mills were handed back like lame ducks to the Treasurer because they could not do anything with them.

Mr. BRAND: They were handed back to the Treasurer because there has not been sympathetic treatment of those mills. The Treasurer knows, in connection with all sugar-mills, that it is absolutely essential that there should be a good supply of sugar-cane, otherwise the mill cannot pay. It has been the experience of those mills that money has not been made available by the Treasury to enable them to build tramlines or make other additions necessary to deal with the large supply of cane and so ensure their success. I can speak in regard to the Gin Gin Mill. That mill has been treated shockingly by the past and present Administrations through not being able to borrow money to enable them to get into areas which were left to private enterprise to exploit. The mills under the direction of the Treasurer are paying as low as 13s. 8d. per ton less for cane than the Central mills erected under past Governments, and 13s. lower than the proprietary mills. I will take each of these classes of mills in three districts in Queensland and compare the different prices paid. Babinda, in the North, paid the grower last year an average price of £2 0s. 3d. per ton; Mulgrave, in the same locality—which is a co-operatively-owned sugar-mill, owned by the farmers themselves—paid £2 14s. 6d. per ton on an average, while Hambledon, owned by a proprietary company, paid an average price of £2 15s. 3d. South Johnstone is another sugar-mill run by the Corporation of the Treasurer. Both the Babinda and South Johnstone mills are recognised as two of the most up-to-date mills in Queensland. As a matter of fact, when they were erected they were classed as being first-class mills and more up-to-date than any mill existing in Queensland. South Johnstone last year paid £2 0s. 4d. per ton, Mossman—which is co-operatively owned—paid £2 16s. per ton; and Macknade, a proprietary mill, paid £2 17s. 10d.

Mr. FERRICKS: The wet weather would account for that; it created a greater density of cane.

Mr. BRAND: I have picked mills in the same locality. Babinda, Hambledon, and Mulgrave are all in the same locality. Mossman is a central sugar-mill in the North, and is similar to the South Johnstone Mill.

The TREASURER: Compare the prices the farmers got and their tonnage and South Johnstone and Mossman.

Mr. BRAND: The farmers at the Mossman Mill did far better than those who supplied South Johnstone.

The TREASURER: The hon. member is wrong.

Mr. BRAND: I will take some more mills. The Mount Bauple Mill, owned by the Government, paid £2 8s. 2d. per ton; the Isis Central Mill, co-operatively owned by the farmers, £2 13s. 6d. per ton; and the Childers Mill, a private mill, £2 12s. 11d. In all the

mills in Queensland it is proved that the mills controlled by the Government do not pay the same price per ton of cane as mills which are co-operatively-owned or privately-owned. There must be some reason for that. I have been twitted about the report of the general manager of central sugar-mills. South Johnstone and Babinda are two of the most up-to-date mills in Queensland; yet we find their efficiency last year was—Babinda, 89.4 per cent.; South Johnstone, 90.1 per cent. The Central Cane Prices Board bases its award on a coefficient of 90 per cent. The mills, which are supposed to be the most up-to-date in Queensland, are very little better than the mills which were erected years ago under previous Governments, and containing only two 3-roller mills. In an ordinary up-to-date mill the efficiency should be 95 per cent. These figures show that the mills which are co-operatively owned and privately owned have a greater percentage of efficiency than those owned by the Treasurer. It is my contention, and I believe that of every practical man, that co-operation by the farmers themselves in the management of sugar-mills is going to be the salvation of the sugar industry. I do not think it is possible for the Government successfully to cater for the sugar farmers; they can better cater for themselves. We know that the efficiency of the proprietary mills is well up in the nineties, and I sincerely trust that, if we have to submit to this Bill, the Treasurer will take care that the mills under his direction are brought up to date in their efficiency.

I submit that the cardinal feature of this Bill is really the socialisation of industry, or communism, and I do not think the farmers are going to grow cane for them with such confidence as will guarantee a good supply. The Premier said that mills under this measure will be built practically in virgin scrub, and that later on the Government will settle the farmers on the land. I would like to know where he is going to get a cane supply from unless he is, in the first instance, going to settle the districts to provide a good supply when the mill is erected.

Mention has already been made by the Premier and other members opposite of the present outlook of the industry, and it is a question whether the prospect warrants a large expenditure on further mills or the bringing under cultivation of further areas of land till the industry is stabilised. I think that the Premier, as far [10 p.m.] back as May last, stated in North Queensland that the industry had not been stabilised, and that it rested with the people engaged in the industry and the whole of the people of Queensland to see that members were sent to the Federal Parliament who would take care that Australian industries were going to be fostered.

Hon. W. FORGAN SMITH: What is your idea of the tariff question which has been raised by Senator Crawford?

Mr. BRAND: I submit that, from a farmer's point of view and from the point of view of all the consumers of Australia, the growers of Queensland should have a renewal of the agreement at £30 6s. 8d. per ton of sugar. I doubt very much whether the friends of hon. members opposite, when they come before us in a few months' time, will undertake to give us another agreement on that basis. As a matter of fact, the Australian Labour party are pandering to the consumers in the South simply because they have the largest number of votes.

Mr. FERRICKS: Look at the Country party and the Nationalists.

Mr. BRAND: The Country party are the only party who have a definite platform on the matter.

The TREASURER: What about Mr. McWilliams, who opposed it?

Mr. BRAND: The hon. member speaks of Mr. McWilliams of many years ago, not of Mr. McWilliams of to-day. We might with equal justice quote members of the Labour party of several years ago. In fact, we might mention what this Government have said to show how friendly they have been in the past. We know that only a few years ago they issued a book entitled "Socialism at Work." It is to be obtained to-day from the office of the Premier, who hands it out as though it was some great work in which all the people of Australia are interested What has that little book to say of the sugar industry? I quote from page 67. It says—

> "The Government has liberated the industry and protected the whole of the consumers of Australia from being forced to pay famine prices for their sugar at the time when sugar was reasonably plentiful. It is true that growers are now receiving below the world's parity for their product, but for very many years the Federal Government had secured for them much above the world's parity. The growers cannot expect to benefit from protection both ways. Ever since federation, the people have been paying through the nose for the sugar industry. The people are now getting some cash return back for their money."

Can you wonder that we have a campaign to-day in the Southern States against our sugar industry, when our own Government distributed propaganda of that description? It states definitely that the people had been paying through the nose. The hon. member for Herbert this afternoon stated that Dr. Earle Page, leader of the Federal Country party, was opposed to the agreement. He also read from a report of proceedings in the Federal House, in which Mr. E. B. C. Corser is supposed to have stated that the Queensland Country party were opposed to the Queensland sugar industry. As far back as May last Dr. Earle Page found it necessary to make some comment on the sugar industry. This is what the newspaper report at that time said—

> "Interviewed at Kempsey regarding a reported statement by Mr. Hughes that the greatest opponents of the sugar industry in the Commonwealth Parliament were the members of the Country party, he gave it an indignant denial. He stated that the deputation to Mr. Hughes in 1920, which asked for the present agreement in the then disturbed state of the world, comprised Messrs. Jowett (a member for a fruit-growing district in Victoria), Captain Wienholt, and himself, representing the Federal Country party, and pledging the assistance of the whole of the party in securing decent conditions for the growers of Queensland. . . . The Federal Country party had on its platform a definite constructive plank which, by co-operation amongst the growers themselves, would enable them to stabilise

their industry permanently without being subject to the caprice of politicians."

The Country party went further than that. They placed in their platform a definite plank, and they are going to adhere to it when they are elected to the Federal House in a few months' time. It will be remembered by all members in this House that on 14th June, 1922, a conference was held at Adelaide at which were present representatives of the Country party from all over Australia. They passed the following resolutions, which were embodied in the platform of the party:—

"The maintenance of a white Australia being the established policy of the Commonwealth and this association, it is necessary to maintain a white population in the Northern parts of Queensland. This can only be done by the establishment of an industry capable of employing a considerable white population. The sugar industry, being established for the purpose of fulfilling the national idea of a white continent, it is necessary:

"(1) That the growers of cane shall receive for their product such a price as will recoup them for their cost of production, plus a reasonable margin of profit.

"(2) That the workers in the industry shall receive a wage commensurate with the class of work undertaken, and which shall equal, at least, wages paid to white workers in other parts of Australia.

"(3) That millers and refiners shall receive remuneration in the price of sugar such a sum as will ensure them a reasonable profit, the payment to have a direct bearing on the efficiency and economic value of their work.

"(4) That a Federal tribunal consisting of representatives of growers, millers, refiners, workers, and consumers be appointed to have jurisdiction to enable the above objects to be put into operation."

The hon. member for Mackay asks what the Federal Country party are going to say about furthering the sugar industry of Queensland. I submit that no party in the Federal House has made a more definite statement than the Country party.

Hon. W. FORGAN SMITH: What is the position going to be if the Hughes Government turn down the agreement?

Mr. BRAND: Only a few nights ago the hon. member for Rockhampton stated in Bundaberg that he was going to tell the people where he stood—that he was out for the sugar agreement. We commend him for it. Still, he is seeking to enter a House in association with Mr. Charlton, Mr. Brennan, and Mr. Scullin—men who will be able to dictate to the hon. member as to what the policy of the Labour party shall be towards the sugar agreement. We are continually having hurled at us the opinions of members of the Country party in the Federal House. I will give some quotations showing hon. members what are the opinions of the leaders of the Federal Labour party. A meeting was held on the first of this month in Melbourne to protest against the failure of the Federal Government to reduce the price of sugar. That meeting was held under the auspices of the Australian Labour party. The Brisbane "Telegraph" states—

"The failure of the Federal Government to reduce the price of sugar to the public was the principal topic of discussion at a meeting of protest held yesterday under the auspices of the Australian Labour party. Mr. Charlton, leader of the Federal Parliamentary Labour party, said, 'The consumers were paying £70,000 a week more for their sugar than they should be if they had decontrol of sugar.'"

On 9th July of this year there was a meeting called in Melbourne under the auspices of the Housewives' Association, which Mrs. Glencross attended. That meeting has become notorious because of certain action taken by Mr. Higgs, M.H.R., on that occasion. A letter was sent by Mr. Charlton, M.H.R., to Mrs. Glencross, saying that Mr. Brennan, M.H.R., would represent the Australian Labour party at that meeting. Quoting from the Melbourne "Age" of 10th July, 1922, Mr. Brennan said—

"That they presented a united front on the desirability of having cheaper sugar, and he hoped that the women 'would charge like the Light Brigade' in the effort to get it down to 3d. per lb."

(Opposition laughter.)

The TREASURER: Listen to the Nationalist members cheering you and laughing at you. (Interruption.)

Mr. BRAND: There will be no sugar industry left in Queensland if the price of sugar is reduced to 3d. per lb.

The TREASURER: It has been advocated that the price should be 4½d. instead of 6d. Leave it to the Nationalists and see how you get on.

Mr. BRAND: The Melbourne "Age" of 10th July, 1922, states—

"Mr. Scullin, M.H.R., protested against the 'scandal of charging 6d. per lb. for sugar.' There were two things that stood out plainly. One was that the price should come down, and the other that the pernicious agreement now in operation should cease. It placated all of the interests in the industry regardless of the consumers."

I would not have quoted the remarks of the various members had not the hon. gentleman mentioned the remarks made by some Country party members years ago. The statements I have quoted were made quite recently. If we have to depend on that class of legislator to safeguard the sugar industry, then God help the sugar industry.

I sincerely hope that this Bill in its present form will not pass this House, because I am satisfied, as a practical farmer, that, if it does pass in its present form and the Government attempt to put it into operation, they are not going to have any canegrowers who will seriously entertain the proposition.

The SECRETARY FOR AGRICULTURE: You were scratching for an existence until we were successful in getting the Sugar Agreement.

Mr. BRAND: I question whether you ever scratched in your life. (Opposition laughter.)

The SPEAKER: Order! Personalities are not in order.

Mr. BRAND: It would be far better to re-enact the 1914 or the 1911 Act. Those Acts contain provisions which have been proved to be advantageous to the industry. I submit that, if the Government were to introduce a simple amendment making what

provision they like in regard to leasing the lands and also making provision whereby the Government will lend the whole of the money, we would be able to erect mills in Queensland that would be not only a credit to the State but would be advantageous to the industry.

Mr. POLLOCK (*Gregory*): Amid the welter of party accusations that have been going on, there is one fact that remains to be considered and which the people of Queensland are considering. That is, that there is a Government in the Commonwealth Parliament comprised of, supported by, and kept in power by Nationalists and Country party members solely, who could renew the sugar agreement if they wanted to, but they have not done so.

GOVERNMENT MEMBERS: Hear, hear!

Mr. FRY (*Kurilpa*): We have to consider that, while we have a Government in this State who are advocating this agreement, we have in the Federal House members of the same party advocating that the agreement be not entered into. Therefore we have the party saying "Yes" and the same party saying "No"—a party speaking with their tongues in their cheeks—one voice for the city, and another voice for the country—as they have always spoken during the last few years.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): The hon. member for Burrum has done his party and the sugar industry no good by the tenor of his remarks. Surely, hon. members in this House recognise the evil to the sugar industry of importing, as he has done, a petty party spirit into this debate—not on the Bill, but practically in trying to gain a petty political advantage out of the situation that exists in regard to the sugar industry. When I was speaking I mentioned the danger which faces the industry, and left it to hon. members to get the best they can for the industry in Queensland. The Government have shown their bona fides in regard to the agreement which is now in existence, and which would not have been in existence but for the interposition of this party. The agreement was strongly urged by this party, and I have had it from the representatives of the United Canegrowers' Association and also of the Country party that, if it had not been for the influence representatives of this Government brought to bear on Mr. Hughes when the agreement was being initiated, there was no chance of that agreement being settled on such favourable terms to Queensland. Yet the hon. member has tried to distort the attitude of the Federal Labour party most unfairly. He stated that the Federal Labour party have said that the consumer is being exploited. I have said it myself, and I honestly believe it. It may not be considered to be very good in the interests of the industry to stress that point too much, because the attitude this party has taken up has been to deal as gently as possible with the Federal authorities in the hope of getting as good an agreement as possible from them. If the party opposite cared to go rampaging about the country—as the hon. member apparently would like to do—much capital could be made out of the sugar industry; but we have refrained from taking up that attitude. Sixpence per lb. is charged for sugar throughout the Commonwealth, not because of the Queensland agreement but because the Commonwealth Government made a bad bargain in the purchase of imported sugar. That is what the Southern people have been protesting most against, because the Commonwealth have to make up for the loss on the Java sugar which they imported, and have had to charge 6d. a lb. for our sugar. It has been asserted frequently by Mr. Doherty, who is the organiser of the campaign for the renewal of the agreement, and by others interested on behalf of the canegrowers that, if a proper charge based upon what is paid for raw sugar in Queensland were made to the consumer, it could be retailed for a little over 4d. a lb., and that is what the Labour party in the Federal Parliament have pointed out. Mr. Charlton, when speaking on this question in the Federal Parliament, said he favoured the continuance of the agreement, but he thought the Commonwealth Government ought to reduce the price of sugar to 5d. a lb. In the Federal Parliament, Mr. Charlton said that he favoured the continuance of the agreement, but that he thought no more than 5d. a lb. ought to be charged for sugar, and he definitely moved in that direction in the House of Representatives. What did Mr. Hughes, the leader of the Nationalist party, say? He said that the worst enemies of the sugar industry were the Federal Country party. It was rather amusing to see the leader of the National party and the hon. member for Kurilpa and the hon. member for Toowong—who probably have not given five minutes' independent consideration to this question—chuckling when the hon. member for Burrum was attacking the Federal Labour party. Who is it that brought about this menace to the sugar industry in Queensland but the Federal Nationalist? (Opposition interruption.) Why is it that the agreement is not being renewed? In whose power is it to renew the agreement? Mr. Hughes and his Cabinet—the Nationalist party. What are the Nationalists doing? The Southern Nationalists would ruin the sugar industry.

Mr. TAYLOR: What are you doing? Nothing.

The TREASURER: The hon. member is dishonest, or else he is ignorant.

Mr. TAYLOR: He is no more dishonest than you are.

The TREASURER: Hon. members opposite, if they are honest enough to admit it, have used every influence they have to fight the agreement to-night.

Mr. J. H. C. ROBERTS: You ought to apologise.

The TREASURER: Men in the industry who realise the danger to the industry, and who are not inspired by the petty party spirit which the hon. member for Burrum displayed, have frankly admitted to me that the Queensland Government have done all that could be expected of any Government to get the agreement continued and reasonable conditions established in the industry. As a matter of fact, both the organisations representing the sugar industry—the United Canegrowers' Association and the Australian Sugar Producers' Association—have come to the Government in connection with the attitude now being taken up in the Commonwealth Parliament, and have asked their advice and co-operation, which has been freely extended to them. That is a different spirit to what the hon. member for Burrum has

displayed from the Opposition cross-benches to-night. All he can do is to import a rotten party spirit into the matter.

Mr. J. H. C. ROBERTS: The hon. member for Mackay started it.

The TREASURER: Hon. members who do not care what happens to the industry can join the Nationalists, who wash their hands of all responsibility, in chuckling at the cheap gibes which have been made to-night. I have made my position clear to-night. I think that the sugar agreement ought to be continued; but, recognising that the Nationalists have failed to continue the agreement, the only hope of the industry lies in an increased tariff. It is stated that the Commonwealth Parliament will only be sitting for another fortnight, and, unless during that fortnight it increases the tariff, it seems to me that the industry will be injured.

Mr. FERRICKS: If they do not want the assistance of the Labour party in Australia, they may as well say so.

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 to-morrow.

The House adjourned at 10.25 p.m.