

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 14 AUGUST 1923

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The SPEAKER (Hon. W. Bertram, *Maree*) took the chair at 3.30 p.m.

QUESTIONS.

SECURITY REQUIRED FROM AUCTIONEERS AND COMMISSION AGENTS.

Mr. KING (*Logan*) asked the Attorney-General—

“1. What form of security is required to be given by auctioneers and commission agents pursuant to the Auctioneers and Commission Agents Act of 1922?”

“2. For whose benefit is such security given?”

“3. Would a person defrauded by an auctioneer or commission agent committing a breach of that Act in any way benefit by such security; and, if so, in what way?”

“4. Does not the giving of such security simply amount to a tax on auctioneers and commission agents without a benefit to anyone?”

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

“1. The hon. member should refer to the regulations under the Act published in the ‘Government Gazette’ on the twenty-first day of December, 1922.

“2 to 4. The moneys secured by the fidelity bond are payable to His Majesty the King in the event of any breach of the Act being committed by the auctioneer or commission agent. It does not follow that every breach of the Act committed by an auctioneer or commission agent would result in loss to his clients; but if by reason of any such breach the clients suffer any loss, these moneys would be applied towards compensating them in proportion to the loss sustained by each.”

REVALUATION OF SOLDIER SETTLERS' IMPROVEMENTS.

Mr. COSTELLO (*Carnarvon*) asked the Secretary for Public Lands—

“1. In view of the fact that many returned soldiers have taken up land for agricultural and dairying purposes other than on soldier settlements, and, having secured loans under the Discharged Soldiers' Settlement Acts for the purpose of effecting improvements, have been subject to the same exorbitant cost of such improvements as the soldiers whose holdings are contained in soldier settlements, will he instruct the Revaluation Board to also deal with claims by such returned soldiers for revaluation of their improvements?”

“2. In cases where a reduction in valuation is made, will a further loan be granted equal to the amount of the reduction in each case?”

“3. As many of the groups of soldier settlers within a soldiers' settlement area are far removed from one another, will he consider the desirability of allowing each such group to appoint an advocate to appear before the Revaluation Board?”

The SECRETARY FOR PUBLIC LANDS (Hon. W. McCormack, *Cairns*) replied—

"1. The Board's work is not confined to soldiers' settlements. All loan improvements come within the scope of the revaluations.

"2. Yes, provided the case warrants it.

"3. Each settlement will have its own advocate."

PAPERS.

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

Report by the Under Secretary for Public Lands under the Discharged Soldiers' Settlement Acts, 1917 to 1922.

Report by the Under Secretary for Public Lands under the Closer Settlement Acts, 1906-1922.

MAIN ROADS ACT AMENDMENT BILL.

INITIATION.

The SECRETARY FOR PUBLIC LANDS (Hon. W. McCormack, *Cairns*): I beg to move—

"That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirability of introducing a Bill to amend the Main Roads Act in certain particulars."

Question put and passed.

PALMERSTON LAND SETTLEMENT BILL.

INITIATION.

The SECRETARY FOR PUBLIC LANDS (Hon. W. McCormack, *Cairns*): I beg to move—

"That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirability of introducing a Bill to make better provision for the land settlement and development of the Palmerston Area, in North Queensland."

Question put and passed.

DISEASES IN POULTRY BILL.

THIRD READING.

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*): I beg to move—

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

Question put and passed.

PEST DESTROYERS BILL.

THIRD READING.

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*): I beg to move—

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

Question put and passed.

TRUST ACCOUNTS BILL.

THIRD READING.

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*): I beg to move—

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

Question put and passed.

WORKERS' COMPENSATION ACTS AMENDMENT BILL.

THIRD READING.

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*): I beg to move—

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

Question put and passed.

UPPER BURNETT AND CALLIDE LAND SETTLEMENT BILL.

INITIATION IN COMMITTEE.

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

The SECRETARY FOR PUBLIC LANDS (Hon. W. McCormack, *Cairns*): I beg to move—

"That it is desirable that a Bill be introduced to make better provision for the settlement and development of lands in Upper Burnett and Callide, within the State of Queensland."

Briefly, this Bill embodies what the Government consider the latest method of land settlement. There are some alterations in the system, and I will briefly outline the main alterations proposed under this scheme. Provision is made in the Bill to declare an area comprising the whole of the Upper Burnett and Callide lands. The system of selection will be group selection under the perpetual leasehold tenure of agricultural selections and grazing homesteads, ranging in area from 160 acres in the case of agricultural selections up to 4,000 or 5,000 acres in the case of grazing homesteads. We are making provision in the Bill to allow grazing farmers to cultivate and use their land for profit outside of grazing. The Land Act forbids that. We propose to allow the grazing farmer who has a large area with only a small area of good land in it—perhaps situated in two or three areas—to use that good land for any purpose whatever in making his living. That is a departure from the present Act, and I think that it will be a good thing to apply to our grazing homestead selections. It is proposed to build roads—in fact, we are now building the roads in the area—prior to settlement, and, as far as possible, we propose to engage upon that work men who will be settlers. We are making provision for the erection of butter factories, if necessary—probably it may be done under the Co-operative Agricultural Production and Advances to Farmers Act—but we are making provision, if it should be necessary, for butter factories in central situations, which will be available to the settlers in the area and even to settlers outside the area. There are new provisions in regard to water facilities. The Irrigation Department will carry out all the work in connection with the establishment of water facilities—either bores, dams, or wells, as the case may be—and the department will also arrange, if possible, for the selectors to help in doing this work for their own benefit.

It will be under the control of the Irrigation Branch of the Department of Public Lands, which is finding the money to provide loans to the selectors with terms of repayment over a number of years, quite apart from their right to ordinary assistance from

the State Advances Corporation for other purposes. The scheme will be worked as a whole and a sum of several thousands of pounds will be set apart for the purpose of carrying out special work in connection with it. I am having a synopsis prepared for the information of hon. members. I do not intend to go fully into the proposal now, but on the second reading of the Bill I will outline the details fully.

Mr. CORSER (*Burnett*): I congratulate the Secretary for Public Lands upon the introduction of this Bill, because no Crown land in Queensland justifies the attention of the Government and of the House more than the Upper Burnett and Callide Valleys. I must also congratulate the Minister upon giving us so much information. We have not very much to cavil at in what he has already said, but whether there is anything hidden in the Bill or not remains to be seen. But perish the thought! I am very pleased to notice that the Minister has allowed himself to be sufficiently broad-minded to take even another plank from the platform of the Country party and afford means for the provision of water for the use of individual settlers. That is a hobby of my own. Water should be provided by the Crown for individuals who select Crown lands. I trust also that we shall find that a feature of the Bill will be that it will be stated clearly in respect of each block what amount will be available to the settler by way of loan from the State Advances Corporation, so that he will not find, as is often the case at present, that, although the Act provides for advances of £1,200 to each selector, the security which the land offers debar him from getting it.

THE SECRETARY FOR PUBLIC LANDS: The loan to provide water facilities will be in addition to that.

Mr. CORSER: I understand that. Unfortunately in the past few years—as the Minister will no doubt not be long in finding out at the Lands Department—land settlement has been hindered to a great extent because every little bit of assistance which has been given to selectors for the provision of water or anything else, whether co-operatively or not, has helped to debar the individual selector from getting the full amount he should receive from the State Advances Corporation. I must also congratulate the Minister on being Secretary for Public Lands at this time, because no other Minister has a better opportunity, not only of making a name for himself, but also of developing the dormant Crown lands of Queensland than the Minister who handles this great Upper Burnett and Callide Valleys scheme. I trust it will be successful, and that the Bill will be broad enough to enable the settlers to make not only a living but also a good living. (Hear, hear!) I hope that very few of the blocks will be as small as the 160 acres mentioned by the Minister, because I realise that successful settlement in those areas depends to a great extent upon dairying all the year round as well as upon cultivation.

THE SECRETARY FOR PUBLIC LANDS: You do not want a big area of good land, do you?

Mr. CORSER: Most of our good lands should not be separated absolutely from the poorer land which is good country for running dry stock on. It is no good cutting up our hinterland and giving to a few men the

choicest blocks and leaving the rest to the other fellow.

Mr. COLLINS: Like they used to do in the good old Tory days, when they put some settlers on the stony ridges.

Mr. CORSER: There was not even a stone or, some of the soldier settlements or there might have been a chance of getting gold. I am not going to blame the hon. gentleman in charge of the Bill for whatever might have happened in the past, and no hon. member can blame us for it. Let us profit by the errors of the past—if they existed. Now is the time to bring them under notice. The proposal to allow the cultivation of land on large areas is certainly an advantage, but the Crown should not debar even the present holders from cultivating land on large holdings. If it is necessary to amend the Act to do that, it should be done. We know that exceptions are made with regard to areas of 50 acres or 100 acres for the growing of cotton, but the Act at present does not permit it. I sincerely trust that the co-operative factories which are to be established will be established in such a way that the settlers will eventually own them in the same way in which the co-operative factories are owned by them to-day. I trust, when we see the Bill, that we shall have every reason to be pleased with it, and that it will be found to provide one important factor—and that is the possibility for the men who take up that land of making a decent living and leading a happy life.

Mr. TAYLOR (*Windsor*): Judging from the brief outline given by the hon. gentleman in charge of the proposed measure, I certainly think that the proposal is a step forward. I agree with the hon. member for Burnett that the Minister has an opportunity to make a name for himself in connection with this area which is at present being prepared for settlement. It is pleasing to note that provision is made for the supply of water to each individual holding. We realise, judging from recent years, that it is absolutely necessary, if our settlers are going to make a success on the land, that something must be done in the way of providing an adequate water supply to ensure to them success in their efforts. Unfortunately we get these long dry periods now nearly every year in some parts of the State, which is hindering the man on the land in every possible direction, and the fact that ample provision is going to be made to see that an adequate water supply is ensured should commend itself to every hon. member. We hear of another forward movement from the Minister in his statement with regard to the cultivation of land on the larger areas. It is difficult to understand why there should have been any section in any Act preventing the cultivation of those areas. However, such a provision evidently has existed in the past, and it is pleasing to note that in this Bill that is going to be remedied. The men holding those larger areas will be able then, if they so desire, to go in for cultivation. I am very pleased indeed to know that we are to be supplied with a synopsis of the contents of the proposed measure. I really think that is absolutely necessary, not only for hon. members on the Government side, but also for hon. members on this side, in order that they can intelligently grasp the clauses in the Bill, especially in a Bill such as this. A synopsis is an excellent idea, and I think every other Minister should follow the lead

Mr. Taylor.]

of the Secretary for Public Lands in that direction, and supply a synopsis of all Bills to hon. members on both sides. We shall then be able more intelligently to discuss the measure. We have repeatedly said on this side that there is now no second Chamber—a Chamber of revision—the whole of the work of legislation is carried out in this Chamber, and we do not want a whole session of Parliament taken up in amending Acts passed during the previous session of Parliament. If we are provided with a synopsis of all Bills, probably we shall not be required to deal with so many amending Acts as we are compelled to discuss from time to time when legislation is introduced into this Chamber.

Mr. MOORE (*Aubigny*): The Secretary for Public Lands briefly outlined the features of the Bill, and said that the settlers will be given an opportunity to borrow money. I am not at all sure that the opportunity for borrowing money is as important as other things to be considered. I refer to the suitability of the land and the suitability of the individual who is going to take up that land.

The suitability of the individual who has to take up the land is a very vital matter. It is not always advisable to put on the land townsmen without previous knowledge or experience of how to work land. To my mind a great deal of the settlement that has been a failure in the past is due to the fact that the settlers went on the land without experience and knowledge, and were not temperamentally fitted to go on the land. Some system should be evolved in order to ensure getting the right type of settler to take the place of the present system whereby anyone who likes to apply will be able to get into a group or ballot.

The SECRETARY FOR PUBLIC LANDS: We shall have a Closer Settlement Board to deal with all applications.

Mr. MOORE: I am pleased to hear that. I look upon that as one of the chief requirements of success under a closer settlement scheme, as the Board will be able to see that an applicant has not a limited capital, and will not start with a load of debt around his neck, and will understand what he is undertaking.

The SECRETARY FOR PUBLIC LANDS: Every applicant will fill in a form stating the amount of money he possesses, the size of his family, experience, etc.

Mr. MOORE: Will the person who has experience get priority over the man with capital but without experience?

The SECRETARY FOR PUBLIC LANDS: Yes; we will get the best settlers we can.

Mr. MOORE: If that is the intention of the Government under this Bill, we will go a long way towards successful settlement.

The SECRETARY FOR PUBLIC LANDS: You might get a man with a grown-up family, including grown-up boys, who would be of more value than a grown-up man with money but without a family.

Mr. MOORE: It is a difficult enough task to make a living on the land under normal conditions, and, if a man starts with a big load of debt around his neck, it is not easy for him to carry on successfully even if he has a family. What is necessary to ensure success is sound training and previous experience of what the settler has to do. In a new district where agriculture is to be carried on even a man with experience will

make any number of mistakes because of the conditions being different to those to which he has been accustomed. No matter what may be his previous experience, in a new district he will still have to learn by experience; but a man who has an idea of agriculture has a far greater chance of success than an individual who comes from the town to take up agriculture as a hobby. I trust that the Closer Settlement Board will be composed of men who have obtained knowledge of the subject with which they have to deal, in order that the men who are selected will have a fair opportunity to make a living on the land.

The SECRETARY FOR PUBLIC LANDS: I will explain it fully to-morrow on the second reading.

HON. W. H. BARNES (*Wynnum*): It is pleasing to follow hon. members, especially on this side of the House, who have complimented the Minister on his conversion. It has been said this afternoon that the Minister has taken planks from the platform of hon. members on this side in order to put them in this Bill.

The SECRETARY FOR PUBLIC LANDS: I will take them from anywhere in order to make it successful. (Laughter.)

HON. W. H. BARNES: I am very glad to hear that. That is just leading up to another point I want to make, and that is to express regret that the Minister said nothing whatever in his introductory remarks in reference to allowing settlers to secure freehold land.

The SECRETARY FOR PUBLIC LANDS: I said the land would be held under perpetual lease.

HON. W. H. BARNES: I regret that the Minister, who has been partially converted, should not be wholly converted. The Minister, having gone so far, should make a clean breast of the whole business and say he is going to allow the settlers freehold.

The SECRETARY FOR PUBLIC LANDS: That would be going back to the dark ages.

HON. W. H. BARNES: It would be the very best kind of settlement.

The SECRETARY FOR PUBLIC LANDS: No.

HON. W. H. BARNES: It is no use the Minister shaking his head and saying "No," because experience shows that in Queensland the best settlers are those who have freehold.

GOVERNMENT MEMBERS: Nonsense!

HON. W. H. BARNES: Might I ask the Secretary for Public Lands if, even in connection with domestic affairs, he is satisfied with leasehold.

The SECRETARY FOR PUBLIC LANDS: No, because you cannot get a leasehold.

HON. W. H. BARNES: We know that at every turn hon. members opposite go for freehold and not leasehold.

The SECRETARY FOR PUBLIC LANDS: We cannot get leasehold.

HON. W. H. BARNES: Why not allow the unfortunate settler an opportunity to have freehold? I hope that the Minister will see that the areas are not too small.

What has been the experience [4 p.m.] in connection with a number of soldier settlements, and what has been the cause of a number of breakdowns? It has been due entirely to the fact that the areas have been too small. The Minister will err on the safe side if he will allow ample room for those going on the land.

[*Mr. Taylor.*]

THE SECRETARY FOR PUBLIC LANDS: It is my intention to split up surrendered blocks on soldier settlements among the adjoining soldier settlers.

HON. W. H. BARNES: Then we have to congratulate the Minister for his move in that direction. He is going the right way, and it is perfectly certain that he is mending his ways in his old age.

Question—"That the Bill be now read a second time"—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. W. McCormack, Cairns): I beg to move—

"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.

FIRE BRIGADES ACT AMENDMENT BILL.

COMMITTEE.

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

Clauses 1 to 3, both inclusive, put and passed.

The House resumed.

THE CHAIRMAN reported the Bill without amendment.

The third reading was made an Order of the Day for Tuesday next.

NERANG RIVER BRIDGE AND SOUTH-PORT-BURLEIGH ROAD BILL

SECOND READING.

THE SECRETARY FOR PUBLIC LANDS (Hon. W. McCormack, Cairns): There is very little to say in addition to what I have already said at the introductory stage of this Bill. The Bill is really to validate an agreement entered into between the Secretary for Public Lands and the Southport Town Council and the Nerang Shire Council. The agreement is embodied in the preamble of the Bill, and hon. members have no doubt read it. The Bill consists of only two clauses. The agreement was entered into by the councils, subject to ratification by Parliament, because it was thought that the agreement was not in conformity with the Local Authorities Act as it stands. The Act prevents local authorities from borrowing unless by special resolution—decided, if necessary, by a poll of the electors in the particular area. In this case the advance made by the Government to build the bridge really takes the place of a loan, because the agreement provides that the councils shall provide their share of the money by taxation upon the benefited areas in the district. Those are the reasons for the validation of the measure now before the House. I propose to go into Committee, and if hon. members require information, I shall be only too pleased to give it to them at that stage. I beg to move—

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

HON. J. G. APPEL (*Albert*): I desire to make a few remarks before this Bill is read a second time, and trust that the Minister will acquit me of the desire to offer captious criticism or opposition to the measure. The genesis and history of the whole matter is that in the year 1919 I approached the late Secretary for Public Lands in reference to the prospect of throwing open for settlement a large area of approximately 300 acres of land which was situated between what is known as Meyer's Ferry and Burleigh Heads, and advised the Minister that, in order to make it available for settlement, it would be necessary to construct a road which at that particular moment would have to connect with the main road leading to Meyer's Ferry.

After an inspection in August, 1919, the Minister advised me that he did not propose to take any action. However, knowing the great desire that existed for seaside property, and knowing the way in which land had been taken up between Currumbin and Coolangatta, and also the available Crown land between Burleigh Heads and what is known as Little Burleigh, I again brought the matter under the hon. gentleman's notice and enlisted, in addition, the aid of the chairman of the Nerang Shire Council, who, with myself, urged that something should be done. In view of these circumstances, and in view of the further fact that this particular area was becoming overrun with noxious weeds, a further inspection was made, with the result that the officer who then inspected the area was so impressed with the possibilities of the proposition that he not only recommended the construction of the road, but also the construction of a connecting bridge with the north side of the Nerang Creek at Meyer's Ferry. The Southport Council, when they became aware of this fact, and realising that the great necessity of Southport was a connection between the town and the ocean beach, approached the Minister as to the possibility of the construction of a bridge, not at Meyer's Ferry, but at the mouth of the creek, and the construction of a road from the cross road at Meyer's Ferry to the bridge at the South Head. Naturally they agreed to contribute towards the cost of this bridge, which would increase the amount which the department proposed to expend in the first instance; and likewise it was necessary for them to pay for the cost of the road which practically for the greater proportion of its length would go through private land to make the necessary connection. Those who were interested in Southport were so anxious that this bridge should be constructed in the locality which I have indicated that they were practically prepared to enter into any agreement and consent to anything. They were not alone agreeable to pay their necessary quota towards the additional cost of the bridge, but they were likewise prepared to surrender a large reserve which we had had great difficulty in obtaining as a reservation. So far as that is concerned, the department have made an excellent bargain. Taking into consideration the prices which have already been realised for portions of the reservation which were surrendered, unquestionably the whole of the cost, so far as the department is concerned, will be defrayed from the amount of such sales. The whole of the cost practically of the connection with the big area which is being thrown open will be made without expense to the department. In that respect I commend

Hon. J. G. Appel.]

the department for the bargain which they made. At the same time, I have no hesitation in saying that, owing to the haste exhibited by the Southport Council, they did not make so good a bargain. However, they were anxious to have the bridge, and the bridge is being constructed under the agreement which the Southport Council entered into. There was a considerable amount of contention between the different ratepayers and those who have to bear the burden of the cost upon the subject of the agreement with the Minister. The department advised the council that the agreement which was tendered to them was absolutely legal, and that they were quite in order in executing it. I, as member for the district, took up a neutral attitude.

THE SECRETARY FOR PUBLIC LANDS: I often tried to get you to take up a definite attitude on that matter.

HON. J. G. APPEL: I took up a neutral attitude.

MR. KIRWAN: You sat on the fence, so to speak.

HON. J. G. APPEL: To all intents and purposes I did until I was requested to give an opinion, and when I was requested to give an opinion I stated that undoubtedly the agreement which the council had been asked to sign was not legal, and that it did not come within the four corners of the Local Authorities Act. This, of course, naturally caused a considerable amount of friction amongst the different people, and to-day we find that the department have admitted, by the action which they have taken, that the agreement which was tendered did not come within the scope of the administrative powers of the local authorities. Of course, the hon. gentleman who is moving the second reading of this Bill is not the Minister who effected this agreement, and it has struck me that the hon. gentleman, coming from the Home Department and administering the Local Authorities Act, must to a certain extent have felt inclined to baulk at this proposition.

THE SECRETARY FOR PUBLIC LANDS: I could not.

HON. J. G. APPEL: It practically subverts all the powers and authorities which are laid down in the Local Authorities Act. In the first instance, under this agreement the ratepayers have been given no opportunity of saying whether they wanted this money to be expended or not. Again, it lays down an arbitrary valuation.

THE SECRETARY FOR PUBLIC LANDS: Only as far as practicable.

HON. J. G. APPEL: We know what that means. Even allowing that an arbitrary method of valuation is laid down whereby, as far as practicable, all lands, whether they are of that value or not, are to be assessed at a valuation of £100 per acre.

THE SECRETARY FOR PUBLIC LANDS: That is not much for township allotments. They will be worth a lot more when the bridge is built.

HON. J. G. APPEL: I hope so. When we have an area of land something like 10 miles in length, and something like 30 chains in width, it requires a very large population indeed before that land becomes of such value that it will be readily saleable.

THE SECRETARY FOR PUBLIC LANDS: Land between Tugun and the Tweed is of greater value than that.

[Hon. J. G. Appel.]

HON. J. G. APPEL: Quite so, but it is settled.

THE SECRETARY FOR PUBLIC LANDS: This will be settled, too.

HON. J. G. APPEL: I hope so. I am informed that the only move in such lands is for speculative purposes, and that there is a certain amount of speculation in connection with those who are dealing in this land. Rumour has connected certain persons with these speculations who certainly should not have anything to do with them. Those are persons who probably knew about this expected rise in values, but the people whose land has been purchased in most instances were not aware of what was taking place.

A GOVERNMENT MEMBER: Who did you say they were?

HON. J. G. APPEL: Rumour says so. I hope it is not true.

MR. KIRWAN: You know that "Rumour is a lying jade."

HON. J. G. APPEL: Sometimes, but sometimes it tells the truth. When it is rumoured that "So-and-so," who is connected with this affair as an official, has made an offer of £2,000 or £3,000 for a property, it may not be true.

THE SECRETARY FOR PUBLIC LANDS: Are those officials of the council or officials of the Government?

HON. J. G. APPEL: They are not officials of the council. I hope it is not true. Still, with the exception of certain isolated sales, there have been no sales such as to justify what we might term a subversion of the Local Authorities Act, whereby a hard-and-fast valuation is to be made at so much per acre.

THE SECRETARY FOR PUBLIC LANDS: How would it do to make the whole of that strip one shire, and cut out the farming area?

HON. J. G. APPEL: I believe that is the proper thing to do. There is a community of interest there, whereas there is no community of interest with the farming lands.

THE SECRETARY FOR PUBLIC LANDS: The benefited area will be defined with that in mind.

HON. J. G. APPEL: Naturally every portion of the area from Southport to Tweed Heads is going to be benefited by the road, which is going to be a main road of communication, and will unquestionably in the future add very considerably to the value of the locality for the purposes of settlement. I have no doubt that in the future it will be closely settled. What I cannot comprehend is why it is necessary that this subversion of the Local Authorities Act should be made, in view of the fact that the Southport and Nerang councils are responsible for the repayment of this money. The department, in addition to having good security, practically stand on velvet in regard to the return which they will receive from that area of Crown land, which will practically cover the whole of the money which they will expend outside this amount to connect that large area of 300 odd acres with Southport, and that very connection via Southport will render that particular Crown land more saleable than it would otherwise be.

THE SECRETARY FOR PUBLIC LANDS: Would it be unfair to Southport to allow people with land in Nerang shire to get a lower rate for land in a benefited area?

HON. J. G. APPEL: That is not my contention. The Bill proposes to do away with the valuation court. Only a few weeks ago a valuation court was held, the local authority having increased the value of certain lands which will come within the scope of this agreement, and, after hearing evidence, the stipendiary magistrate reduced the amount of those valuations, for the simple reason that the land was not of that value. But under this agreement the land, whether it is of that value or not, is to be rated at the value of £100 per acre. Of course it is a principle which, if once allowed to creep in, may be extended. If freehold land is valued at an arbitrary figure and ordinary taxation is to be paid upon that value, and, I presume, also land taxation, it will be very easy for the Treasurer largely to increase his receipts from land taxation.

THE SECRETARY FOR PUBLIC LANDS: As far as practicable.

HON. J. G. APPEL: But what is the necessity for introducing it? Are not the local authorities concerned responsible bodies?

THE SECRETARY FOR PUBLIC LANDS: Did not you and Mr. Coyne draw up this agreement? (Laughter.)

HON. J. G. APPEL: No; they left me out. I had all the correspondence up to that time, but, when the agreement was made, I was left out of it. I knew nothing about it until I was asked for my opinion, which I gave.

THE SECRETARY FOR PUBLIC LANDS: They have got the road made right up to your gate. (Laughter.)

HON. J. G. APPEL: The Nerang Council made me a good road twenty-five years ago. The hon. gentleman probably knows that for nine months I have not been able to get inside or outside my gate. For the Minister's information, I might mention the little joke which the engineer perpetrated upon me. For nine months I could not get inside or outside my gate.

THE SECRETARY FOR PUBLIC LANDS: The Premier and I got in the other day. You were not there. (Laughter.)

HON. J. G. APPEL: After I had come back from Brisbane, I received a very polite note from the engineer, saying that, as they were making an approach to my gate, it would not be possible for me to have any entrance until it was completed. Naturally I thanked him for the information. I told him he had not had much regard for me for nine months when I was living there, and that it did not matter now whether I could get in or not, and I asked him to be good enough to expend his wit on somebody else. (Laughter.) I have resided on my property there for thirty-four years. So far as I am concerned, I have not acquired one piece of land for the last twenty years. That has been my home.

THE SECRETARY FOR PUBLIC LANDS: I am not suggesting it.

HON. J. G. APPEL: It has not improved my homestead, for the reason that I selected that particular place to reside in when I was away from Brisbane. But that does not affect the question which I am discussing. First of all, we have the point that an arbitrary valuation, irrespective of the valuation court, is to be imposed. Then, again, an arbitrary rate is to be imposed, and no opportunity has been given to the

ratepayers to say whether they desire to have that particular work carried out or not. As a matter of fact, if the area had been confined to the extent desired in the first place by certain members of the Nerang Shire Council, there would only have been five ratepayers in the area—of which my family and myself would have been three—who would have had to vote on this question. I cannot see the necessity for departing from the principle of valuation and rating.

THE SECRETARY FOR PUBLIC LANDS: That is in the agreement.

HON. J. G. APPEL: Quite so. The Nerang Shire Council has not signed it yet. The Bill mentions an agreement with the Nerang Shire Council as well as with the Southport Town Council. The Nerang Shire Council have never signed the agreement.

THE SECRETARY FOR PUBLIC LANDS: But their agreement is with the Southport Town Council.

HON. J. G. APPEL: But they have not signed, and do not propose to sign it, except under certain conditions. The Southport Council took the precaution to excise from the operation of the arbitrary valuation certain portions of their authority, for the simple reason that the representatives of those portions were opposed to this agreement, and only undertook to vote for it if their particular divisions or wards were excised from the operation of the agreement.

THE SECRETARY FOR PUBLIC LANDS: Nos. 1, 3, and 4 are outside.

HON. J. G. APPEL: They took the precaution to exclude those portions, in order to obtain the votes of the representatives concerned to the agreement, which those representatives refused to give if they were included. The Nerang Shire Council has not executed the agreement with the Southport Town Council, and, unless it gets certain concessions, it does not intend to do so.

THE SECRETARY FOR PUBLIC LANDS: Southport is responsible for the bridge.

HON. J. G. APPEL: What is the necessity of imposing arbitrary conditions on two responsible local authorities, who are prepared to enter into the agreement [4.30 p.m.] ment, but certainly object to the inclusion of such arbitrary provisions? Surely to goodness these two local authorities are not bankrupt!

THE PREMIER: Are you opposing the Bill?

HON. J. G. APPEL: No; I am only pointing out the position, which I think it is my duty to do.

THE SECRETARY FOR PUBLIC LANDS: I have sent for the agreement, and I find that you are wrong. They have signed it.

HON. J. G. APPEL: The chairman informed me last night that he had not signed it, and Mr. Wm. Stephens informed me this morning that his council had not signed it.

THE SECRETARY FOR PUBLIC LANDS: It is signed by both the chairman and the clerk.

HON. J. G. APPEL: With all the conditions which are mentioned? However, that does not affect what I am trying to stress. What is the object, in the dealings with these two local authorities, of imposing these particular conditions? They are responsible bodies.

THE SECRETARY FOR PUBLIC LANDS: It is in the agreement.

Hon. J. G. Appel.]

HON. J. G. APPEL: Why was it necessary to put it in the agreement?

MR. KIRWAN: Ask the chairman of the shire council.

HON. J. G. APPEL: I want the Minister to consider that point.

THE SECRETARY FOR PUBLIC LANDS: I cannot alter the agreement—you know that.

HON. J. G. APPEL: Why is it necessary that it should be imposed?

THE SECRETARY FOR PUBLIC LANDS: It will not do any harm.

HON. J. G. APPEL: If the Minister takes that view—

THE SECRETARY FOR PUBLIC LANDS: I will put it this way: I do not think it will impose any hardship.

HON. J. G. APPEL: Possibly not; but it is burking the provisions of the Local Authorities Acts—and I use that expression advisedly. Had these local authorities been defaulters I could have understood that special conditions should be imposed upon them, but nothing of that kind has happened. I notice, furthermore, that the agreement, by and large, contains provisions which are absolutely necessary, as, for instance, that for the upkeep of the road. I admit without hesitation that local authorities are frequently inclined to be lax in the maintenance of roads, and I think it only right that they should be kept up to the mark where they have a valuable asset which may require expenditure from time to time. There is also provision that, if the road is cut off at any time at a place called "The Narrows," the Southport Council will construct a bridge across the Nerang River at what is known as Meyer's Ferry. Spoken with an experience of forty years, and having seen the ravages of the big gales, of the big floods of the nineties, and remembering the gale of 1897, known as "Mu," neither did the sea enter the river nor did the river break at that particular point. But I feel sure that, if we have such a gale again, the road at the place where it is at present constructed on the top of the loose sand ridge will be undermined, and a large expenditure will be cast upon the local authorities. I pointed this out to the engineer as a result of my experience, and advised him, instead of taking the road along this loose sand ridge—where, as a matter of fact, an expenditure of a large amount of money has been incurred—that he should have followed a route along the wall, and could have raised the level with sand of which there is no lack for that purpose. I have no hesitation in saying that the road there would be absolutely safe, and that the sea would not break in, nor the river run out, but that, on the other hand, the road will be undermined where it is now. The local authorities never had the plans of the roads submitted to them.

THE SECRETARY FOR PUBLIC LANDS: The plan is signed by all of them.

HON. J. G. APPEL: The plan was placed there, but they were not permitted to make suggestions.

THE SECRETARY FOR PUBLIC LANDS: They all signed the plan.

HON. J. G. APPEL: Of course they did. They would have signed anything. They wanted a bridge. As one alderman said to me, "If it lasts only five years, it will do me. I will make so much money out of it."

[*Hon. J. G. Appel.*]

Take the position of the bridge. It is in such a position that, if we have another gale such as we had in 1897, I have no hesitation in saying that it will go. The engineer was advised of the facts, but they would not take advice.

THE SECRETARY FOR PUBLIC LANDS: Did you advise them of these facts?

HON. J. G. APPEL: I advised them that it was illegal unquestionably, and the result is this validating Bill.

THE SECRETARY FOR PUBLIC LANDS: You found it out afterwards, as they all found it out.

HON. J. G. APPEL: So soon as I saw the agreement I saw that it was illegal.

THE PREMIER: It was not necessary to validate it before it was entered into.

HON. J. G. APPEL: They signed it only when they knew that a validating Bill would be introduced. However much we may approve of the general scheme, certain features connected with it have not been brought to light, as they should have been. I am not making these remarks in any cavilling spirit. I am simply pointing out matters which I think the public should know. They should realise that in this particular arrangement the Administration, who profess to be ultra-democratic, have practically advised the local authorities to enter into an agreement which was not legal and which required a validating measure.

THE SECRETARY FOR PUBLIC LANDS: Read page 4 of the agreement. You will find that that is provided for in the agreement.

HON. J. G. APPEL: That had to be added.

THE SECRETARY FOR PUBLIC LANDS: It was in it before it was signed.

HON. J. G. APPEL: If the hon. member had been Minister longer, he would know that the agreement lay on the table of the council month after month, and that it was only at the latter end that the department consented to introduce that provision.

If the present Secretary for Public Lands had occupied his present position before this agreement was made, I say unhesitatingly that no such agreement would have been entered into, and the whole matter would have been dealt with in a very different way. I say that from my knowledge of the hon. gentleman. I think it is only right that I, as the parliamentary representative of the district, should make the remarks which I have made, and point out that a very hard bargain has been made with those two local authorities. The bargain is of such a character that it is to the benefit of the department. I cannot for the life of me see why conditions which are outside the general policy of local authority law should be imposed upon those local authorities. Perhaps in Committee the Minister will be able to say when the work is likely to be completed.

THE SECRETARY FOR PUBLIC LANDS: It will be completed before Christmas.

HON. J. G. APPEL: I hope it will be. I want to get into my own home at Christmas time.

MR. KIRWAN: Do you want to spend Christmas in your country residence?

HON. J. G. APPEL: I would like to. The speed at which the work has been proceeding

has not been electric by any manner of means. If the Minister had been prevented from entering his own home as I am, I can quite realise the language he would use to those officials who were causing him that discomfort.

THE SECRETARY FOR PUBLIC LANDS: You were thoroughly in agreement with what was done. We did not fill up your back yard.

HON. J. G. APPEL: I should hope not, as it would have destroyed it. So long as I could get an entrance to my place, that was all I required. I appeal to the Minister, more especially as he has administered local authority laws for so many years, to amend the Bill in Committee so as to bring it into conformity with that law which he administered for so many years.

THE SECRETARY FOR PUBLIC LANDS: I cannot do that.

HON. J. G. APPEL: He must know that it is absolutely opposed to local authority law.

THE SECRETARY FOR PUBLIC LANDS: It is not unfair.

HON. J. G. APPEL: We can say that anything is not unfair, but that is not the point. It is not in conformity with the local authority laws of to-day. The Southport people wanted the bridge, and they were prepared to sign anything or do anything. They realise that the public life of Southport depended on bringing the town to the surf, and by means of this bridge the surf was brought to Southport; and by an easy access the people will be enabled to go to the surf, which, after all is said and done, is the prima importance to a first-class watering place. The Southport people, with the bridge, will be able to do so with little cost and a minimum amount of trouble. I again ask the Minister to bring the Bill into conformity with the local authority law when it is in Committee.

MR. KING (*Logan*): I desire to speak on the second reading of this Bill because it affects local government. Whilst I recognise that the outcome of the agreement is the mutual desire between the parties to have a bridge, at the same time I cannot help saying that the whole thing is wrongly conceived, and principles have been sacrificed for the sake of expediency. The principles of local government, which have been settled in the past, have been flagrantly ignored in this Bill. They have been referred to by the hon. member for Albert. The first point is that in connection with loans by the Government there is no obligation on the part of the councils to submit the proposal to the ratepayers, and furthermore the principle of valuation has been outraged by taking away from the ratepayers the right of appeal. The Bill provides that the valuation shall not be less than £100 per acre. We know that under the Local Authorities Act the minimum valuation in a municipality is £30. That may be the valuation of a 16-perch allotment, or 1 acre, or a large area. I want to know, if a block of land containing 1 acre or more is valued at the minimum valuation, has the owner of that property any right of appeal? The minimum valuation under this Bill is £100. I say that that is a gross interference, not only with the rights of the subject, but also a gross interference with the principles of local government, and, whilst I recognise that this is a matter which is eminently the outcome of a mutual desire between the parties, at the same time it is a gross infringement of local government principles. The

hon. member for Albert pointed out that the bridge is not in a good position. It is liable to be washed away with the first gale that comes along, and, in the event of such a thing happening, it simply means that the Nerang and Southport Councils will have to bear the whole cost of re-erection of the bridge at a point further up Nerang Creek at Meyer's Ferry. We know that this bridge is going materially to benefit the Crown, and is going to give easy access to the properties which are being offered under the perpetual leasehold tenure on the Main Beach. I think it is only right that the Crown should bear its proportion of the liability in case that bridge has to be re-erected. I quite recognise that the Crown has to bear its proportion of the liability in connection with the erection of the original structure, but that liability should continue if the liability on the councils to re-erect continues. The bridge undoubtedly is going to be a boon to the place. As the hon. member for Albert says, it is going to bring the people from the city to the surf. It is not only going to be a boon to the visitors to the seaside, but it will help to improve Southport, and I think Nerang also, and make them more popular.

I would like to ask the Home Secretary if there is a clause in the original agreement providing that the agreement is subject to validation.

THE SECRETARY FOR PUBLIC LANDS: What do you call the original agreement?

MR. KING: The original agreement entered into.

THE SECRETARY FOR PUBLIC LANDS: This is the original agreement; it is embodied in the Bill.

MR. KING: I am under the impression—I may be wrong—that the question of validation was not considered originally at all. The parties thought they had the right to make this agreement without a validating measure, and I think the question of validation only came into the matter when the parties found that they could not go on with the agreement without this validating measure.

THE SECRETARY FOR PUBLIC LANDS: You must be referring to the draft agreement?

MR. KING: It may be the draft.

THE SECRETARY FOR PUBLIC LANDS: This is the only agreement that has existed.

HON. J. G. APPEL: The hon. member for Logan is referring to the first agreement that was presented to the councils for signature.

MR. KING: Yes; the first agreement.

THE SECRETARY FOR PUBLIC LANDS: That was a draft agreement. It is not an agreement until it is signed.

MR. KING: I do not think there is any question that a validating agreement was only discussed when the question was raised that certain principles of the Local Authorities Act were being violated, and then it could only become a legal agreement by virtue of a validating measure.

THE SECRETARY FOR PUBLIC LANDS: If that is so, what are you going to do about it?

MR. KING: The whole thing has been wrongly conceived. These residents in the first instance started off on wrong premises. They could have achieved their object in another way which would not have infringed the Local Authorities Act. I realise

Mr. King.]

that the agreement is going to be a good agreement in many respects and that it is going to be a beneficial agreement, and my only objection is that it was found necessary to bring in a measure to validate a document which departs from the Local Authorities Act under which the councils are working.

Mr. MOORE (*Aubigny*): This is the most extraordinary agreement that I have ever seen. I cannot understand any council getting councillors to sign such a document. It seems that practically the whole municipality of Southport must benefit from the building of the bridge, yet divisions Nos. 1, 2, and 4 are cut out of the benefited area, which only embraces the one division. The Government had some land in the locality that they wanted to get rid of, and they were aware that the building of the bridge would enable them to secure a better price. They certainly have driven a remarkably hard bargain with the council. The part I object to is that there was no occasion for all this. The council is working under the Local Authorities Act, under which powers are given the Government to declare a benefited area for the purpose of constructing the bridge. This has been departed from. Bridges have been built, benefited areas have been declared, and the cost distributed in other areas without resorting to such an extraordinary agreement as this. I fail to see that any reason has been given why such a hard bargain as this was driven. I certainly object to the principle of an owner of property being prevented from appealing against the valuation. This could have been overcome by permitting the local authority to strike a differential rate, but instead this illegal agreement was prepared. Some councillors refused to sign the agreement until the divisions they represented were exempted from the payment of the special rate. I cannot understand a council entering into an agreement where one set of councillors would not sign until their particular divisions were exempted, especially when they have ample powers to see that an equitable distribution of the costs is made. It is extraordinary to me that a Bill should be introduced to ratify an agreement which is not only one-sided but is obviously the result of a compromise between one section and another who wanted to get a bridge at any price. The Government took advantage of the situation that arose, and made them parties to such an agreement, and now bring in a validating Bill to smash up the whole basis of the Local Authorities Act. It should not have been introduced to this House. The powers of the Local Authorities Act should have been taken advantage of, especially after the statement of the Minister the other night that it was the most comprehensive measure of its kind in Australia, and gave wider powers to local authorities to conduct local authority affairs. I protest against a Bill to validate such an agreement as this. I cannot understand any Minister entering into such an agreement. I quite recognise that the people of Southport wanted the bridge particularly, and were prepared to make any sacrifice for it, but that did not justify the Government in smashing an Act which could have obtained the same result in a more equitable manner. I suppose that this agreement has gone so far that no alteration can be made in Committee.

The SECRETARY FOR PUBLIC LANDS: Half the money has been spent.

[*Mr. King.*]

Mr. MOORE: It is unfortunate that the validating Bill should have been left until the defects in the agreement could not be remedied. The agreement has been signed, and it rests with the people of Southport to deal with their representatives at the next election, but even if they do, it will not get them out of a very unjust situation. The injustice will be apparent when the rates come to be struck on these arbitrary valuations. It is quite possible for land to be valued under this agreement at £100 per acre, on which a special rate will be struck, and at only £30 or £40 for general rating purposes, and I suppose this valuation will be taken as the basis for taxation purposes as well. I regret that under the circumstances, this arbitrary valuation cannot be amended, but it is for hon. members to make a protest against such a provision being included and against such a Bill on which the people have not had an opportunity of expressing their views.

Question—That the Bill be now read a second time—put and passed.

COMMITTEE.

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

[5 p.m.]

Clauses 1 and 2, and the preamble, put and passed.

The House resumed.

The CHAIRMAN reported the Bill without amendment.

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

GOVERNMENT LOANS REDEMPTION AND CONVERSION BILL.

SECOND READING.

The TREASURER (Hon. E. G. Theodore. *Chillagoe*): The Bill itself does not require very much explanation. Before concluding my speech I should like to make a few references to loans that are falling due. First of all, the Bill gives a general authority to the Treasurer to provide for the raising of money in order to secure the renewal of loans falling due, or to provide for their redemption by the issue of new stock or debentures. There is authority also to purchase stock in the open market, and to pay for any outstanding stock, if it can be purchased, from the general Loan Account. There is an Act in New South Wales working on the same lines as we propose to work on. It is an innovation for Queensland, because, as I have already remarked, it gives a general authority which seems to be necessary because there are quite a number of loans falling due. The Commonwealth Government have a somewhat similar Act, known as the Commonwealth Loans Redemption and Conversion Act; and in that Act the Governor-General may authorise the Treasurer to pay off or repurchase or redeem any loan, or convert any loan issue into any other loan that may be issued for the purpose.

It is well known that in Queensland we have loans falling due next year and the following year amounting to more than £25,000,000 sterling, and the object of the Bill is to secure statutory authority to meet

LOANS MATURING IN 1924 AND 1925.
STATEMENT SHOWING PARTICULARS OF RAISING, FLOTATION EXPENSES, INTEREST, &C.

Date Redeemable.	Authority of Issue.	Date Raised.	Rate of Interest.	Price of Issue (Average).	Amount.	Gross Proceeds.	Flotation Expenses.	Net Proceeds.	Interest payable per annum.	Effective Rate of Interest.	Place Redeemable.
			Per cent. £4½	£	£	£	£	£	£	Per cent. £4 10 0	
23rd April, 1924	Loan Act of 1914 ..	23 April, 1914		100 0 0	166,800	166,800	..	166,800	7,506	4 2 0½	Australia
1st July, 1924	Loan Act of 1884 ..	May, 1884	4	*98 18 6	1,439,000	1,423,535	19,028	1,403,607	57,560	4 2 0½	London
	Loan Act of 1884 ..	May, 1885	4	*97 6 3	2,500,000	2,432,814	34,890	2,397,924	100,000	4 3 3½	London
	Loan Act of 1884 ..	Mar., 1886	4	*103 0 7	1,500,000	1,545,441	21,260	1,524,181	60,000	3 18 8½	London
	Loan Act of 1884 ..	Feb. 1887	4	*98 8 0	2,500,000	2,460,033	34,912	2,425,121	100,000	4 2 5½	London
	Loan Act of 1884 ..	July, 1888	3½	*94 15 8	2,500,000	2,368,597	35,040	2,333,557	87,500	3 14 11½	London
	Loan Act of 1884 ..	Mar., 1890	3½	*97 8 11	709,900	691,761	9,928	681,833	24,847	3 12 10½	London
	Loan Act of 1884 ..	June, 1885	4	97 0 0	250,000	242,500	..	242,500	10,000	4 2 5½	Australia
	Loan Act of 1884 ..	Dec., 1888	3½	99 15 0	20,100	20,050	..	20,050	703	3 10 2	Australia
	Loan Act of 1889 ..	Mar., 1890	3½	*97 8 11	1,554,834	1,515,106	21,746	1,493,360	54,419	3 12 10½	London
	Loan Act of 1918 ..	Oct., 1920	6	100 0 0	20,000	20,000	..	20,000	1,200	6 0 0	Australia
	Loan Act of 1918 ..	Sept., 1921	6½	100 0 0	15,000	15,000	..	15,000	975	6 10 0	Australia
Total maturing 1924 .. ..	.. ..	.. ..	.. ..	97 18 5	13,175,634	12,901,637	177,704	12,723,933	504,710	3 19 4	
1st Jan., 1925	Loan Act of 1918 ..	Dec., 1921	6½	100 0 0	10,000	10,000	..	10,000	650	6 10 0	Australia
	Loan Act of 1918 ..	June, 1922	5½	100 0 0	11,500	11,500	..	11,500	633	5 10 0	Australia
1st April, 1925	Loan Act of 1913-14 ..	April, 1915	4½	99 0 0	11,728,800	11,611,561	103,398	11,508,163	527,796	4 11 9	London
1st July, 1925	Loan Act of 1914 ..	1915-1916	4½	100 0 0	270,700	270,700	609	270,091	12,182	4 10 2½	Australia
Total maturing 1925 .. ..	.. ..	.. ..	.. ..	99 0 6	12,021,000	11,903,761	104,007	11,799,754	541,261	4 11 9	
Total maturing 1924 and 1925 .. ..	.. ..	.. ..	.. ..	£ 98 8 11	25,196,634	24,805,398	281,711	24,523,687	1,045,971	4 5 3½	

* Raised by public tender.

those loans. The following table gives the details of these loans:—

Government Loans Redemption [14 AUGUST] and Conversion Bill.

The important thing to consider in regard to these loans, and a matter which causes considerable anxiety to Ministers, is how the conversions can be arranged, whether advantageously or disadvantageously, to the State. No one can say what the actual result will be until the market is approached. Speculation may be indulged in, but I do not think it will get us very far. The Treasurer has to give some consideration to the possibilities of the rate which will have to be paid for the new money, and of

the additional cost to the Consolidated Revenue.

Looking at recent loans issued in London to various States of Australia and to New Zealand during the past year, one gets a rough and general idea of what the prevailing rate is over there, and possibly some guidance as to the rate we may have to pay next year. The latest quotations to hand are given in the following table:—

AUSTRALASIAN ISSUES ON LONDON MARKET—JANUARY TO JUNE, 1923.

Month.	State.	Amount of Issue.	Amount Subscribed.	Term.	Rate of Interest.	Price of Issue.	Yield to Investor.
January..	New South Wales ..	£ 4,000,000	£ 8,000,000	Years. 10—20	Per cent. 5	£ s. d. 98 10 0	£ s. d. 5 2 6
Do. ..	Wellington City (N.Z.)	340,000	..	20	5½	99 0 0	5 6 8
February	South Australia ..	2,000,000	7,000,000	10—20	5	99 0 0	5 1 9
Do. ..	Victoria	5,000,000	Heavily over-subscribed.	10—20	5	99 10 0	5 0 10
April ..	New South Wales ..	6,000,000	Fully sub-scribed.	12—22	4½	94 0 0	4 19 3
May ..	New Zealand	4,000,000	6,000,000 to 8,000,000	10—20	4	92 0 0	4 12 6
June ..	West Australia ..	3,000,000	..	12—42	4½	95 0 0	4 15 7

If that market continues, it would seem that the cost of conversion will not be so very serious, but one cannot predict what is going to happen in the money market in London; it fluctuates very considerably in a short time. As to what the exact position will be when we are ready to go on the market next year for the conversion of the loans which are falling due, one cannot safely offer an opinion at the present moment. The tendency is, as is recognised by most financial authorities, that a favourable market will continue. There has been some slight sign of hardening recently, but it is hoped that the market will not be less favourable next year than it was during recent months when other States were floating loans under somewhat favourable conditions.

Mr. KERR: Were they new loans or redemption loans?

The TREASURER: Some were redemptions and some for new public works, while some were for funding the floating liability. Of the South Australian loan, £2,000,000 was for a floating loan and the rest for public works. It will not make very much difference in regard to the terms obtainable on the market what purpose it is for, except that in our case we are somewhat at a disadvantage because the amount is so large. Following that up, I should like to give some information to the House in regard to what the possible extra cost to the revenue

will be. That is the serious aspect we have to consider with regard to the conversion loans. The amounts are so large that even with a trifling increase in the interest charge or by the provision of a sinking fund obligation, or even with the flotation expenses which are inseparable in large transactions of that kind, the aggregate charge upon the Consolidated Revenue is a serious one. With regard to the 1924 conversion—that is, the loan of £13,175,634—the present interest payable is £504,710. There is no sinking fund obligation attached to that loan. That loan is made up of a number of smaller loans, the particulars of which I quoted just now, floated at different periods, but unhappily falling due on the one date. That was commented on in this Chamber many years ago. When the Denham Administration were making arrangements for the conversion of the loans falling due in 1915 they had the same difficulty in regard to large amounts falling due on the same date, and were faced with the same embarrassment that we are faced with now. Unfortunately, the due dates were not spread over different periods and in different years, which would have made it very much easier to arrange for the conversion or to take other steps for the meeting of that liability. The following table shows the estimated additional charge for interest and sinking fund payments on the loans maturing next year if raised at various rates of interest:—

{*Hon. E. G. Theodore.*

LOANS MATURING IN 1924.

ESTIMATED ADDITIONAL CHARGE ON CONSOLIDATED REVENUE FOR INTEREST AND SINKING FUND PAYMENTS.

Total amount of Loans	£13,175,634	Interest payable under present conditions ..	£504,710
		Sinking Fund payable on same	Nil
			£504,710

STATEMENT SHOWING ESTIMATED ADDITIONAL COST OF INTEREST AND AMOUNT OF SINKING FUND PAYMENTS ON ACCOUNT OF THE TOTAL OF THE ABOVE LOANS IF RAISED AT VARIOUS RATES OF INTEREST.

Particulars.	Total Amount to be Raised.	BEARING INTEREST AT THE RATE OF—			
		4½%	4¾%	5%	5½%
	£	£	£	£	£
If nominal amount raised only	13,175,634				
Interest payable per annum	592,904	625,843	658,782	691,721
Interest payable under present conditions	504,710	504,710	504,710	504,710
Additional amount of Interest per annum Sinking Fund Contribution at 10s. per cent. per annum	88,194	121,133	154,072	187,011
Total additional charge on Consolidated Revenue	154,072	187,011	219,950	252,889
If amount raised at par, plus expenses of Flotation—say 3 per cent.	13,583,100				
Interest payable per annum	611,240	645,197	679,155	713,113
Interest payable under present conditions	504,710	504,710	504,710	504,710
Additional amount of interest per annum Sinking Fund Contribution at 10s. per cent. per annum	106,530	140,487	174,445	208,403
Total additional charge on Consolidated Revenue	174,445	208,402	242,360	276,318
If amount raised at £99, plus expenses of Flotation—say 3 per cent.	13,724,600				
Interest payable per annum	617,607	651,919	686,230	720,542
Interest payable under present conditions	504,710	504,710	504,710	504,710
Additional amount of interest per annum Sinking Fund Contribution at 10s. per cent. per annum	112,897	147,209	181,520	215,832
Total additional charge on Consolidated Revenue	181,520	215,832	250,143	284,455
If amount raised at £98, plus expenses of Flotation—say 3 per cent.	13,869,100				
Interest payable per annum	624,110	658,782	693,455	728,128
Interest payable under present conditions	504,710	504,710	504,710	504,710
Additional amount of interest per annum Sinking Fund Contribution at 10s. per cent. per annum	119,400	154,072	188,745	223,418
Total additional charge on Consolidated Revenue	188,746	223,418	258,091	292,764

At the same time I might give the results with regard to the loans falling due in 1925, worked out on the same basis—

LOANS MATURING IN 1925.

ESTIMATED ADDITIONAL CHARGE ON CONSOLIDATED REVENUE FOR INTEREST AND SINKING FUND PAYMENTS.

Total amount of Loans	£12,021,000	Interest payable under present conditions	£541,261
		Sinking Fund Payable on same	Nil
			£541,261

STATEMENT SHOWING ESTIMATED ADDITIONAL COST OF INTEREST AND AMOUNT OF SINKING FUND PAYMENTS ON ACCOUNT OF THE TOTAL OF THE ABOVE LOANS IF RAISED AT VARIOUS RATES OF INTEREST.

Particulars.	Total Amount to be Raised.	BEARING INTEREST AT THE RATE OF—			
		4½%	4¾%	5%	5½%
	£	£	£	£	£
If nominal amount raised only	12,021,000				
Interest payable per annum	540,945	570,997	601,050	631,102
Interest payable under present conditions	541,261	541,261	541,261	541,261
Additional amount of interest per annum	Dec. 316	29,736	59,789	89,841
Sinking Fund Contribution at 10s. per cent. per annum	60,105	60,105	60,105	60,105
Total additional charge on Consolidated Revenue	59,789	89,841	119,894	149,946
If amount raised at par, plus expenses of Flotation—say 3 per cent.	12,392,800				
Interest payable per annum	557,676	588,658	619,640	650,622
Interest payable under present conditions	541,261	541,261	541,261	541,261
Additional amount of interest per annum	16,415	47,397	78,379	109,361
Sinking Fund Contribution at 10s. per cent. per annum	61,964	61,964	61,964	61,964
Total additional charge on Consolidated Revenue	78,379	109,361	140,343	171,325
If amount raised at £99, plus expenses of Flotation—say 3 per cent.	12,521,900				
Interest payable per annum	583,485	594,790	626,094	657,399
Interest payable under present conditions	541,621	541,261	541,261	541,261
Additional amount of interest per annum	22,224	53,529	84,833	116,138
Sinking Fund Contribution at 10s. per cent. per annum	62,609	62,609	62,609	62,609
Total additional charge on Consolidated Revenue	84,833	116,138	147,442	178,747
If amount raised at £98, plus expenses of Flotation—say 3 per cent.	12,653,700				
Interest payable per annum	569,416	601,050	632,684	664,318
Interest payable under present conditions	541,261	541,261	541,261	541,261
Additional amount of interest per annum	28,155	59,789	91,423	123,057
Sinking Fund Contribution at 10s. per cent. per annum	63,268	63,268	63,268	63,268
Total additional charge on Consolidated Revenue	91,423	123,057	154,691	186,325

That gives, roughly, an idea of the actual obligations with which the State is faced, and the danger of a very heavy additional charge on the consolidated revenue. Everyone who has considered this question has recognised that as being inevitable in recent years. There may have been a time a few years ago, when the rate of interest was much lower, when the conversion could have been effected with no additional charge on the consolidated revenue except the cost of flotation; but during the last ten years any hope of that has been dissipated. Some of these loans which are carrying a rate of 3½ per cent. will have to be converted at a very much higher rate. Part of the loans falling due—those in 1925 at any rate—were the loans which the Denham Government

arranged for in 1913-1914, amounting to £11,728,000. They paid 4½ per cent. That is the nominal rate of interest, but the actual yield was higher—£4 11s. 9d. per cent. The conversion took place in April, 1915. The Denham Government had to pay 4½ per cent. then, at a time when interest was increasing. If arrangements could have been made earlier, possibly the money could have been secured at a lower rate.

I do not criticise the Government for not having made definite arrangements earlier, because these arrangements cannot be made until somewhere approaching the due date. It is very difficult to deal with the large number of bondholders and stockholders in connection with loans of that kind, and I think it

would be more acceptable for the Government to make long-dated provision for repayment, if they did it with certain knowledge that the market was rising. But the facts are that the Government, unfortunately, notwithstanding the experience they had at that time, arranged for the loans to fall due again on a particular date, although they took the opportunity of taking an optional period for an early redemption, if necessary. It may be contended, and it has been previously stated—and I think unwisely and in some cases erroneously stated—that the present Government cannot favourably arrange this conversion, because it is alleged that Queensland's credit is not as good as it should be in London. I have always contended that statement. There is any amount of evidence to show that the credit of the State is high, that it is stable, and that it does not suffer fluctuation to a greater extent than that of other States, and, from the experience we had in 1920, any loss of credit to the State was the result of the unhappy political engineering which went on as the result of political controversies in Queensland. That was to be deprecated, and it was indeed deprecated on both sides of the House. It might have been possible for some public men to have prevented the unfortunate delegation episode, but that was not done, and the delegation did its work, and did it effectively. It prevented the raising of money in London.

Hon. W. H. BARNES: You know there were other reasons, so why make that statement?

The TREASURER: Other reasons for what?

Hon. W. H. BARNES: For your failure.

The TREASURER: There were not other reasons. That was the positive reason given out in London itself by the financial newspapers. The visit of the delegation was the sole cause of our failure in London to raise money in 1920.

Hon. W. H. BARNES: That is not so.

The TREASURER: I believe it to be so, and I stoutly assert that it was so. We had evidence that it was so, and that if the delegation had not gone to England, or going to England had not carried on the campaign there, the Queensland Government could have raised their loan in 1920.

Hon. W. H. BARNES: Was it not a case of "Be sure your sins will find you out?"

The TREASURER: If the hon. gentleman says the delegation was not the sole reason for the failure to raise the money in London, he is wrong. That is what I am contending, and I should surely know. I should be very dishonest if I were misleading the House on this matter from my knowledge of the facts gained in London at the time the visit of the delegation took place.

Hon. W. H. BARNES: Was it not a fact that the Government had lost their good name?

The TREASURER: The Government had not lost their good name in London, nor had the State lost its credit in London. Our credit stood high in London then, and at this date stands high in London, but it was the political stunt that prevented the Government from raising a loan in 1920. Our stock did not depreciate on the London

Stock Exchange. If what the hon. member is hinting at now—that the State's credit had been destroyed—then no one would have been willing to buy our stock on the London Stock Exchange, but holders would have been ready to unload it at lower rates.

Hon. W. H. BARNES: You were unable to get a loan.

The TREASURER: Our "pitch was quered" by the delegation from Queensland. That was mentioned in the financial papers in London. This has been a subject of controversy before, and I suppose it is unavoidable on this important debate; but, as it is likely to be controversial, I do not mind stating once again what happened in London. The delegation went there with the deliberate intention of preventing the Government from getting accommodation unless we would yield to the pressure that would be exercised in London. That was the stated intention, but it was not stated here before they left, as they were very careful to cover up their tracks as far as possible. A certain minute-book was manipulated so that evidence would be destroyed here as to the actual purpose for which that delegation went to London.

Mr. MAXWELL: You know that that has been denied.

The TREASURER: It has been denied, and I know that a challenge has been made to the man who was responsible to a great extent for the alteration of that minute-book, and he has never accepted the challenge.

Mr. MAXWELL: That minute-book was never altered.

The SECRETARY FOR AGRICULTURE: How do you know?

Mr. MAXWELL: I was at the meeting.

The TREASURER: I can furnish most tangible evidence of the work of the delegation and of what they were doing there. I was not in London the whole time the members of the delegation were there, as they arrived a week before I got there, but they were there all the time I was in London. They were in frequent consultation with gentlemen connected with what are known as the British Australasian Society and the Scottish Australian Investment Company, finance and mortgage companies having branches in Queensland. They were being entertained by these interests in the city of London, and introduced to influential stock-brokers and financiers of the city. I was told by the financial advisers of the Queensland Government in London that the delegation was spoiling any chance of my getting a loan. What is the use of people here who do not know the facts saying that the delegation had no effect in regard to the loan?

Hon. W. H. BARNES: What is the use of trying to obscure the real reason? The real reason was repudiation.

The TREASURER: The real reason for what?

Hon. W. H. BARNES: The real reason for failure was the bad administration of this Government.

The TREASURER: Queensland stock in London maintained its level, and it has to this day the same level comparably as that of any other State in Australia.

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Hon. W. H. BARNES: You cannot get away from the fact that the Premier of the State went to London and came back penniless, so far as a loan was concerned.

The TREASURER: Can you get away from the fact that you did not stand behind the delegation? Why did you repudiate it? Because you knew they were wrong. Why did the hon. member for Dalby repudiate the delegation? Because he knew they were on a wrong mission.

Mr. VOWLES: You were told to come back and practise honesty.

The TREASURER: By whom? By people who were extorting wealth out of Queensland without paying a fair rental. This Government does not practise dishonesty. We endeavour to deal fairly and properly with the public interests, and, if we took legislative action to require the pastoral companies and the large squatters of Queensland to pay the same rent for their land as the grazing farmers had to pay, could that be said to be dishonest? Can it be said to be dishonest because we ask the big investor—the large capitalist who does not reside on his land—to pay the same rate as grazing farmers have to pay?

Hon. W. H. BARNES: You had made a contract, and you broke the contract.

The TREASURER: Let me ask the hon. member, who is the champion distorter of truth in this Chamber—who is the champion distorter of the truth in regard to this matter—

The SPEAKER: Order!

The TREASURER: What contract was broken in regard to the Land Act of 1920? Where is the contract we broke?

Mr. TAYLOR: Did not Professor Keith say you had broken a contract?

The TREASURER: No.

Mr. TAYLOR: It was in the correspondence you had in the London "Times."

The TREASURER: Let the hon. member quote correctly. Never mind Professor Keith. Let the hon. member tell me where the contract was broken?

Mr. TAYLOR: He told you in the London "Times," and you have the correspondence.

The TREASURER: I want the hon. member to listen to this, and consider the matter from a fair standpoint. I met the representatives of the British Australasian Society, comprising representatives of the Australian pastoral companies, such as the Scottish Australian Investment Company, and numerous other companies—about twenty in all—and they alleged the same thing. They complained that we had broken a contract. I asked what specific contract had been broken; where was the proof? They said: "You have altered the conditions in our leases." I asked them to produce the lease containing the provision with regard to the limitation.

Hon. W. H. BARNES: You know all about it.

The TREASURER: I know that they did not know. I asked them to show me the clause in the lease limiting the increase in rent, and they could not produce it, and there was no more astonished [5.30 p.m.] man in London than the chairman of that committee when I produced a copy of their own leases and

showed them that there was no such limitation, and they had to admit that their statement was wrong.

Mr. TAYLOR: We had not stated that it was in the lease.

The TREASURER: It has been stated numerous times.

Mr. TAYLOR: It is in the Act.

The TREASURER: It was stated by Mr. Macartney, leader of the Opposition when the Bill was first introduced, that it was in the lease, and that we were tearing up the lease. It is all very well for the hon. member to hark back to that. My stand in regard to the pastoral leases is the same as it was in 1920 or prior to that date, when the matter came up. Any reasonable Queenslander not actuated by prejudice or malice will admit that it is fair that the people of Queensland should get something they ought to get—that is, a fair charge for the public estate and reasonable rentals from the pastoralists, who should not be in any better position than the grazing farmers, who have to reside on their holdings. It is well known that the average rent paid by the pastoralists for the 200,000,000 odd acres held by them was 16s. 9d. per square mile, whilst the grazing farmer was paying 50s. 9d., or more than three times as much, for the same class of country. And these representatives of the farmers on the Opposition side are standing for the absentee landholders getting their land at a peppercorn rental whilst the grazing farmers pay the full value and have to reside on their selections. That is the attitude of the Country party and other members of the Opposition, who say that the general taxpayer ought to have to make up the difference of £100,000 a year in order to enable the absentee landlords to get cheap land in Queensland.

Mr. FRY: That is not true, and you know it.

Mr. VOWLES: Were you not willing to forego the alteration for payment in cash?

The TREASURER: The suggestion made by the hon. member for Dalby is quite unworthy of him.

Mr. VOWLES: It is in the reports.

The TREASURER: The hon. member suggests that we were willing to forego the alteration if we could get the cash. We could have got the cash if I had been prepared to waive those conditions. We could have got as much as we wanted; but we would rather have gone down as a Government or in any other way than yield to such dictation.

GOVERNMENT MEMBERS: Hear, hear!

The TREASURER: After it had been pointed out to the pastoral companies in London that their leases contained no such provision as they had asserted, they contended that it was a matter of principle and of departure from a statutory obligation. I said, "If that is all there is in it, if it is not a question of the monetary consideration, I am prepared to do this: We will get the equivalent of the extra rental by direct taxation and repeal the Act to which you take exception." The pastoral companies would not agree to that, so that evidently it was not a question of principle with them, but of money. They were told by the delegation—it is quite obvious—that, if they did not yield to the Government, if they held up our loan, they could defeat the Government.

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Have they defeated it? Ask the hon. member for Dalby. (Government laughter.)

Mr. KIRWAN: They fell in badly.

Mr. KING: You went to London to get the money.

The TREASURER: We went to New York, and we got the money in New York.

Mr. KING: It used to be "cousin" once; now it is "uncle" with the three balls.

The TREASURER: The hon. member may be chagrined because we did, but we got the money on very satisfactory terms, and, as a matter of fact, there was quite a bad feeling amongst certain Opposition politicians outside of Parliament because we were able to get the money. The loan was much criticised and held up to ridicule here until some of the principal financial critics and authorities in the Southern States pointed out what we were saving in Queensland.

Mr. VOWLES: It is a gamble for the State to-day.

The TREASURER: Then it is a gamble which is turning out to the advantage of Queensland. Mr. Baillieu, one of the big financial men in Melbourne, was in the United States a few months ago, and on his return he said more favourable things for the loan than ever I did. He said it was excellent business from every point of view, patriotic as well as financial—that it was good from the point of view of harmony and friendship, and of trade and commerce

between the United States and Australia, and he presaged very good results from it. And we are following a very good precedent, because the United Kingdom itself borrowed from America.

Mr. MOORE: They had to borrow there to pay for their war material.

The TREASURER: They have borrowed in America since the war. We go where we can get the most favourable terms. I stated in my policy speech before the elections that no doubt it would be to the mutual advantage of us and the present stockholders in England if we could convert our loans in London; but we are not going to be tied to England unless we can get the same terms there as any other State. The hon. member will not suggest that we should pay more than any other State. Nor will we.

Hon. W. H. BARNES: But you will have to pay more if your credit is bad.

The TREASURER: To prove that our credit is not bad, I shall quote a table showing the quotations in London of securities of various Australian Governments. The hon. member was four and a-half years Treasurer, and yet he makes a suggestion which would lead anybody to think that he had had nothing to do with such matters. The table I am going to quote gives the figures, based on the quotations on the London Stock Exchange on 3rd May last, the latest I could get for this purpose—

AUSTRALIAN GOVERNMENT SECURITIES.

STATEMENT SHOWING QUOTATIONS IN LONDON ON 3RD MAY, 1923, FOR THE UNDERMENTIONED SECURITIES OF THE AUSTRALIAN GOVERNMENTS.

Government.	Loan.	Interest Payable.	Rate.	Quoted at—	Accrued Interest.	Net Amount.	Yield to Investor.
			%	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Queensland ..	1930-40	February-August	6	105 7 6	1 10 0	103 17 6	5 12 7
Commonwealth ..	1931-41	March-September	6	105 5 0	1 0 0	104 5 0	5 12 4
New South Wales	1930-40	May-November	6	104 0 0	..	104 0 0	5 12 4
Victoria ..	1930-40	April-October	5½	103 2 6	0 9 8	102 12 10	5 5 2
Western Australia	1930-40	January-July	6	105 17 6	2 0 0	103 17 6	5 12 7
South Australia	1930-40	May-November	6½	108 7 6	3 5 0	105 2 6	5 19 9
Tasmania ..	1930-40	May-November	6½	108 10 0	3 5 0	105 5 0	5 19 4

There is a slight difference between the various States, accounted for possibly by some people desiring to invest in one particular State, because they have been in the habit of doing that, and because of the desire of other investors to invest in another particular State. The amounts fluctuate slightly, but only by a fraction of 1 per cent., which is hardly noticeable in the quoted prices. Queensland ranks higher than some of the other States and to an infinitesimal extent lower than other States. Can anyone say that that indicates that Queensland credit does not rank in London as high as that of other States? No one can say that. It does not follow that, if the Queensland Government went over there to-morrow to borrow money, we could borrow it if the financial interests in London boycotted our loan as they did in 1920. That applies to any State, any country, or any Government.

The financiers in London could boycott the loan, and the Exchange could remove the stock from the list, and indicate that it was not a safe investment, and "down" the stock altogether. They have that power. They might do that if they were actuated by political motives, but, if they allow this State to go on the market on the same terms as any other State without any political influence being used, Queensland can borrow money like any other State. There is not the slightest doubt about that. There is a significant sidelight shown in connection with the agitation over the 1920 loan which has been unhappy for Australia altogether. It is quite clear, on examination of the quoted rates, that Australian stock, as compared with the South African and New Zealand stock, ranks slightly lower than either of those two countries, although the credit of this country and its resources

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are vastly and immeasurably superior to those of South Africa or New Zealand. Yet we rank rather worse since 1920 because of the agitation against Queensland in London in that year. Some of the directors of the Brisbane Tramways Company are leading men in London, and they took part in this agitation against Queensland. In 1920 they had to go on to the London market to secure the redemption of debentures that were falling due in December of that year, and, as they had fouled Queensland's nest, they had to pay 8 per cent. for the money.

Mr. KIRWAN: Serve them right. They got it in the neck.

Mr. TAYLOR: How did they foul Queensland's nest?

The TREASURER: They helped the agitation against the Queensland Government. That is how they fouled Queensland's nest, and you and anyone else who supported that delegation helped to foul Queensland's nest.

Mr. TAYLOR: You had as much to do with it as I did, and more.

The TREASURER: The delegation went with the approval of the Employers' Federation and the Pastoralists' Association, obtained at a secret meeting held in Brisbane, in connection with which the minutes were doctored in order to hide their villainy. The people who took part in that helped to foul Queensland's nest. The wise men of the National party to-day in Queensland and the Pastoralists' Association and other investors of Queensland to-day recognise the folly of that action in 1920, and will tell you honestly that there was nothing so villainous in the history of this State as the sending of that delegation to London in 1920.

Mr. TAYLOR: When did they tell you that?

The TREASURER: They have told me that.

Mr. TAYLOR: They have not.

The TREASURER: It is well known in Queensland that that is the general impression held. No one to-day would think of endorsing the action of sending the delegation to London or contemplate such a thing for the future. Indeed, the man who would contemplate such an action ought to be hanged as high as Haman.

Mr. FRY: It was not supported or countenanced by the Opposition.

Mr. KIRWAN: Why wash your hands of the matter?

The TREASURER: It is a strange thing that, while the Opposition become so heatedly favourable when speaking of what the delegation did in London, yet, when a controversy arises, they wash their hands of the delegation. They repudiate it, and say they had nothing to do with it. The "Courier" published column after column regarding what the delegation did.

Mr. FRY: You know we never endorsed it. Instead of coming to this House and explaining the matter when you came back from London, you rushed off to an election and deprived us of the opportunity of stating our case with regard to that delegation.

The TREASURER: I know that the Nationalist members did endorse that delegation.

Mr. FRY: I know they did not.

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The TREASURER: Did not the hon. member for Toowong preside at that meeting?

Mr. FRY: He was not a member of the party then.

The TREASURER: He is a Nationalist to-day, and he was just as much a Nationalist when the delegation was sent. To-day they want to have nothing to do with the delegation. There is no excuse, no palliation, for what the delegation did in that year. I do not know whether they contemplate any such action in the future.

Mr. FRY: Try and be politically honest.

The TREASURER: It is, perhaps, regrettable that we have had to get into this controversy on the question of the loan in 1920.

Mr. TAYLOR: You started it.

The TREASURER: I did not start it. I referred to our credit in London, and I had to do so to follow up the trend of my argument in connection with the possible cost of those conversions next year, which were set out in the table I had in my hand. I was showing how Queensland stock ranked with the stock of other States, and then the hon. member for Wynnum started to make some reference to our loan failure in 1920.

Mr. TAYLOR: You spoke of the delegation.

The TREASURER: I could not allow the statement to be made that, as the result of any repudiation—or as the result of any dishonesty—as the hon. member for Dalby put it—on the part of the Queensland Government, Queensland was not able to borrow any money.

Mr. VOWLES: I did not say that. I said that you were told to come back and practise honesty in your Government.

The TREASURER: I was never told any such thing. No one would tell me that I practised dishonesty without my having a tilt at him.

Mr. TAYLOR: Your Government were told to practise honesty.

The TREASURER: There was no such thing said that I know of, either in my hearing or within my sight. I know there are these rascally and dastardly exploiters of Queensland who slander or damage the State and otherwise malign or libel the Government to serve their own political interests in Queensland. They may have said many other outrageous things that I do not know of. There was no justification for it. We have a serious task ahead of us in arranging for the conversion of the loans that will fall due.

Mr. KELSO: No more delegations.

The TREASURER: I hope not. During the next three years £150,000,000 will be falling due for conversion throughout Australia. That is what makes it a matter of very considerable concern with respect to the loan we have falling due in Queensland. The following table shows the amount of loans of the various States which will have to be redeemed in the years 1923, 1924, and 1925—

STATEMENT SHOWING THE AMOUNT OF LOANS (WITH RATE OF INTEREST) OF THE VARIOUS STATES TO BE REDEEMED IN THE YEARS 1923, 1924, AND 1925

Year.	Rate of Interest.	Queensland.		New South Wales.		Victoria.		South Australia.		W Australia	Tasmania.		Total.		
		London.	Australia.	London.	Australia.	London.	Australia.	London.	Australia.	Australia.	America.	London.	Australia.	America.	
1923	Per cent.	£	£	£	£	£	£	£	£	£	£	£	£	£	£
	3½	..	..	..	1,874,015	6,978,600	762,650	..	16,925	..	..	..	6,978,600	2,653,590	..
	3½	..	..	..	1,144,960	..	8,083	..	263,800	..	..	..	..	1,416,843	..
	4	..	..	..	2,984,307	..	839,505	..	19,520	556,550	33,703	..	..	4,433,585	..
	4½	..	..	..	6,700	..	210,350	..	425,988	597,520	1,895	..	..	1,242,453	..
	4½	..	..	..	..	..	828,010	..	..	..	..	..	..	828,010	..
	5	..	..	1,999,300	797,250	..	1,000,000	..	..	..	..	..	..	1,000,000	..
	5½	..	..	..	..	..	1,424,200	2,000,000	564,641	162,470	402,557	..	3,999,300	3,351,118	..
	5½	..	..	..	..	..	500,000	..	..	..	..	..	..	500,000	..
	6	..	..	..	..	..	737,930	..	..	..	..	..	..	500,000	..
6½	..	..	..	..	..	..	3,861,555	..	88,648	..	..	..	4,688,133	..	
6½	..	..	..	..	..	..	1,625,000	..	..	..	37,713	..	1,662,713	..	
6½	..	..	..	..	..	..	661,770	..	..	32,825	250,000	..	944,595	..	
6½	..	..	..	..	..	..	328,840	..	..	..	..	..	328,840	..	
Total	1923	..	..	1,999,300	8,045,162	6,978,600	12,049,963	2,000,000	1,379,522	1,349,365	725,868	..	10,977,900	23,549,880	..
1924	3	..	..	..	198,065	..	..	..	..	..	..	..	..	198,065	..
	3½	4,764,734	20,100	16,427,055	72,945	..	343,131	..	350,000	..	..	..	21,191,789	786,176	..
	3½	..	..	..	..	..	1,800	..	150,925	..	..	..	210,600	152,525	..
	4	7,939,000	250,000	..	105,800	..	111,009	1,651,300	238,520	568,570	51,665	..	9,590,300	1,325,564	..
	4½	..	..	..	..	..	..	..	96,260	..	..	..	..	96,260	..
	4½	..	166,800	..	3,200	..	..	..	..	51,775	784,700	7,200	..	1,013,675	..
	4½	..	..	..	..	..	..	..	..	500,000	..	..	..	500,000	..
	5	..	..	..	..	..	..	195,650	..	224,729	205,035	148,554	..	774,018	..
	5½	..	..	..	12,767,729	..	..	..	..	106,100	..	..	..	12,873,829	..
	5½	..	..	..	304,850	..	..	2,960,485	..	26,380	..	..	..	3,291,715	..
5½	..	..	..	..	..	..	1,723,890	..	..	..	24,974	..	1,748,864	..	
6	..	20,000	..	..	..	..	598,081	..	3,671,647	30,850	458,239	..	4,778,817	..	
6½	..	..	..	..	..	..	5,746,452	..	..	..	..	..	5,746,452	..	
6½	..	15,000	..	..	..	..	..	..	..	..	..	..	15,000	..	
Total	1924	12,703,734	471,900	16,427,055	13,452,589	..	11,776,558	1,861,900	5,320,076	1,589,205	690,632	..	30,992,689	33,300,960	..
1925	3	..	..	..	222,255	..	..	..	..	..	..	..	..	222,255	..
	3½	..	..	..	..	..	..	..	..	..	5,050	..	..	5,050	..
	3½	..	..	..	..	..	..	..	20,950	..	..	..	..	20,950	..
	4	..	..	..	143,758	..	29,740	..	500	..	83,753	..	..	257,751	..
	4½	..	..	..	7,400,000	..	3,900,000	..	2,600,000	3,100,000	1,000,000	..	..	18,000,000	..
	4½	..	..	..	..	..	600,000	..	..	..	..	..	..	600,000	..
	4½	11,728,800	270,700	..	2,000	2,249,900	100	..	115,446	17,000	52,454	..	13,978,700	457,700	..
	5	..	..	..	..	..	21,000	..	572,012	..	35,878	..	..	628,890	..
	5½	..	..	..	21,100	..	20,000	..	..	..	..	..	..	41,100	..
	5½	..	..	..	3,657,895	..	3,377,940	..	3,812,357	..	13,777	..	..	10,861,969	..
5½	..	..	..	..	..	1,787,943	..	..	..	25,290	..	..	1,763,233	..	
6	..	..	..	..	..	2,000	..	2,144,166	..	489,694	..	..	2,635,860	..	
6½	..	..	..	..	2,302,363	110,000	..	..	..	..	..	2,302,363	110,000	..	
6½	..	10,000	..	..	..	..	..	..	..	..	..	..	10,000	..	
7½	..	..	..	..	..	..	..	..	..	..	122,123	..	..	122,123	
Total	1925	11,728,800	280,700	..	11,447,008	4,552,263	9,798,723	..	9,265,431	3,117,000	1,705,896	122,123	16,281,063	35,614,758	122,123
Total to be re-deemed in the three years	..	24,432,534	752,600	18,426,355	32,944,759	11,530,863	33,625,244	3,861,900	15,965,029	6,055,570	3,122,396	122,123	58,251,652	92,465,598	122,123
	..	£25,185,134	..	£51,371,114	..	£45,156,107	..	£19,826,929	..	£6,055,570	£3,244,519	..	£150,839,373	..	..

If we can get a favourable flotation in England at rates that will be prevailing there, and available to the other States, we can come in on the same basis. There is not the slightest reason why we should not—(Hear, hear!)—unless sinister attempts are made over there to prevent us. (Opposition dissent.) I am not accusing hon. members of the Opposition of any such attempt, or hinting that there is any suspicion that they would make any representation which would be injurious to the credit of the State, but in England there is some antagonism still shown in a certain direction. A gentleman, Mr. Andrew Williamson, in a statement he made in England recently, showed to my mind no desire to go out of his way to help Queensland. A few individuals of that kind could do any amount of damage if they were maliciously inspired.

Mr. ELPHINSTONE: Has "Socialism at Work" in this State and the assimilation of your socialistic policy not something to do with it?

The TREASURER: The hon. member for Oxley is very unkind. He has offered to go over to London and help me to convert these loans, and here he is making this puerile insinuation. If the hon. member continues in that strain, I shall have to refuse his offer to assist me. (Laughter.)

Mr. FRY: Who is going to London—you or the Secretary for Public Lands?

The TREASURER: I understood it was the hon. member for Oxley. Arrangements will have to be made, but it is no use attempting to make arrangements this year for reasons patent to everyone. Long-dated arrangements cannot be made. The near approach of the due date of conversion is the time when attempts can be made to get into touch with the owners of the stock. When I was in England in 1920 I had a long conversation with the Governor of the Bank of England, which has charge of the stock and acts as adviser to this Government. At that time, he stated that there was no advantage in approaching this question, or in taking any steps in England for conversion except within a few months of the due date, otherwise, instead of it being an advantage, it might be disadvantageous.

Hon. W. H. BARNES: We had precisely the same experience.

The TREASURER: No doubt the previous Government had to face the same circumstances in 1914 and 1915, when they had large conversions.

Mr. KELSO: Do you intend to raise any additional money?

The TREASURER: We have to raise additional money to carry out our public works policy, but it would be very inadvisable to float any issue for any other purpose than conversion at anywhere near the time when conversion is contemplated. We must keep off the market near that time. It is inadvisable to go on the oversea market between now and when the conversion is completed, as we do not want adversely to affect the market; and that is what might happen if we were to go on the market in the meantime. It can be seen, and I do not mind stressing it, that it should be a simple enough task to arrange for conversion, because the present holders have held the bulk of the

stock for forty years. The stock has been held without very much transfer or exchange almost from the date of issue.

Mr. KELSO: It is mostly held by trustees.

The TREASURER: Mostly in trust and family investments, as gilt-edged investments, which are favoured by the people in England. People like to keep that class of investment. It is a reasonable investment, which enables them to get the current market rates, and this should lead them to convert into the new issue. There is not the slightest doubt that can be arranged if we have not to meet any such disabilities as I have mentioned.

Mr. KELSO: No more delegations?

The TREASURER: No, we do not want anything more of that kind. We ought to recognise that whatever has happened in the past in political controversies, no matter how hotly they have been contested, Queensland principles are to be fought out here, and we should undertake the responsibilities of them whatever they may be. We should not appeal to any arbiter oversea to settle any domestic question, no matter how great a principle is involved in it. That is a healthy principle, and I hope it will be recognised on both sides of the House. I have much pleasure in moving—

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

HONOURABLE MEMBERS: Hear, hear!

Mr. TAYLOR (*Windsor*): It was not my intention to refer in any way to what is called the "Repudiation Act," but the Treasurer has brought it into this discussion. He made certain statements with regard to the effect that the delegation had on the failure of his attempt to borrow in England, and I think it only right that I should have the opportunity of replying to these statements. The Treasurer knows perfectly well that before ever he went to London, and before the delegation went to London, the proposed amendment of the Land Act, which was passed in 1920, was unfavourably criticised by leading financial papers in England. Before that legislation was passed and placed on the statute-book we prophesied what was likely to happen when we went on to the London market to secure additional money. I fail to see how he can blame the delegation for what happened.

Hon. F. T. BRENNAN: Why did they go home?

Mr. TAYLOR: I do not know why they went there. It is a remarkable thing if citizens of Queensland were able to go over to London and put up a case against the Treasurer which prevented him getting the money he required.

The TREASURER: I do not think there is much logic in that.

Mr. TAYLOR: We know, and everyone knows, that the credit of the State of Queensland is equal, if not superior, to the credit of any other State in the Commonwealth—(Hear, hear!)—but it was the credit of the Government which was then at stake. If

an individual goes out to borrow £500, he places his security before the lender, which may be quite all right and worth considerably more than the amount for which he is asking. But the lender not only looks at the value of the security placed before him; he naturally asks himself the question

whether the party seeking to make the loan is one who will endeavour to evade his responsibilities in any shape or form, or if he will try to take any points. If the lender forms the impression in his mind that the borrower is likely to take points, the chances are that he will ask the latter to pay an extra 1 or 2 per cent. before lending him the money.

As I said previously, there is nothing wrong with the assets of the State of Queensland. I consider they are worth considerably more than the value at which they stand on the books of the State at the present time; but I want to emphasise the point that during the period in office of the present Government their financial administration has not been what it should have been, and that is one of the reasons for the trouble with which we are now confronted.

Mr. COLLINS: The people are the best judges. We would not be here if there was anything wrong with the financial administration of the Government.

Mr. TAYLOR: They might be the best judges; I do not know that they always are. The Treasurer quoted figures with regard to loans which are maturing in Australia; the figures which I have are somewhat different to his. I think he referred more particularly to 1923. The facts are these: In 1924 the States of the Commonwealth have to provide for renewals amounting to £52,184,000. The Commonwealth in the same year has to provide for £20,375,000, or a grand total of renewals in Australia for 1924 amounting to £72,660,759. In 1925 the States of the Commonwealth have to provide for maturing loans amounting to £30,545,000, and the Commonwealth in the same year has to provide for £75,694,000, or a total of £106,039,000. That makes a total in 1924-25 of very nearly £180,000,000. Those are the two years for which we have to provide for the renewal of these loans falling due, and I quite realise that the Treasurer recognises that it is a very serious thing in converting these loans as to the amount of interest we shall be called upon to pay when we ask for their renewal or conversion. An extra one-half, three-quarters, or 1 per cent. means a very heavy additional impost upon the people of Queensland.

There is one thing with regard to these figures which I have quoted of which we should all take notice. It is this: There should be some system of co-ordination between the States of the Commonwealth and the Commonwealth Government with regard to borrowing, and more particularly as to the periods when the loans are to be repaid. It stands to reason that, where you have £106,000,000 falling due in the one year, as the States have in 1925, if there is financial stringency in existence in the financial markets of the world at that time, we shall have to pay a very much heavier rate of interest than otherwise would be the case. There should be some big effort made to bring about some co-operation or co-ordination with regard to the flotation of loans, and more especially with regard to the periods when they are to be repaid. After 1925, so far as Queensland is concerned, we are more fortunate for the next ten years. We have falling due in 1926, £813,000; in 1927, £4,803,000; in 1928, £546,000; in 1929, £192,000. Then in 1930 we have falling due £4,200,000; in 1931, £98,980; and the same in 1932, 1933, and 1934. So that in the next

ten years the total amount of renewals which Queensland is due for is really £11,000,000. That, of course, is an amount which the Government will have no difficulty whatever in satisfactorily renewing. This Government have had a unique opportunity to make good. They have had a revenue such as no previous Government ever had at their command. Yet, notwithstanding they have had such a buoyant revenue in every possible direction, they have failed to make good. We find they have embarked on business undertakings and enterprises which have meant a loss of hundreds of thousands of pounds to the people of the State, and these hundreds of thousands of pounds have had to be made good by additional taxation on the people of Queensland. The Government should not have made losses anything like that. I do not say that other Governments do not make mistakes, but during the period when quite a number of these enterprises were being embarked on by the Government it was pointed out by members on this side of the House that they were likely to prove disastrous failures, and the records go to show that has been amply borne out by what has taken place since. Governments are not in office controlling the affairs of the State simply to act as taxgatherers or collectors of the various funds which come their way and to spend the same in order to placate supporters or anything of that kind. The Government should be, and really are, the trustees or custodians of the moneys which they collect, and we know what the duties of a trustee are. A trustee is supposed to invest money with which he is entrusted in such a way that the person for whom he is trustee will not suffer any financial loss. The Government are in exactly the same position to-day. They are the trustees of the people's money, and they should exercise every possible care in carrying out their duties. If the Government's legislation during this session of Parliament is going to be of a communistic or socialistic character, such as was foreshadowed at the Emu Park Convention in many directions, it will be more difficult for them to obtain satisfactory terms in regard to these conversion loans. So far as we on this side are concerned, we intend to do everything possible to assist the Government in getting a renewal of these loans on the most favourable terms obtainable.

OPPOSITION MEMBERS: Hear, hear!

Mr. TAYLOR: We shall, no doubt, criticise the financial administration of the Government, but we are out to let the people of Great Britain know that the assets we have to offer them as security for the renewal of these loans are of the greatest possible value. Our State is second to none in the Commonwealth. I do not think that I can be accused of having at any time endeavoured to run down the State, and, when men have said on the public platform, as they have done, that the State is insolvent, it is an absurd statement to make. As I said at the opening of the new flour mill in South Brisbane the other day—

Mr. KIRWAN: Who owns that flour mill?

Mr. TAYLOR: It looks as if the hon. member for Brisbane has shares in it from the way he booms it.

Mr. KIRWAN: I would like to have some, but unfortunately I have not got the money.

Mr. TAYLOR: If the day should ever arise when Queensland became insolvent, then the Commonwealth would be insolvent, and

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when the Commonwealth went insolvent the British Empire would be insolvent; and that can only be when some foreign power takes possession of it, which will never be. We have every confidence in the future of Queensland and the Commonwealth of Australia. The resources of this State are incalculable. We have probably only touched the fringe of them, although during the last sixty years of Queensland's history there has been remarkable progress made, as I will show later on by figures which I have here, and which bear out my statements with regard to the value of our assets. Our expenditure of public funds should not be merely on the basis of our present needs. We have probably learned a lesson during the last few years, and we have to visualise what the State of Queensland is going to be in fifty or one hundred years. It is not going to be the same Queensland in fifty years that it is to-day; and in the expenditure of public money we should provide not only for present needs but do something tangible for those who will follow us in this continent, which I claim is going to be the Great Britain of the future. Australia has to be prepared to take its place amongst the nations of the world. The things which affect other nations are going to affect us here. I was much struck by some remarks which Mr. Denham made on his return from America some time ago. Speaking of the extraordinary developments which had taken place in America, he said that we had been too timorous in the past in Queensland; that we had not realised the big things we had at our door, and that we needed to get rid of that fear and not be timorous with regard to the future of Australia. To show how trade has been developed in Queensland, I wish to quote the figures with regard to oversea trading from the various States of the Commonwealth of Australia for the year ended 30th June last.

Mr. KIRWAN: Queensland is the only State with a credit on the right side.

Mr. TAYLOR: You are wrong.

Mr. KIRWAN: I am not wrong. The "Daily Mail" said so the other day.

Mr. TAYLOR: The adverse balance in the Commonwealth amounted to £14,895,000—that is, we have imported goods to the value of £14,895,000 more than we exported.

The TREASURER: Don't you know that New South Wales takes credit for the Queensland exports?

Mr. TAYLOR: The figures I have here are for the whole of the States, and the interjection of the Treasurer applies in a certain degree to the other States of the Commonwealth. Of the six States, we find that four had balances in their favour. The two States which had adverse balances were New South Wales, which imported goods to the value of £55,000,000 and exported goods to the value of £42,000,000, and Victoria, which imported goods to the value of £47,000,000 and exported goods to the value of £53,000,000. Queensland, on the other hand, imported goods to the value of £10,000,000 and exported goods to the value of £15,000,000, so that there was a balance in our favour in this State.

Mr. KIRWAN: Did I not say that?

Mr. TAYLOR: The hon. member said that Queensland was the only State which showed a balance on the right side.

Mr. KIRWAN: Queensland has the best balance. Will that do you?

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Mr. TAYLOR: The figures for the other three States show that South Australia imported goods to the value of about £10,000,000, and exported goods worth £13,000,000; Western Australia imported goods worth about £6,500,000, and exported goods worth about £9,500,000; whilst Tasmania imported goods valued at £1,500,000, and exported goods worth £2,460,000. I think we should be very gratified to know that those figures apply to our State. Of course, a good deal of that balance in our favour in Queensland has been made up by our fine exports of wool and the very high prices it has been bringing in the oversea markets.

The Bill we are dealing with is a general one. It refers not only to the loans which it is proposed to convert, but also to any future loans for which the Government may find it necessary to go on to the London market.

The TREASURER: It is only for conversions.

Mr. TAYLOR: I find that we have spent in Queensland on 6,000 miles of railways about £49,000,000. To-day I suppose those railways are worth—that is, if we had to construct them as they are to-day—between £70,000,000 and £80,000,000, or nearly the whole of the national debt of Queensland. I do not think anybody can deny that, even allowing for a fair amount of depreciation, the railways of Queensland are worth what I have stated, because we must bear in mind the appreciation of costs and values all round of late years. All we need to do is to increase our carriage on them, and we shall find that the railway figures will be quite all right. We have spent £3,000,000 in developing our harbours and rivers. Immigrants have cost us nearly £3,000,000. Then we have lent to local authorities somewhere between £8,000,000 and £10,000,000. That represents one of the best investments the Government could indulge in, because the control of the expenditure is directed absolutely by the Government. A local authority has little or no executive power. It practically administers an Act of Parliament; and it cannot get outside its four corners. We have spent £2,500,000 on public buildings. We know quite well that we could not erect our public buildings to-day for £2,500,000: they would probably cost us about £5,000,000. We have spent £1,500,000 on sugar-mills. We all know very well that that expenditure was an absolute necessity, and that in the sugar-mills we have a splendid asset.

The TREASURER: A very good investment.

Mr. TAYLOR: A splendid investment. These are the things which count in connection with the renewal of these loans. We want to show the people who lend us money, notwithstanding that we may criticise the Government's financial administration, that the securities of the State are there, and they need have no hesitation in advancing the money which we require. Then we have spent many millions in advances by the State Advances Corporation. The expenditure of that money has been closely supervised, and the money is coming back into the Treasury year by year, both interest and redemption.

It will take a considerable length of time and trouble to give anything like an estimate of the tangible assets of this State. They run into millions and millions of pounds. We in Queensland know, but we want the people whom we approach for money to realise what we possess in Queensland. The Queenslanders

who go to America or Great Britain generally bring back the report that there is a lamentable ignorance on the other side of the world with regard to Australia. I honestly think that it is true that they do not realise what Queensland is, or what Australia is. We should be able to get our money for Queensland at as low a rate as any other State in the Commonwealth. We do not want to go to London as mendicants or supplicants to the money-lenders' door, and allow them to dictate to us the terms on which they are going to lend us money.

The TREASURER: Hear, hear!

Mr. TAYLOR: We want to have some say with regard to what we are going to pay, when we go to ask for the conversion of these loans. We have in Queensland 429,000,000 acres of land, of which only 4 per cent. is alienated. The rest is in the possession of the State. What a magnificent asset! Of that area of land we have 325,000,000 acres occupied under lease or license, which bring in an annual revenue of £1,500,000. We have roads and reserves occupying 17,900,000 acres, and 50,000,000 acres unoccupied. The loans that we shall be called on shortly to convert were entered into thirty-eight years ago. Since that time the population of the State has doubled. At the present time 1,700,000 tons of shipping enter and are cleared from the ports of this State every year. We have 7,000,000 head of cattle. Unfortunately cattle are not altogether a good asset at the present time, but it now certainly looks very hopeful that during the next twelve months or perhaps eighteen months there will be a very substantial revival in the cattle trade, and the cattle which the Government have at the present time and which now show a loss may possibly be sold at a profit. As a Queenslander I hope that that will be so. We do not want to see the assets of this State depreciated in any shape or form. We want to see our assets bring their full value, and a profitable value. We have 18,400,000 sheep. Most people know what the value of sheep is to-day. The high price of wool at the present time is the main cause of why we have to pay so much for our mutton. We are not paying such a big price for our beef on account of the tremendous demand for sheep for wool-producing purposes. We have a magnificent asset in that direction. All these figures go to show that the people of Queensland are able to stand a fair amount of taxation; but we do not want the taxes to be imposed upon the people in such a way as to retard the expansion of trade and the development of Queensland. We want to give every possible encouragement in that way in order that the State may develop as it should do. There is another activity in which the Government have been engaged for some time, and which I take it has the support of every hon. member in this Chamber, and that is re-afforestation. If the same foresight of expenditure—call it whatever you like—had been exercised with regard to forestry thirty years ago, I honestly think we would not be paying anything like the taxes we are paying to-day, because the State would have had such a splendid revenue from its forests that would have helped to reduce the taxation which is in existence at the present time. That is one of the activities to which I think every possible encouragement should be given. Money has been spent in that direction freely. Of course the present Government might

derive a great amount of benefit from it, but we have not only to look at the needs of the present but of future requirements, and provide for them. We have a heritage of which we have every reason to be proud. We are proud as Queenslanders, and we do not bow our head to any other State of the Commonwealth, (Hear, hear!)

Most of us are cognisant of what the State can do. Notwithstanding the dry condition prevailing in some parts of Queensland at the present time, it is remarkable how healthy every industry looks. The possibilities of the State are absolutely limitless, and we want to encourage development in every way we can. All these are matters which we want to bring before the people overseas.

Then a tremendous development has taken place in connection with cotton. I suppose the Australian Cotton Growers' Association have expended in buildings, plant, and gineries between £300,000 and £400,000, and, in order to cope with the increased acreage and resultant production, they will have to spend as much more. If we get a good season—as we hope, and everything in the cotton area points to it—the increased production will stagger most of us. We are the premier cheese-producing State in the Commonwealth. None of the other States is producing anything like the quantity of cheese we are producing. All these things I am quoting are added wealth to the country. They come out of the soil. All we want to do is to put our house in order and endeavour, by attempting to reduce transport charges—I do not infer in any way by reducing wages—to compete with any country in the world in these lines. The activities of the Main Roads Board at the present time will assist transport. If the time occupied by motor traction or horse and dray in going from the producing centre to the railway station is reduced by a quarter of the time through the activities of the board, we shall be assisting industry in that way. Then last year we produced over 230,000 tons of sugar. There is not a member in this House who feels satisfied with the treatment that the sugar industry is having in the Southern States of the Commonwealth, but we have to make the best of the position, and we have two years to see if it is possible to do anything to stabilise that industry in order to give everyone engaged in it a fair return for the labour they are expending, and so help, not only Queensland, but the Commonwealth. Last year we produced 60,923,000 lb. of butter. We do not use very much of that ourselves. The balance goes abroad, some to the Southern States when they are having a dry period, and we get a return from that product. These industries deserve every encouragement from the Government. I give the Government every credit for trying to stabilise these industries so that those engaged in them, after their year's labour, after they have worked the rounds of the clock daily, will be able to get a fair return for their labour and industry. Our mineral output for last year was equal to £1,500,000, while the output of our factories totalled £40,000,000, and the total value of our agricultural products was £10,514,000.

All these figures go to show that the State is improving its position among the States of the Commonwealth. We are not retrogressing but advancing; and we want the people on the other side of the world to know this. A great deal, though, depends on the

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legislation which the Government propose to introduce. We do not really know how well favoured we are as a State with regard to our deposits of coal. In the north, south, east, and west we have coal—some qualities not of the best, no doubt, but we have as good coal as can be produced in any other part of the world. (Hear, hear!) Then we have our marble quarries, and we are producing very nearly the whole of the wheat we require. If we get anything like a decent season, we can do so. All this goes to show that we produce all the necessities of life. When we come to consider the potentialities of Queensland, which is an integral part of the Commonwealth, together with the fact that we have better housing accommodation and education than in any other part of the world, it must weigh very heavily with holders of our stock and investors overseas.

All of those things cost money, [7.30 p.m.] and the people have to be prepared to put their hands into their pockets in order to provide them. If they want to have things better than their fathers and mothers had them thirty or forty or fifty years ago, they must not be afraid of a little taxation. The thing to be desired with regard to taxation is the judicious expenditure of the money which the Government receive.

With regard to savings banks, 43 per cent. of the population in Queensland have savings bank deposits. That is very satisfactory when compared with the 16 per cent. of 1884, when the first of these particular loans was floated. The average deposit is £57 8s. 10d., as against £36 18s. 3d. in 1884. The total deposits to-day in the Savings Bank amount to £19,394,156, as against £1,220,614 in 1884. You will, therefore, appreciate the marvellous growth which has taken place in connection with the Savings Bank. The wealth in banks on a per capita basis amounts to £122 9s. 1d. The funds of Friendly Societies have risen from approximately £70,000 to £1,096,791. The deposits in cheque-paying banks—

Mr. KIRWAN: You are stealing all my thunder. (Laughter.)

Mr. TAYLOR: The deposits in cheque-paying banks in 1887 amounted to £7,345,000, and to-day they amount to £50,736,000. The advances and investments show an increase from £12,208,000 to £40,440,000, and the deposits bearing interest in those banks from £5,023,000 to £33,269,000.

During the last twelve years the clearing house in Brisbane handled an increased business from £73,223,000 to £172,836,000. Queensland commenced its independent existence in 1859. The population then was 25,000. To-day it is 770,000. The financial progress has been really marvellous. In 1860, according to a very special authority, there was only 7½d. in the Treasury. I do not know how much the Treasurer has now, but I think it is more than that. The total revenues of Queensland have amounted to £236,879,193, and the total expenditure to £239,631,850.

I think that shows over that long period very clearly and lucidly that the financial administration of previous Governments has been of a very high order. The total deficits stand at £5,428,211, and the total surpluses at £2,675,556. This deficit, with the exception of £200,000 or £300,000, has been provided for by the issue of debentures.

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Another matter that we must not lose sight of is that since these £25,000,000 of money were floated federation has come into existence, and a greater burden has been placed upon the people of Queensland, who have to contribute their quota to income tax, land tax, customs duties, and various other modes of taxation. The State Government pay nothing direct, but receive £1,000,000 by way of subsidy from the Commonwealth.

Great Britain depends largely on her Dominions, and from the very latest information I find that the food supply required from overseas for Great Britain is 16,000,000 tons, of which 30 per cent. is drawn from the Empire and 70 per cent. from other countries. It is a portion of that 70 per cent. that we are out for. Britain receives 26,000,000 tons of her raw materials from overseas, and 40 per cent. of that comes from within the Empire. That is another source of trade we are out for, and which we should develop as much as we possibly can.

Some people say that it is not a right thing to borrow. I do not believe in that doctrine. The whole financial structure of the world to-day is built up on a system of credit. If an attempt were made tomorrow to run the world on a cash basis, it would not last twelve hours. It would break down absolutely before you got to the first hurdle. This system of credit is one of the causes of the troubles which exist in the world to-day. If we felt inclined to take promissory notes from Germany and Russia, we would be able to do business with them; but, unfortunately, their credit is unsatisfactory, and until it is restored we in Queensland and in Australia will suffer, because every year we are becoming a more highly producing country. We are putting more land under cultivation and increasing our primary products, and we have to find markets. We do not want to depend upon the markets of the East. It will take many years before the trade in the East will be able to absorb anything like the increase in production which is taking place in Australia. Of course, I believe in getting all the business we can from that particular source.

The State loan expenditure per head during the year 1921-1922 was—

	£	s.	d.
New South Wales	4	18	2
Victoria	7	12	3
South Australia	5	17	0
Western Australia	7	6	6
Tasmania	9	12	1

while in Queensland we spent only £3 7s. 6d. This shows quite clearly that in this vast State there is ample opportunity to spend in a judicious manner very much more than we are spending at the present time.

The TREASURER: Not on State enterprises?

Mr. TAYLOR: No. The Premier is not going to start any more State enterprises.

The TREASURER: State forestry, which you were referring to, is a kind of State enterprise.

Mr. TAYLOR: It is a kind of State enterprise which is justified every time and for all time. With regard to loans generally, it would be gratifying if we could raise more of our loan money within Queensland. Of course the Commonwealth has imposed such a severe strain on the resources of the people of Queensland and of Australia generally in connection with the war that it is very

difficult now to float loans internally. Victoria at the present time occupies the best position of any State, because they have raised within their own territory somewhere between 56 per cent. and 60 per cent. of the money required, and only about 40 per cent. overseas.

During the period of the war a system was introduced which I am glad to see is going to pass out of existence—that is, the freeing of either State or Commonwealth loans from income taxation. It is unfortunate for Australia and Queensland that such a system was ever introduced. Because of the freedom from taxation of all these millions of money which the Commonwealth was obliged to raise to carry on the war, an extra amount of money has had to be raised from those who had taxable incomes.

Mr. HARTLEY: You have got on the repentant stool.

Mr. TAYLOR: I have always been on it. It is time you got on it. I think you fell off it. I advocated right from the start—

Mr. HARTLEY: No, you did not.

Mr. TAYLOR: That it was a mistake to free these loans from income tax, and I think I am correct in saying that after 31st December next there will be no further loans issued free from income tax.

The TREASURER: That was the decision at the Premiers' Conference; it has yet to be seen whether the States will carry it out. We are prepared to do so.

Mr. TAYLOR: I hope they will carry it out, because the investments which the people got in connection with those loans were the best that any individual could get. There is no trouble in connection with the matter, and it was bad policy ever to have introduced such a system into Australia, and I hope it will not be carried on in regard to any further loans. I would like to say that in future loans, instead of offering a bonus of £1, £2, or £3, as the case may be, we should get the full £100. I know it is easy to get up and talk about these things; but, when there is urgency for money, you cannot always make just the terms you would like to make; but some effort should be made in the very near future to see that we get full value for our money. In 1895, when the banks all closed their doors, there was a very severe financial crisis in Australia, and I think that for the loan floated at that time we only got £85 for every £100. That, of course, was during a period of financial stringency. I do not wish to detain the House any longer, but I would like to say, in conclusion, that we on this side want to see the conversion of these loans a success. We are not going to do anything or say anything that could be considered unpatriotic or disloyal to the State. We are not going to do anything by word, deed, or act which will prejudice the successful conversion of these loans when they fall due. The Treasurer foreshadowed that he will probably go home in connection with the conversion loan, and we hope for the sake of Queensland that he will have the success—I am not going to say which the Government deserve—but which Queensland deserves on this occasion.

HONOURABLE MEMBERS: Hear, hear!

HON. W. H. BARNES (*Wynnum*): The Treasurer, in his speech this afternoon, up to a certain point convinced members of the

House, if they needed any convincing, as to the importance of these maturing loans. We all admit that no one for a moment would say that the Government themselves were responsible for the maturing loans. The due dates are coming round, and the Government have to make some provision in connection with these loans so that the credit of this great State may be maintained. If any attempt has been made in the direction of striking a discordant note, the Treasurer himself is entirely to blame.

The TREASURER: The hon. member is to blame.

HON. W. H. BARNES: No; the Treasurer introduced the question of the delegation, and with that delegation I shall deal later. I do think every member of the House, and certainly every member on this side of the House, will applaud and approve of the stand that the leader of this party has taken in connection with sounding the praise of this great State. (Hear, hear!)

The TREASURER: A very good speech.

HON. W. H. BARNES: Let it be at once understood that the fact of members sitting on the Government side or on the Opposition side of the House should not be the cause of their either praising or belittling their country. There is surely something bigger than trying to run down your country.

Mr. HARTLEY: Well, stop doing it.

HON. W. H. BARNES: The hon. member knows I have never done anything of the kind. Surely there is something bigger than that. But I want to ask if the Treasurer has not to some extent run down his country. What is the position? The Treasurer stated that he went to the old country, and that for some reason or other—he ascribed it to the delegation—it was impossible for him to get money unless he was prepared to do certain things. Let us look at the question broadly. Do we not find in connection with all monetary transactions, whether they be State or otherwise, that these monetary transactions are largely influenced by the character of the people or the persons who have to do with them?

Mr. HARTLEY: Quite right.

HON. W. H. BARNES: The hon. member says that is quite right, and it is surely a strong indictment against the Treasurer.

Mr. HARTLEY: How do you make that out?

HON. W. H. BARNES: I do not make it out at all, but I do make out that the Treasurer went to the old country and came back bringing no money with him.

Mr. HARTLEY: And three months afterwards we got £2,500,000 from America.

HON. W. H. BARNES: I am very glad that the Government did get £2,500,000 from America, but the fact remained that the character of the Government of this country was entirely responsible for the failure to get money in the old country.

The TREASURER: Do you mean to say that a Labour Government cannot borrow money in England?

HON. W. H. BARNES: There was a time when Labour members said the Government should not borrow at all.

The TREASURER: That is the effect of your statement.

Hon. W. H. Barnes.

HON. W. H. BARNES: Not at all. I say that the Government, although they have said such is not the case, at one period in the history of this State did enter into a contract with certain people in the State, and this Government broke that contract.

Mr. KIRWAN: There never was a contract.

HON. W. H. BARNES: They broke that contract, and that is the reason why the failure in connection with the Treasurer's mission took place.

Mr. HARTLEY: What will be the fate of this loan?

HON. W. H. BARNES: The fate of this loan will depend very largely on the attitude of the Government in the future. I take it, judging by the legislation which so far has come in, that the Government are, at any rate, avoiding anything of an extreme nature, and wisely so too, so that, when the Treasurer goes to the old country, he will be in a position to say none of the extreme measures which were proposed at Emu Park are being brought forward by this Government. That is a sign showing that the Treasurer is wise in his generation. The Treasurer has stated that he is going to the old country, and I agree with some of the statements which he has made. Anyone who has been in the Treasury knows that it is not possible for months and months ahead to make provision for maturing loans. You may get certain machinery moving, but you cannot very well do anything more until the approach of the date of the maturing loans.

I think it is a good thing that the Treasurer has decided to go to the old land in connection with these loans. It would have been a good thing if he had previously gone under better conditions than he did. Let me show the fallacy of the argument which has been used to-day in connection with the Treasurer's visit. Am I not right in saying that he went to the old country as the representative of this great State? Had he not the fullest authority from Queensland? He went with a mandate from his party. When he talks about his pitch having been "queered" by the delegation, is not that a reflection on the party which supports him?

The TREASURER: A villain can spoil the reputation of a gentleman.

HON. W. H. BARNES: A Government who have forgotten the sanctity of obligations can spoil the reputation of a country. That is really what happened. It is no use the hon. gentleman trying to side-track the position.

The TREASURER: The "Financial News" said that the "pitch had been queered" by the delegation.

HON. W. H. BARNES: We know that that was not the fact. The whole business had been spoiled by something that happened in Queensland previously.

Mr. HARTLEY: Suppose that was right, what is the position now?

HON. W. H. BARNES: I hope that the Government are a repentant Government. I am very sorry to hear the Government say that they are not going to confess that they made a mistake in that regard. It is not a question of the squatter—that is the stand which the Treasurer took this afternoon—it is a question of an obligation which was entered into by the Government of this country. If any succeeding Government can

come along, and, because of some whim of their own, tear to pieces something which had been previously solemnly agreed to, it is a bad thing for the country. The charge I make against the Government is that in connection with the financial affairs of this State they tore up a scrap of paper—a solemn obligation which should have been binding upon them. I heard the Treasurer say something about the people—and I presume he meant the hon. member for Toowoong—who knew something about a certain minute-book. I know nothing about that. I knew nothing whatever as a public man with regard to the delegation, and no apology is due; but I do say that one of the members of the delegation who has passed away to the great majority was one of the whitest men who ever stood in two boots—I refer to the late Sir Robert Philp. Was he not just as great a patriot as the Treasurer, and would he do anything to damage Queensland?

Mr. HARTLEY: He was not a patriot when he went home to London, whether he has passed away or not.

HON. W. H. BARNES: The hon. member for Fitzroy knows that, if he were as good as the late Sir Robert Philp, he would be a man who would be looked up to by the people of Queensland, and his name would be honoured for all time. Was there ever a man who sat in this House who commanded greater respect than the late Sir Robert Philp? Every member in this House will, I am sure, agree with that.

Mr. HYNES: We do not agree with his action in going home to London, all the same.

The TREASURER: You do not suggest that we should criticise a man who is dead?

HON. W. H. BARNES: The hon. gentleman set a bad example. If he had not referred to the delegation to-night not a member on this side would have touched upon it.

The TREASURER: The hon. member made an interjection which led to that discussion.

HON. W. H. BARNES: The Treasurer has a happy knack of trying to sidetrack and putting the blame on somebody else. The Treasurer is the guilty man, and he did it to-night in the face of something which has a tremendous bearing on the success or otherwise in regard to the loan.

The TREASURER: Why do you follow his example?

HON. W. H. BARNES: I have no need to get into the Treasurer's class to receive any instruction from him. He is sufficiently troubled with some of his own followers in that direction. (Laughter.) I want to ask whether the Treasurer has any idea as to the probable rate of interest which is going to be charged on the loans, although that is a matter for the Committee stage of the Bill. The Treasurer went thoroughly into the question of interest on loans to-night, and had the rates of interest worked out at $4\frac{1}{2}$ per cent., 5 per cent., and $5\frac{1}{4}$ per cent. It seems to me that it is only drawing a bow at a venture, as there are so many factors which reduce or increase the cost of money. I suppose there is not one hon. member here who has not some misgivings in connection with the happenings in Europe. You cannot look on Germany, disturbed as she is to-day

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—I am speaking broadly, because, after all, all nations are linked up together—without feeling that there may be some danger. You cannot look on the action of France—I am not criticising France, but speaking broadly—without feeling that there may be a development which may be disastrous to the world. We know that the money market would be immediately affected, and therefore the Treasurer is quite right when he says that there is an element of uncertainty. Every hon. member on this side is very anxious that, when the Treasurer goes home, he will not only get the money, but get it at a lower rate of interest. This young country will never succeed to the extent she should succeed until we more and more encourage industry, and see to it that our exports are increased from year to year, and money is vitally necessary to us. Every section of the community is linked together in connection with the different branches of trade, and there can be no real success in any country unless all parties partake of that success. No man who strikes a note such as the leader of this party has struck to-night could think for a moment of failure in Queensland with all our resources; but, if there was failure, would it not paralyse the whole of the industries of the State, and would not everybody be affected thereby? Therefore one can only sincerely hope that the Treasurer's mission will be a great success.

I want to dispose of an argument which was raised to-night, and I am sorry to have to get back to the question of repudiation. I am quoting now from "Hansard" of 1921, page 269, from a letter addressed [3 p.m.] to "John Cameron, Esq., M.L.A., Brisbane," on 18th May, 1904, from the Chief Secretary's Office. Surely that can be taken as an admission on behalf of the Government. I shall not read the whole of it, but one paragraph says—

"If the pastoralists are willing to accept 50 per cent. as the maximum increase, the Government has no objection to offer to the second proposal—

That the maximum percentage of increase at each succeeding reappraisal be defined in a manner similar to the provision contained in section 8 of the Land Act of 1886."

That was a concession deliberately made as part of a compact. I think more of the hon. member for Mitchell, who interjects, than to think that he would come to this House and say that a certain thing was going to be done and then get out of it by a back door.

Mr. PAYNE: I will tell you where you are wrong. I am sick and tired of this talk about repudiation and breaking contracts.

HON. W. H. BARNES: The hon. member is sick and tired of facing facts. Hon. members on the other side have disregarded their responsibilities in connection with this matter. Let me say in connection with this Bill that I am perfectly sure that the Premier will have before him on the other side a past which will be clearly visible to him.

Mr. HARTLEY: What will he have to undo? The Land Act Amendment Act of 1920?

HON. W. H. BARNES: I do not know what he will have to undo, but he will have to get the men who are lending money to believe that the affairs of Queensland are going to be conducted in a sane and proper way.

THE HOME SECRETARY: Your leader gave them that assurance to-night.

HON. W. H. BARNES: Our leader said that this side of the House would be behind anything to help the Government if it was conducted in a righteous manner; and every man on this side says that, too; but, at the same time, we all ask that the Government and the country shall realise the responsibility which rests upon them in respect of any law and not treat it in a light manner, because that would be far-reaching in its effect on the affairs of this great State. It has been far-reaching in the past. Can you imagine a Premier representing, as the present Premier does, a great State going to England and coming back without any money? Could there be a greater reflection on any State?

Mr. HARTLEY: That reflection was on England, not on this State.

HON. W. H. BARNES: Let us not forget that there are two parties to a loan—the borrower and the lender—and that the borrower has something to say as well as the lender.

Mr. HARTLEY: Do not forget that there were 60,000 Queenslanders fighting for England about that time.

HON. W. H. BARNES: The hon. member is right in saying that some of our young men fought bravely; but the fact remains, if I may put another aspect of the question to the hon. member, that our position as part of a great empire is due to the great British navy.

Mr. HARTLEY: Talk sense!

HON. W. H. BARNES: I am perfectly sure that the Bill will receive the fullest support as it goes through Committee, and I am quite sure, too, that the Premier will not in any way be hampered by any act of anybody on this side of the House.

Mr. HARTLEY: The whole of your speech tends to hamper him.

HON. W. H. BARNES: It does nothing of the kind. I have pointed out some of the things which have spoiled Queensland in the past; but I believe they are going to be remedied in the future, and I believe that, as a result of the alteration which is taking place in the policy of the other side, the Treasurer will get this money.

Mr. PAYNE (*Mitchell*): The hon. member who has just resumed his seat made a "Yes-No" speech. He has been speaking throughout by innuendo. First of all he hopes that the Treasurer will be successful in converting these loans, and then he tells the House that the Government will have to manage the affairs of this country better than they have been doing.

HON. W. H. BARNES: Hear, hear!

Mr. PAYNE: I am not going to refer to the delegation any more than to say that the Treasurer was perfectly justified in dealing with it, and that I am also perfectly satisfied that it was responsible for stopping the Queensland Government from getting money at that time. The delegation created a feeling between the mother country and this portion of the British Empire which should not exist, and it seems to me that it was an incorrect thing for the people of the old country at that juncture not to assist the people here after all they had done. You had the very best men God ever let live in any country risking their lives and limbs to help the old land. The producers of this country lost millions of money by

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giving their products to the people in the old land at low prices simply because they were in need. In other words, if the producers of Australia had got the same prices for their products as Canada and other outlying portions of the British Empire, they would have been able to pay off the whole of our war debts and been better off than they are to-day. I do not make these statements without a good deal of thought and a good deal of consideration. It did appear to me to be a sad thing that the old country, so many miles away—after all we had suffered and all we had done—should “queer the pitch” for us, and should stop this country from carrying on its business in a legitimate way. The Treasurer made some reference to the Land Act Amendment Act of 1920, which almost every hon. member opposite has called the “Repudiation Act.”

Mr. MAXWELL: What do you call it?

Mr. PAYNE: I do not call it a “Repudiation Act.” If it was of a repudiatory character, previous Governments have been guilty of the very same thing. The hon. member for Wynnun has been a Minister of the Crown, and he should know that the 50 per cent. limitation of the increase in land rents has been in and out of the Land Act since 1884. During that time it has been wiped out and put back, and wiped out again. I challenge anybody to deny it.

Let us analyse this so-called repudiation which hon. members opposite are continually stating was responsible for the failure of the Treasurer to get loan money. When the leases affected by the Land Act Amendment Act of 1920 were taken up, there was no 50 per cent. limitation provision in the land laws of this State. The 1902 Act did not contain any such provision. I studied the land laws of Queensland before I came into this House, and anyone who has studied them will know that what I say is correct. The 1902 Act was brought in purposely by the then Premier—the late Sir Robert Philp—to relieve the terrible situation that had been created by the terrible droughts. The only complaint I have with the late Sir Robert Philp or his supporters is that he gave leases that were too long. Still, they had to do something. When the 1902 relieving Act was brought in, Mr. John Cameron, who then represented North Brisbane, moved an amendment asking for the 50 per cent. limitation to be put into that Act, but the Secretary for Public Lands in the Philp Administration distinctly refused to accept the amendment; the late Sir Robert Philp distinctly said that he had given the squatters enough. What do we find now? The leases affected by the amending Land Act of 1920 were taken up under the 1902 Act, which contained no 50 per cent. limitation in rent; but, strange to say, in 1905, long after the squatters had gone over to the financial institutions and made their arrangements, the 50 per cent. limitation provision was put in. This Government—and rightly so, too—wiped out that provision. It was one of the greatest anomalies that ever existed in the land laws of any country. It is only people talking through their neck who create this bad impression. What are the real plain facts of the whole matter? Let us take a six-wire fence separating two paddocks. On one side we have the grazing selector paying 3d. and 4d. an acre for his land, and on the other side the big absentee landlord living in England—none of them

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lived in Australia or were producers or consumers here—getting his land at 1d. or 1½d. an acre.

The SECRETARY FOR AGRICULTURE: And some for less than that.

Mr. PAYNE: When the Land Act of 1902 came into force the landholders were receiving a very low price for their wool and other products, and the price for cattle was lower than it is to-day. The Government—I dare say they were justified on account of the dreadful times that were being experienced and on account of the low prices—fixed the first ten years' rent so ridiculously low that with the 50 per cent. limitation, the Crown during the whole of the forty years of that lease would not get a decent rent, or, in other words, the grazing selector was paying for the first year of his lease twice as much per acre as the big absentee squatter was paying during the thirtieth year of his lease. That was an anomaly that no sensible person could or would stand.

Mr. KELSO: It was legally done.

Mr. PAYNE: That 50 per cent. limitation has been in and out of the land laws since 1884.

Hon. W. H. BARNES: It was put in the Act in 1905.

Mr. PAYNE: Why all this talk about repudiation? I have heard a lot of infernal talk about repudiation. We have been told that the landholders were in such a bad way, and went to the financial institutions for money, and the 50 per cent. limitation was granted as a protection for those money-lenders. They did not have that protection.

Hon. W. H. BARNES: They certainly had.

Mr. PAYNE: They did not.

Mr. ROBERTS: You prove it.

Mr. PAYNE: Take up the land laws of Queensland, or the pages of “Hansard,” if you do not believe me. That provision was certainly put there in 1905. The present Government have repudiated nothing. All they did was to place the big absentee squatter on the same footing as the grazing selector, who is rearing a big family in this country. They were put on the same footing with regard to the land laws of this country. Why do hon. members opposite keep on harping about this “Repudiation Act,” and at the same time tell us they are patriotic? In one breath they are the most patriotic people in the world, and in the other they distinctly year after year advocate the interests of the big absentee squatter living in England—not living here—and our men and women and children living on the land can all go hang for all they care.

Mr. KELSO: It was your party who gave the 50 per cent. limitation.

Mr. PAYNE: Our party did not give it to them.

Mr. KELSO: Your party supported it.

Mr. PAYNE: We did not support it. You want to speak facts and be quite honest in this matter. I admit that the Coalition Government gave it to them.

Mr. ROBERTS: Your party supported it.

Mr. PAYNE: They did not. Hon. members know what a coalition Government is. I have heard it said that the late Mr. William Hamilton and Mr. Hardacre supported the limitation. If you take up

"Hansard," you will find that they roundly condemned it. The trouble was that we were in a coalition Government, and no one called "Divide." (Laughter.) I am giving you facts.

Hon. W. H. BARNES: Why did you not call "Divide"?

Mr. PAYNE: The then Secretary for Public Lands was responsible for keeping the matter quietly by, and in the early hours of the morning, after an all-night sitting, the thing went through. That is exactly how it occurred. I was in the House. I admit I was only here a week or two, and did not know much about parliamentary procedure at the time. What happened later on when the chief of the hon. member for Wynnum—Mr. Denham—brought in a measure which included a provision for the abolition of the 50 per cent. limitation, which got to the second reading stage?

Mr. FERRICKS: It passed the second reading stage.

Mr. PAYNE: Let hon. members opposite take up "Hansard" of that date and read Mr. Denham's speech on exactly the same Bill as was passed by this Government. No Labour man could have made a better speech in favour of such a Bill.

Mr. BRAND: When he found it was repudiation he would not carry it through.

Mr. PAYNE: Why did he not carry it through? You had only to look at the lobbies of this House that night to know why Mr. Denham withdrew the Bill, or left it at the second reading stage. The whole of the representatives of the big squatter fraternity—those big companies that squeeze everything they can out of Queensland without giving anything back—were sitting in these lobbies that night. That is why Mr. Denham did not proceed with the Bill. I read an article in a Melbourne Tory paper supporting the action of this Government in abolishing the 50 per cent. limitation. No Labour member could have written a better article in the defence of a Labour Government. I forget the name of the paper.

Mr. KIRWAN: The Melbourne "Age."

Mr. PAYNE: All hon. members opposite have read it. Why do they not hold their tongue about this repudiation? I congratulate the leader of the Opposition on the speech he made to-night.

The TREASURER: Hear, hear!

Mr. PAYNE: I "smoodge" to no one. He made a patriotic Queenslander's speech—(Hear, hear!)—and, while he may have his own ideas of politics, I admire his patriotic way of standing up for the State he is living in. While the hon. member for Wynnum hoped that the loan would be converted with advantage to Queensland, yet his speech was full of innuendoes and sneering criticism. A good deal has been said about the possibility of a world-wide upheaval. We can all see that things are not very settled in certain parts of the world, but we have got to take things as they come, and what we do or say here will not affect the position materially. If the money market is tight, the people of Queensland will have to pay to renew the loan. The least any member of this House can do—let him have his own political ideas—is to try and assist to have these loans renewed as cheaply as possible in the interest of the taxpayers of Queensland. (Hear,

hear!) No man in this House, by innuendo or sneering about a great big business of this kind, is speaking or acting in the best interests of Queensland or the people inhabiting this great State. (Hear, hear!)

Mr. KERR (*Enoggera*): One can very well emulate the sentiment expressed by the leader of the Opposition to-night. He has drawn a distinct line of demarcation in regard to the wonderful State of Queensland as against the unwise administration of the present Government. He was very fair in every one of his remarks. I have carefully perused this Bill and other loan and redemption Bills, and I cannot understand why any one person should be clothed with such power as is possible that the Treasurer will have under this Bill. He is going home to represent Queensland in connection with the conversion of loans in the vicinity of £27,000,000, and no restriction whatever is placed upon him. He can do anything to the disadvantage or advantage of Queensland if he so desires.

Mr. GLEDSON: Is any delegation going home?

Mr. KERR: He can go to the old country, and place these loans as high as 10 or 15 per cent.

Mr. KIRWAN: Talk sense.

Mr. KERR: I am not saying that he will, but he can also give a bonus of such an amount as he thinks fit.

The TREASURER: You do not suggest that I would do as you say?

Mr. KERR: I am not suggesting that the Treasurer is going to take the full advantage of this legislation that is open for him to do. This Bill should not pass this House without some restriction. The Bill relating to the loan conversions in 1913 provided, in section 4, to limit the rate of interest to £4 per cent. per annum. Undoubtedly that is the usual practice. If you go back further and look at the Government Loan Act of 1910-11, you will find that an amendment was carried increasing the rate of interest payable from $3\frac{1}{2}$ to 4 per cent. This Bill is not only for the redemption of these particular loans, but is a general Bill which may remain on the statute-book without amendment for a number of years, and which can deal with every loan floated. It is a very unwise procedure for the Government to sell bonds at $5\frac{1}{2}$ per cent. over the counter when we are trying to convert loans amounting to several millions in another country. It is a clear indication to that country that we are willing to pay at least $5\frac{1}{2}$ per cent.

The TREASURER: No! No!

Mr. KERR: The Government are selling these £100 bonds over the counter for £100, and they will probably go home and receive £98 for every £100. That is a clear indication from the Treasurer that he is willing to go the length of $5\frac{1}{2}$ per cent.

The TREASURER: That has no bearing on the matter.

Mr. KERR: To sell bonds in Queensland and give $5\frac{1}{2}$ per cent. over the counter is an indication to those holders of bonds that we are prepared to pay a higher rate of interest when we have to convert them.

Mr. KIRWAN: How does the attitude of the Treasurer compare with the Commonwealth Conversion Loan?

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Mr. KERR: I am going to handle this particular Loan Bill before the House in my own way. I wanted to make that point—that it is a very unwise thing for the Government to do.

Mr. KELSO: Tax free also.

Mr. KERR: There is the last loan redemption. I want to give some details of the loans amounting to the £11,728,000 redeemed and renewed in February, 1915—£8,000,000 in debentures and £3,000,000 in inscribed stock. When that loan was raised the greater part of it was at 4 per cent., and when it was redeemed or converted, it was converted at 4½ per cent. That meant somewhere in the vicinity of £60,000 of an addition to the interest to be paid from the revenue of Queensland. There were charges in regard to that loan which did not make it a wonderful conversion at all. I hope the Treasurer will do better on this occasion than was done in 1915. I hope the time is past when we have to refer back to many years ago to seek confirmation of what should happen to-day. I am going to support the leader of the Opposition strongly in his remarks that, when these loans are converted, there should not be any bonus offered in the prospectus. There should be a sufficient inducement to investors to take up these loans without a bonus.

The TREASURER: Sometimes it pays to offer a discount in order to have it taken up at a lower rate of interest.

Mr. KERR: It would be better for the loans to be issued at a higher rate of interest—not an exceptionally high rate, but one which would compensate for the bonus.

The TREASURER: The rate is very low—¼ per cent. A discount may affect it by only one-tenth per cent.

Mr. KERR: The Treasurer will agree with me that, rather than give a sort of lottery prize, we should lay down a definite rate of interest. I do not agree with the Commonwealth offering a bonus of £2 on every £100. Someone has to pay that bonus, and instead of receiving £100, the Treasurer only receives £98. It is only meant to catch the people. We should be frank in this Bill and say what we will give. Take the loan of £11,000,000 which was redeemed and renewed in 1915. We received £99 for every £100. That was a dead loss of £116,000. The net amount realised was £11,508,162. The average net price for every £100 was £98 2s 4½d. There was an expenditure in the conversion of £103,399, so that there was a loss of £219,000 on that conversion. Now we are going to float a loan to convert loans issued originally at 4 per cent. We subsequently renewed at 4½ per cent., but instead of paying only £4 10s. actual interest, the net realisation amounted to actually £4 11s. 9d. per cent. That has meant a charge on this community of something approaching £100,000. It is asking too much that we should place an additional burden of £100,000 on the revenue of Queensland. I would like at this stage to try to get some information from the Treasurer. We are paying far too much brokerage and overhead charges, apart from the depreciation on the loan itself. When the agreement with the Commonwealth Bank was ratified in 1920, we were given to understand that the agreement entered into with the Bank of England with regard to the flotation of

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our loans in England would be terminated at the earliest possible moment. [8.30 p.m.] To-day, that Bank of England agreement is still in existence. I would like to know whether the Treasurer has made any overtures to the Bank of England in regard to the ratification or the abandonment of that agreement.

Under the arrangements made with the Commonwealth Bank, which are shown in the inscribed stock report, we are able to float a loan under those conditions at a much lower rate than we can at the present time. Is it intended, when the Treasurer goes home, that agents and others shall handle this loan as provided by this Bill? The Bill definitely states that the Governor in Council may appoint any agent or agents to negotiate the sale of new Government stock or inscribed stock. I suppose such a provision is necessary at present; but tens of thousands of pounds would be saved to the State if the Treasurer could come to some arrangement with the Bank of England for the Commonwealth Bank to negotiate this business in 1924. If not, then there are millions falling due in 1925.

The TREASURER: The Commonwealth Bank have not the right to act as our underwriters in London.

Mr. KERR: The Commonwealth Bank could save the Government many thousands of pounds by negotiating the conversion business. The agreement with the Commonwealth Bank is, in my opinion, a much better agreement than the existing one with the Bank of England, and I think it only right, from a national point of view, that such a policy should be adopted.

The TREASURER: The trouble is that the Denham Government made a fifteen years' agreement with the Bank of England.

Mr. TAYLOR: How long has it to run?

The TREASURER: Till 1930.

Mr. KERR: Looking at the loans of the last ten years, we find the following result of the bonus which was paid on the flotation of those loans—which were all floated in London:—

In—	Amount of Loan.	Nominal Interest.	Actual Interest on Realisation.	Net Realisation per £100.
	£	£ s. d.	£ s. d.	£ s. d.
Jan., 1913	2,000,000	4 0 2	4 3 0	96 7 8½
April, 1914	2,000,000	4 0 0	4 2 11	96 9 4
Feb., 1915	11,728,800	4 10 0	4 11 9	98 2 4½
July, 1916	1,275,000	5 5 0	5 8 0	97 4 6¾
June, 1918	2,270,000	5 10 0	5 15 1½	95 11 2¾
June, 1919	1,917,500	5 10 0	5 13 6	96 18 4
Dec., 1919	2,000,000	6 0 0	6 5 7	95 11 1

It will be noticed that during the last few years we have been gradually increasing our rate of interest. I know of course that the market rate has been steadily increasing, but there is a tendency at present that encourages us to believe that within the next twelve months the interest will drop considerably, and possibly it may drop by the time it is necessary to negotiate this loan next year.

We should get away from what are called the "bad old days."

Mr. KIRWAN: It used to be the "good old days."

Mr. KERR: In one year alone for every £100 borrowed all we received was £85 15s.—

that is to say, we were giving a bonus of £14 5s. per cent. As the Treasurer has not indicated whether he is going to stick to a fixed rate of interest or whether he will give a bonus—he said it is possible to do both things, and I take it he is going to be guided by circumstances—he should well consider the fact and should offer the loans at a higher rate of interest rather than give a bonus of £14 5s. We should not go back to that. It is a wrong principle.

The leader of the Opposition dealt with Victoria. I have many times stated that Victoria is financially in a good way, and I still adhere to that opinion. Twenty years ago 89 per cent. of the public debt of Victoria was held in England and only 11 per cent. in Australia. To-day only 44 per cent. is held in England. As against that 44 per cent., in Queensland 63 per cent. is held in England. To-day 56 per cent. of the Victorian debt is held in Australia as against 32 per cent. for Queensland, which, of course, has 5 per cent. in America. An internal debt is less onerous in regard to this matter than an external debt. It is all very fine saying we are getting loan money into the State to the extent of £3,000,000 a year, but it is forgotten that we are paying that amount out in London on the interest of our public debt. One is balancing the other, with the result that we get nothing paid. It is much better to have that money in circulation, although I acknowledge frankly that it would be difficult to raise that money in Queensland under the present method of financing the State. I want to connect this with the Sinking Fund. The Bill provides that the Governor in Council may prescribe the rate of contribution to the Sinking Fund. A proportion of the principal moneys is to be redeemed at stated intervals during the currency of such stock, with an alternative condition that a proportion shall be set apart at fixed periods for the purpose of purchasing such stock.

The Bill itself provides for a sinking fund, and I ask the Treasurer how he is going to provide that sinking fund? Is he going to allocate a part of the revenue towards the sinking fund?

The TREASURER: That is the present intention.

Mr. KERR: If that is the present intention, will the hon. gentleman explain to me how it is feasible and reasonable to allocate the revenue and at the same time have a deficit.

The TREASURER: It is not.

Mr. KERR: The Treasurer agrees that it is not feasible. The one thing that the Government should set out to do is to achieve a surplus. Until that is done there is no foundation on which to build a sinking fund.

The TREASURER: You are not in favour of the West Australian system?

Mr. KERR: I will tell the Treasurer my opinion on that system in a moment. Until we acquire a surplus it is useless to think of establishing a sinking fund by the appropriation of revenue. When a man wants to provide a reserve he does not make provision out of his profit and loss account, but he appropriates a special reserve for the purpose of establishing a sinking fund. In this Bill we are asked to agree to a contribution from revenue for the purpose of establishing a sinking fund when the true purpose is to bring

outside business into this investment. There is no reason why we should create a sinking fund outside our own State. Our own State can offer the best security of any nation in the world, and, because of that, there is no reason for creating a sinking fund outside the State at all. There is no reason why we should borrow money on the one hand and pay 6 per cent. interest to someone else and take money out on the other hand and receive up to 5 per cent. interest on another portion. One cannot reconcile the position.

The TREASURER: The hon. member is very unorthodox.

Mr. KERR: I think the hon. gentleman agrees with me.

The TREASURER: I agree that a sinking fund is not effective unless you have a surplus.

Mr. KERR: Then the hon. gentleman agrees with what I say. The hon. gentleman mentioned Western Australia. In my opinion the position in Western Australia has no advantage. The sinking fund of £7,000,000 odd which has been built up in Western Australia is absolutely absurd. They create on the one hand a fund by allocating 1 to 3 per cent. of the loan, which is then invested with trustees in London, who put the money into British consols, Indian securities, and other colonial securities. They are taking this money from revenue, and at the same time they are having a deficit; and, when the deficit materialises, they capitalise it and issue debentures at 5 per cent. or 6 per cent. The thing is absolutely useless. A sinking fund is something tangible, something realisable, and is for a purpose. However, it is impossible for a State to establish a sinking fund on the principle of some asset which is realisable at once.

The TREASURER: It is no use borrowing money to put into a sinking fund.

Mr. KERR: The only solution is, first of all, to create a surplus. The next thing is to invest a certain proportion for the period of the loan in the hands of trustees; and the best investment for that money is to lend it to local authorities, who give at least 5 per cent., and it is sure, while the rest of our public debt is returning only 1 per cent. The local authorities want many thousands of pounds, and we can give the money to them by allocating that surplus to a sinking fund. Let the money coming from the local authorities be again invested, and let the interest go into revenue so that it will swell the surplus once again. By that means we could reduce taxation, and in ten years we could have a surplus coming from money invested which does not pay any interest whatever. It would be returning 5 per cent., which would swell the revenue and in ten years' time we would have a sufficient surplus gradually to buy back these bonds which are redeemable at the present time. Until a start is made in that direction and you create a sinking fund on those lines, Queensland will never be in a position to make ends meet. The only solution of our difficulty is to establish a surplus, put it into a sinking fund, and let the revenue from the money on which we do not pay any interest go into consolidated revenue. I want also to show exactly how some of the funds stand in the other States. We have in Queensland certain sinking funds established under certain Acts, and sometimes the money is paid and sometimes it is not, for the simple reason that the Audit Act provides that any surplus is

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to be paid to trustees for the redemption of the public debt. If we had a sufficient surplus, that in itself would be a sinking fund.

Mr. ELPHINSTONE: We have forgotten that.

Mr. KERR: We have forgotten what that is like. The leader of the Opposition has given some astounding figures in regard to the revenue and expenditure of this country since it became a separate State, and he shows that we are about £2,000,000 on the wrong side of the ledger. For sixty years of finance £2,000,000 on the wrong side is not a bad position. I think only £600,000 are unprovided for, and undoubtedly these debentures being sold over the counter will provide for that amount.

Mr. TAYLOR: When did most of that accumulate?

Mr. KERR: I do not want at this stage to criticise the Government. I would prefer to give something constructive rather than criticism, which gets you nowhere. I hope the Treasurer will take what I say in regard to a sinking fund into consideration. A sinking fund is a very important item, and I want to point out to the hon. gentleman what I think also is a wise procedure, and one that might well be adopted. We are issuing bonds to which are attached coupons carrying interest. The Commonwealth have adopted a good system in regard to the £92,000,000 war expenditure. They have decided to pay to the British Government 6 per cent. for a period of thirty-four years, and after 6 per cent. is paid on that amount for thirty-four years the debt is automatically extinguished. There is no reason why we cannot add part of the principal to our interest charge. If we have a loan for thirty or forty years, we could easily add 1 per cent. to the interest as part payment of the principal, and then at the end of the forty years the loan would be automatically extinguished. It is a good idea and well worthy of some consideration.

There is another method that the Commonwealth have adopted which is quite sound. It is absolutely ridiculous to ask intelligent men to criticise this Bill and pass such clauses as are contained in the Bill. It is unsound, and should not in any circumstances appear any longer on the statutes of this State. The Federal Treasurer in one of his Budget speeches stated that $\frac{1}{2}$ per cent. on the whole loan was being paid to trustees, and that $\frac{1}{2}$ per cent., if it earns interest—I notice he used the word “if”—if that $\frac{1}{2}$ per cent. sinking fund earns 5 per cent., the loan itself will be automatically extinguished in fifty years. The Commonwealth are battling with a large war debt, and are dealing with the matter in a way that is very sound. There is not one sound method provided for in this Bill, and the time has arrived when Queensland should tackle this problem. The loan raised in 1884 which we are discussing now was an immense loan so far as our loans go. There is no sane person to-day who will say that we are doing the right thing by Queensland. We have a wonderful State here. What are we expending? We are expending a miserable £2,000,000 or £3,000,000 of loan money a year on reproductive works. In some of the other countries of the world they are spending as much as that in a month. We have possibly in Queensland the healthiest climate in the world, with a vast mineral and agricultural production, and everything in our favour. Queensland stands in the unique position

to-day of being able to go home to London, not cap in hand, but in a position to sell her bonds at par and to get money at a low rate of interest. There is no question as to the potentialities of Queensland, and we are all prepared to help our State. This is a movement which is going to have great results in the future, if we are able to go home and show the vast possibilities of Queensland. (Laughter.) I think it would be a wise move on the part of the Treasurer to ask three members of the Government and three members of the Opposition to go home and advertise Australia at the British Empire Exhibition. (Laughter.) I am not a candidate for the position, though I would not mind a trip home. (Laughter.) We are spending £22,000,000 a year of public money in connection with Loan and Trust expenditure, and a paltry expenditure of £500 or £600 to enable members of Parliament to go to the old country and advertise Queensland would be well spent. An extra $\frac{1}{2}$ per cent. will run into tens of thousands of pounds, and a great saving in that direction might be secured by sending home a certain number of members of Parliament. In my opinion, it is a shortsighted policy to refrain from such action when such a great result could be achieved by the expenditure of a couple of thousand pounds. I do not know that my party would agree to three of our members going home at Government expense.

The SPEAKER: Order!

Mr. KERR: The leader of the Opposition stands out in his broad vision with regard to the progress of Queensland, and every member of the Opposition stands behind him in that connection. We hope that the Treasurer will, in Committee, lay down a maximum rate of interest, and that he will wipe out the foolish clauses in regard to the sinking fund and substitute something that is reasonable and possible of execution. I have suggested a couple of ways in which it can be done, and I hope the hon. gentleman will take those suggestions into consideration.

Mr. ELPHINSTONE (*Oxley*): I am quite sure that those who have listened to the speeches of the Opposition on this very important measure must admit that they have certainly given excellent advice to the Treasurer in the somewhat harassing position in which he finds himself, and have also put forward certain valuable suggestions which might very well be adopted. Some of them are, in my judgment, certainly unique, but they are well worthy of consideration in this advanced age. We have given indication to the Treasurer to-night of our desire to pull together on this very important occasion. In this regard I was very sorry to listen to the Treasurer's outburst in regard to the old chestnut of the delegation to England. I think that could well have been forgotten. All I trust is that “Hansard” containing the Treasurer's resurrection of that somewhat unhappy episode in Queensland's history will not find its way to Great Britain, because it would have an unfortunate effect. When we are trying to forget the mistakes of the past, when we are trying to take advantage of the present situation to put Queensland into the position to which her potentialities entitle her, it is a pity that we should take pains to resurrect certain actions of the past which are not going to do us any good.

There is one matter, however, which I would refer to in that regard; that is, when

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the Government introduce legislation which affects the capitalists in England and those who control capital, they naturally expect resentment, just conversely as when they introduce legislation which is of value and importance to vested interests like the licensed victuallers, they naturally expect financial reward. Those are the two converse situations which one has to consider. The hon. member for Mitchell, in his explanation of the situation, seemed to fail to recognise one very important point. The whole issue in this matter is one of security. The financial institutions at home, who, of course, are largely wrapped up in any loan transactions which take place in this and other parts of the Empire, when their security is interfered with, naturally begin to wonder whether the State which has introduced legislation to interfere with that security is likely to extend it in such a way as to interfere with the security on which loans are advanced. It is all a matter of security: it is all a matter of confidence; and confidence of course is the basis of credit and of business. If we put anything in our legislation which tends to destroy that confidence, then we interfere with the security which we have to offer. The leader of the Opposition has given us an outline of the potentialities of Queensland. We know that that is not an exaggeration of the situation; but what is the use of those potentialities if those in charge of their development cannot give to other parts of the world—and particularly to other parts of our Empire—that confidence and security which will lead to co-operation between the various elements of the Empire. That is the point which has to be remembered. It is not a question of whether it is fair or reasonable to increase the pastoral rents, as was done under the Land Act Amendment Act of 1920; it is just a matter of what effect such an action is going to have upon the security which Queensland has to offer to other parts of the world. It is the mission of all hon. members to see that that security is maintained, because the occupancy of the Treasury benches by the present Government is merely transitory. Other Governments will come into power; other parties will have the opportunity of administering the reins of government.

A GOVERNMENT MEMBER: Not for some considerable time.

Mr. FERRICKS: Not at the expense of the rights of the people.

Mr. ELPHINSTONE: We are all anxious to maintain the rights of the people; but when we have entered into obligations upon the security of which certain financial institutions have made advances, and at a later stage we destroy the security on which those advances were made, that in my opinion is a reprehensible practice. Our good name is our stock-in-trade. It is what Britishers are proud of, and what we in Queensland want to maintain at all costs. I make bold to say that I am quite certain that, if the present Government, with the experience they have had, were to go through the last five years again, they would find other ways and means of overcoming the anomaly which the hon. member for Mitchell has pointed out, without threatening the security which Queensland offers to the financial markets of the world.

Mr. FERRICKS: One of the biggest things which the Government of Queensland has ever done.

Mr. ELPHINSTONE: When the hon. member who is interjecting has travelled a little more, as the Premier has done, he will be more qualified to speak on this subject. I am not making any reflection upon him, because a man who is so favoured as to have the experience of travelling is a man of the greatest good fortune. Therefore, although I do not entirely endorse the suggestion of the hon. member for Enoggera, I do endorse the view that the more members of Parliament can travel the greater will be their comprehension of the needs and obligations of Queensland as part of a great Empire.

Mr. FERRICKS: And the justice of their claim to the right of self-government.

Mr. ELPHINSTONE: Certainly. But what have we to grumble about with respect to self-government? What does Queensland want more than she has to-day?

Mr. FERRICKS: You are not getting self-government if you have to submit to dictation.

Mr. ELPHINSTONE: That is rubbish. The hon. member is simply reflecting that very lack of world knowledge to [9 p.m.] which I am referring, because, if he had been permitted to know more of the world—I do not say this disparagingly—if he had the greater experience of which I speak, he would have an entirely different outlook upon Queensland's obligations.

There is one thing on which the Treasurer must congratulate himself, and that is, that the set-back to which he was subjected in Great Britain in 1920 saved the Government from making one of the greatest blunders a Government could ever make, in the creation of the Bowen iron and steel works, which would have been one of the most perfect white elephants one could conceive in the realms of State enterprise. Now we see the gentleman who was put in charge of those proposed works leaving this country; and, in my judgment, it was one of the most fortunate things that could have happened to Queensland that in Great Britain those financiers, or whatever you like to call them, had to be cruel in order to be kind and save the Treasurer from sinking millions of the people's money in a venture of that sort. I quite admit that it would probably have enthroned the hon. member for Bowen as member for that district as long as he lived; but that is not everything in Queensland. We are glad to have him here to remind us occasionally where Bowen is; but we have been saved the expenditure on interest and upkeep of some hundreds of thousands of pounds a year—which is more than the hon. member for Bowen is worth.

There is one point which the hon. member for Enoggera made which is well worth the greatest consideration; that is that, in spite of the Treasurer's remarks by interjection, by offering 5½ per cent. for local loans we are creating a precedent, and giving an indication of the price we are prepared to pay, which is dangerous.

The TREASURER: That is a suggestion that the price here affects the London market.

Mr. ELPHINSTONE: I certainly say so. If you go to London and ask for money at a favourable rate of interest and you are paying 5½ per cent. here, that is a clear indication that that is what you think the money is worth.

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The TREASURER: We are paying 5½ per cent. for Treasury bills issued to-day as the current rate. It does not follow that we shall have to pay that a year hence in London for a long-dated loan.

Mr. ELPHINSTONE: It may be that the duration of the loan has an effect on the rate of interest, but the very ease with which money is being obtained over the counter to-day for 5½ per cent. is a clear indication that, if the rate of interest were reduced, you would still get sufficient money to satisfy reasonable requirements. If you reduce it to 5 per cent., you would still get the money you required. I am very pleased to see that it is coming in as freely as it is; but that very freedom is an indication that the rate of interest may be reduced; and a reduction will have an effect ultimately when we go to England and endeavour to raise money there at the cheapest rate possible.

I sincerely hope that we are not going to renew our overtures to America, and in that regard I want to put before the Treasurer a few considerations. Why is it, I want to ask him, that America provided such a favourable market for us some two or three years ago? It was because the price of the pound sterling was so reduced in value that we were able to convert the dollar issue into sterling at a very handsome profit. It was not because the rate of interest was favourable, but because the sterling rate of exchange was favourable that the issue resulted in a profit of £550,000 on the first loan. Why is it that the pound sterling was so depreciated on the American market at that time? Simply because Great Britain, with a clear conception of her obligations—which were not in black and white—with a full appreciation of what she conceived to be the principles underlying British traditions, assumed responsibility for other parts of the world and other nations to such an extent that her pound sterling went down in value. There is no denying it, and therefore we made a profit out of the conversion of the dollar loan into sterling—thanks to that very spirit which one finds so clearly practised in Great Britain, but which we are sometimes slow to recognise in Queensland.

The TREASURER: Did the conversion not have an effect on the English market?

Mr. ELPHINSTONE: Surely the hon. gentleman does not think that the conversion of 10,000,000 dollars had any appreciable effect on the value of the pound sterling?

The TREASURER: A very appreciable effect.

Mr. ELPHINSTONE: Very minute indeed—and the hon. gentleman knows that as well as I do. Conversely, the success of the American loans will depend also upon our ability to convert them back into dollars at a reasonable figure round about par. Why is it that the pound sterling is now approaching par? Because Great Britain, alone of all the great contestants in the war, is assuming the responsibility of her indebtedness without asking for any favours, and is redeeming her promissory notes and bonds, and so re-establishing her good name on the American market. Therefore, Queensland not only benefits in the first instance by getting American loans while the pound sterling is at a considerable discount on account of Great Britain's assumption of responsibility for other nations, but she also expects to confirm her large profit when repayment falls due by taking advantage of

Great Britain's clear conception of what her obligations are. Compare this with Queensland's attitude in regard to her obligations affecting pastoral leases.

The TREASURER: You are confirming the Government's good judgment.

Mr. ELPHINSTONE: It was the judgment of the Commonwealth Bank that took you to New York. Nobody was more surprised than the hon. gentleman when he read in the paper that afternoon, which I well remember, that Sir Denison Miller had succeeded in floating a 10,000,000 dollar loan in New York.

The TREASURER: That is absolutely wrong. We arranged the loan through the agency of the Commonwealth Bank, and appointed our own agents.

Mr. ELPHINSTONE: That is news to me. The agents in New York who negotiated the loan were the agents of the Commonwealth Bank, which had instructions from the Government to raise a loan somewhere.

The TREASURER: They had instructions to arrange it in New York.

Mr. ELPHINSTONE: The Commonwealth Bank is the Government's financial agent, and is far better able to tell the Government where they are able to raise money under the best conditions than the Government. It is their business, not the business of the Government.

The TREASURER: It is our business.

Mr. ELPHINSTONE: The experience of the Government is nothing like so vast as theirs. They are in touch with every financial market.

The TREASURER: At that time the Commonwealth Bank had not raised a loan outside of Australia for any Government.

Mr. ELPHINSTONE: That may be, but it was only in its infancy as the financial agent of the Australian Governments. They had only just undertaken the responsibility so far as the Government of Queensland were concerned.

The TREASURER: The hon. member is conveying the impression that the Commonwealth Bank went over there, sounded them, and then said, "We can raise a loan in New York."

Mr. ELPHINSTONE: I would not be surprised if that conception is correct.

The TREASURER: It is not correct.

Mr. ELPHINSTONE: That is the impression in my mind at the present time.

The TREASURER: It is quite erroneous.

Mr. ELPHINSTONE: I sincerely hope that it will not be necessary for us to go outside the Empire in regard to these maturing loans, because one of the needs of the day is for the various States in Australia to think as Australians instead of as individual States. It must be admitted that very often, through the environment in which we are placed here, there is far too much parochialism in Australia. This vicious attitude, which is sometimes depicted in the attitude of one State towards another, is one which we as Australians should abhor, and we should think more as Australians rather than as members of a State.

Mr. COLLINS: And less as Imperialists.

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Mr. ELPHINSTONE: We also want to bear in mind that we have to think as members of the great Imperial or British combination. The hon. member for Bowen sneers at that. It shows what a poor conception he has of the needs of the moment. That is one of our national requirements, and a need which the Prime Minister of Australia intends to take home to Great Britain—that is, to cement the various portions of the Empire together, and link up one with the other more closely than is the case at the present time. Anyone who studies the economic position knows that if the Empire can be brought to realise its independence of other parts of the world, and its ability to exist within its own limits, that is going to open up a permanent objective in Queensland and other parts of the Empire. I sincerely hope that the Prime Minister of Australia will be successful in his mission in reminding Great Britain of the need of the hour to cement the various elements in the British Empire together, not only on a sentimental basis, but on a trade basis, so that we can all benefit by that cementing; and the effect will be that we shall be a very much more powerful combination of peoples than we are to-day. To those hon. gentlemen who sneer at such a combination—and there are two opposite who have recently given expression to that sneer—let me ask where would Australia or Queensland be, so far as its defence is concerned, without that combination of English-speaking races? Let me ask those hon. gentlemen where they expect to get the population from that Queensland and Australia are so badly in need of? Are they going to tour the European nations or other parts of the world, which have little in common with us, or are we to keep the potentialities that we have heard so much about to-day for the English-speaking races of the world?

Mr. HARTLEY interjected.

Mr. ELPHINSTONE: We all know quite well that we can help to develop this country by maintaining this Empire, and no one knows it better than the hon. member who is trying so loudly to interject and put me off.

Mr. HARTLEY: The English people thought Australia was only fit for a dumping ground for convicts.

Mr. ELPHINSTONE: If the suggestion of the hon. member for Enoggera is going to be adopted that six members of Parliament shall go home to Great Britain, then for heaven's sake don't take the hon. member for Fitzroy. There is one point in connection with our finances and in connection with these loan transactions which wants to be very seriously considered at this stage. We have seen by the measures which have been brought forward during the past few weeks that the intention of the Government is to settle something like 10,000 settlers under the various land development schemes which the Government have in hand at the present moment. I want to ask the Treasurer where is the outlet to be found for the produce which these settlers naturally will expect to market as they develop their farms? I want to ask him if it is not one of our greatest difficulties to-day to find markets for the produce that is already finding its way into the circles of distribution.

Mr. FOLEY: We can hope.

Mr. ELPHINSTONE: That is about all you can expect to do. We want something

more than that. Go to the farmer and say that hope is what he is to live on. You give the man in the town something tangible in the form of relief, and the farmer also expects something else than hope. I hope that that interjection has found its way into "Hansard," so that some of the farmers for whose assistance the Government are appealing will understand that all the Government are going to offer them is hope. They want something more tangible than that.

The TREASURER: There is an unlimited market for dairy produce and wool.

Mr. ELPHINSTONE: The hon. gentleman says so, and we sincerely hope that it is so.

The SPEAKER: Order! I ask the hon. gentleman to confine his remarks to the Bill before the House.

Mr. ELPHINSTONE: My remarks are in connection with the Government's land development schemes. When we go to Great Britain to make out our case in regard to our security, land settlement in regard to these loan matters is a most important one. Therefore in my judgment on a financial measure one cannot refrain from making some reference to land settlement schemes, but, as in your judgment that is outside the scope of this measure, Mr. Speaker, I will not continue the matter. The point I want to stress to the Treasurer is that the security of the State, when we are discussing matters of millions as we are at this juncture, depends on the economic way in which the State is run, and depends on the ability of the Government borrowing the money to live within its income. I made the suggestion to the Treasurer some few weeks ago in regard to appointing a business commission to assist him in effecting economies. I want him to give consideration to the proposal, and not view it as being beside consideration because it has emanated from other than a Government member, but take it as a suggestion from one who is absolutely desirous of seeing the Government live within their means. In my judgment there are innumerable ways in which economies can be effected. I do not suggest by retrenchment and such like methods, but by business economies in the conduct of government. I consider that the appointment of a business commission would be of material benefit and would give that feeling of security to outside investors which we are all anxious to give at the present moment. There is nothing to be ashamed of in asking for assistance or suggestions from outside. It is not meant to interfere with the policy of the Government, but in the ordinary administration of the Government to show where economies can be effected. Therefore, I again suggest that the Treasurer consider the matter, because it will show a tendency towards that balancing of the ledger which has been somewhat conspicuous by its absence in recent years.

I wish to deal briefly with the question of a sinking fund. I heard an interjection by the Treasurer when the hon. member for Enoggera was speaking in regard to sinking funds. He asked if the suggestion was that Queensland should follow the lead of Western Australia and maintain sinking funds and at the same time have vast deficits each year. There is one great point to be considered in connection with sinking funds, and that is that, when money is borrowed, the lender frequently makes it a condition that there

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shall be a sinking fund. We know that, so far as the American loans are concerned, there are express conditions set out in the agreement which insist on our recognising our obligations, whether we have got a deficit or a surplus. It is quite possible that the British loans may have a similar condition in the future.

The TREASURER: They have never yet stipulated that.

Mr. ELPHINSTONE: It may come, because it is recognised in these days that the provision of sinking funds is very necessary. The provision for a sinking fund permits a Government to see exactly where it stands every year. I have heard the Treasurer go to considerable pains to compare the position in Queensland with the position in Western Australia; but he altogether omitted to mention that in Western Australia they make provision for sinking-fund payments every year, and yet he drew a comparison between the two States obviously to the advantage of Queensland, which has neglected her sinking fund. My argument is that the provision of a sinking fund is a necessary provision which must appeal to everyone who views the obligations of the State seriously. I quite agree that it is merely taking money from one pocket and putting it into another if there is a deficit on the year's transactions; but you give to your electors—who are your shareholders so far as your State is concerned—a true indication of the financial position in which the State finds itself—that is, you make provision for the redemption of those loans which have to be redeemed sooner or later. It is a fairer indication to give to the electors of Queensland of what their obligations are. It is no good saying, as I have heard it stated on one occasion in this House, that we have finished the year with a surplus of £26,000 when we have during that year neglected our obligations so far as the sinking fund is concerned. The creation of a sinking fund is a necessary provision. It is a business precaution, and the Treasurer knows at the end of each year exactly where he stands. If, as has been the case of late, a sequence of deficits occurs the Treasurer should adopt the suggestion we put forward to appoint a business commission to find out where the Government can save money. They can save it. At the present time the accumulated deficits amount approximately to £1,000,000. These have to be met sooner or later, so the position is one which should cause careful thought, especially when we see the income tax becoming a burden on the community—there is no room for elasticity in that regard—and the interest on the State debt is steadily and continuously mounting up. If the State can save £250,000 a year by adopting business precautions and acumen in the different departments at the suggestion of a commission such as I recommend, then it should do so. It would create that confidence upon which is based the security upon which we anticipate raising these loans in a very few months, in which connection the Opposition assure the Government of their very best help, and ungrudgingly give it, because we realise that the welfare and prosperity of the State depend on this matter.

Mr. FRY (*Kurilpa*): The Treasurer recognises that in this matter he has the whole-hearted support of the Opposition, and their wish is expressed for the successful conversion of the loan. We have endeavoured to assist the Treasurer and the Government

[*Mr. Elphinstone.*

in their mission; and we hope the mission of the Treasurer will be successful. We realise that the credit of the State is such that we should be able to borrow the money on the very best of terms. It is a young, undeveloped State with great possibilities ahead of it. Industries are developing in all directions, and eventually Queensland will become a very great producing State. The Treasurer told us that there is a market for our products in all parts of the world. If that is so, it is an incentive for us to go on and encourage production in order that Queensland will become the queen of the States—the best and brightest spot on the face of the earth. (Hear, hear!) Although we may differ as to how that end should be brought about—the Government have one policy and we have another—we all agree with the great possibilities of the State, and all our efforts should be in the direction of getting the best out of the heritage given to us. Sometimes, when we listen to the criticism of the Opposition by the Government party, one wonders whether the men on this side of the House are foreigners, whereas I believe the majority on this side are native-born. We have, therefore, as much interest in the State as anyone else. The efforts of this Parliament should be directed whole-heartedly as one co-operative body to the advancement of the State. We would not be doing our duty to our constituents if we did not join with and assist the Government to bring about a very successful conversion of the maturing loans. I think, though, the Treasurer made a great mistake in introducing for political purposes the question of the delegation. It was only so much clap-trap. He knows very well that what he stated in that direction was not correct. The Secretary of the Labour party, Mr. Lewis McDonald, said that the delegation had no weight whatever. As a matter of fact, the hon. gentleman's own words were very explicit on the matter. He said—

“The Tories hoped and prayed for the success of the malignant mission, but it failed lamentably.”

That is the position; it failed lamentably. If it failed lamentably—and the then Treasurer, the Hon. J. A. Fihelly, in an address in the election of 1920, said:

“The credit of the State is not impaired”—

what is the use of reiterating this charge? It is useless for the Treasurer now to say the delegation had any effect. If it had any effect, hon. members on this side of the House were not connected with it in any way. They would be the last to give it an atom of support. The Treasurer has made a statement which I believe will be telegraphed to all parts of Australia, and possibly to other parts of the world, and he should not have brought up matters which were beside the question. I hope the hon. gentleman realises, and the Opposition wish him to realise, that they are here to help him as far as they possibly can. We may differ, as I said before, on the question of the road to take in attaining the end we all desire for the State.

The TREASURER: All the roads are heading for the same destination.

Mr. FRY: Unfortunately, the road taken by the Government party leads to a morass; or his ship will not answer the helm. We hope in handling the ship of State that the

hon. gentleman will take charge of it and steer it for the credit and prosperity 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.

LOCAL BODIES' LOANS GUARANTEE BILL.

SECOND READING.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): There is no very great principle involved in this Bill. It is to meet the position that has arisen in connection with local authorities who have borrowed from banks or other financial institutions. It ought to be approved by all parties—the local authorities, the Treasurer, and also the interests of banks which act for the local authorities—as it seeks to allow local authorities or local bodies to borrow from their bankers. That has been the practice followed in recent years. In some cases it has been in operation for quite a long time. In those cases the banks usually require a Government guarantee, which we have been in the habit of giving. Where the loan has been approved of by the Government, and permission to borrow from private bankers is approved, the Government have given a guarantee; but some time ago the Commonwealth Bank, in a communication to the Treasurer, pointed out that in a recent judgment of the High Court of Australia the guarantee of the State Government was to some extent affected. The High Court held

[9.30 p.m.] —I think in a New South Wales case—that, unless there is statutory authority for the appropriation of money that may be required to make good any loss under guarantee, the guarantee itself is not valid, and the Commonwealth Bank, which has to make considerable advances, asked that statutory authority should be given for the guarantee. That is the only reason for the Bill. I could quote one or two cases to instance the nature of the guarantees. There is a case of a loan on a mortgage amounting to £33,000 from the Commonwealth Bank of Australia to the Royal National Agricultural and Industrial Association of Queensland which has been guaranteed by the Government for the purpose of building a new grandstand and carrying out various other improvements. That had to be guaranteed, and would, of course, come within the scope of this measure. In October of last year advances were made by the Australian Wheat Board to the Queensland Wheat Board of £40,000 on account of the 1920-1921 harvest, guaranteed also by the Government. Under the High Court judgment this would not be valid unless we had special statutory authority for it.

In May this year a guarantee was given in respect of a loan on mortgage from the Australian Bank of Commerce to the trustees of the Mackay Show Ground Recreation Reserve amounting to £6,000. The money was required for improving the show grounds. Recently a guarantee was given for a small bank overdraft to the Egg Pool. The amount was advanced by the bank to the board constituted for the purpose of financing that pool. This month also a guarantee was given by the Government on £10,500 from the Queensland National Bank to the Charleville Town Council, to defray the cost of the

installation of electric light in the town of Charleville. Arrangements have been made by the council to borrow from their own bank, the Queensland National Bank.

This Bill will cover advances of that kind and other advances which may in the future necessitate a Government guarantee. The Treasurer is fully protected under the Bill. No payment is to be made until a satisfactory guarantee is given. The Treasurer is covered by any security that is offered so far as may be necessary to make good the payment. Of course, we shall have the usual remedy provided by the Local Authorities Act.

The Bill does not give a local authority power to go to a bank without first consulting and getting the permission of the Treasurer. First of all the loan must be approved by the Government. The object of the works and all plans must be approved by the Government before the local authority can go to the bank. In dealing with the Commonwealth Bank it requires in each case that the Queensland Government shall take the responsibility of making a recommendation in regard to the loan. This is not made unless the works have been examined by Government officers and approval expressed to the Commonwealth Bank. They simply come in and finance the transaction. This will only apply to local authorities constituted under Act of Parliament and which have statutory power to borrow money. It also provides for borrowing from the Queensland Treasury; but where it is convenient to all parties they may borrow from their own bank under Government guarantee. It is not intended that this shall be made a general practice. It is found a much wiser practice for most authorities to borrow from the Government and to do their financing through the Queensland Treasurer.

Mr. ELPHINSTONE: Why is it wiser?

The TREASURER: It is wiser because fuller control can be kept on the actual expenditure. Where the money is borrowed from the Queensland Treasury it is subject to inspection by such officers as the Government may appoint for that purpose. A certificate must be given by those officers. With regard to certain local authorities who have an organisation and an administrative staff of their own, the necessity does not arise, but even in those cases the proposals for loans have, first of all, to be approved. Of course, local authorities, like the City Councils of Brisbane, South Brisbane, and Toowoomba, have for many years had special powers to borrow by issuing their own debentures and placing them on the market. In these cases no responsibility is taken by the Government, and the works are not submitted for their approval. All that happens is that an Order in Council must be obtained by those local authorities authorising them to issue debentures. No other responsibility is taken. Generally speaking, with regard to local authorities, harbour boards, and various other institutions of that kind, it is better for them to do their financing through the Government, as they can secure easier terms, and are dealt with more leniently. Where local authorities are well established, and where there is no question whatever about their financial administration or the possibility of their not managing their own works properly, there is no special advantage in being financed by the Treasurer, and in those cases the local authority moves on its own initiative, and the Treasurer raises no

Hon. E. G. Theodore.]

objection. As a matter of fact, the Treasurer will have more funds available for the lesser local authorities which could not be accommodated by private banks. I beg to move—

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

Mr. MOORE (*Aubigny*): There is not very much to say in connection with this matter, except that I cannot understand the object of the banks in wanting more security than they already have. The banks, after all, are pretty careful before lending money to a local authority. The local authorities are pretty well tied up by the Local Authorities Act, and why they should want the Government to give them further security is something I cannot understand.

The TREASURER: Of course, the point is that the bank would not be in a position to put in a receiver.

Mr. MOORE: If there was a possibility of putting in a receiver, there would not be much chance of getting the money. The Commonwealth Bank, since acquiring the Queensland Savings Bank, seems to be taking a very high hand.

The TREASURER: There is no suggestion of dictation.

Mr. MOORE: A request, I suppose; but a request from one's bank is pretty well in the nature of a command, and it appears that the Commonwealth Bank has made a request for the Queensland Government to bring in this Bill to give greater security.

The TREASURER: It applies to other banks.

Mr. MOORE: Possibly; but I understand the hon. member to say that the Commonwealth Bank is the one that made the request for it.

The TREASURER: No. The Commonwealth Bank called our attention to a judgment of the High Court which affected their position.

Mr. MOORE: The Treasurer mentioned the guarantee given to the Egg Pool. There was also a guarantee of £15,000 for the Canary Seed Pool. Is that covered by this Bill? Is it retrospective, or does it only apply to guarantees to be given in the future?

The TREASURER: I think it only applies to future guarantees. Of course, we honour any guarantees we give.

Mr. MOORE: The Government, I understand, have no intention of wriggling out of guarantees.

The TREASURER: We do not wriggle out of anything.

Mr. MOORE: I am not prepared to substantiate that altogether. These guarantees have been given, and I understand that the Government are quite prepared to stand up to them; but, unless they intend to get out of liabilities that they have undertaken, I cannot see the object of the Bill. The greater number of local authorities go to the Government for what they require. That is far better than going to a bank, as they get better and longer terms. If the same conditions have to apply with regard to the work they carry out, I do not see very much advantage. I was troubled as to the reason for bringing in this Bill, and I was also troubled about the clause in the Local Authorities Act Amendment Bill which we have before Parliament at the present time, which wipes out the provision to get money from the Trust Fund. We now borrow

money from the Consolidated Revenue, and I cannot make out whether this has any reference to that Bill or not. We have always secured money in the past from Trust Funds, and it has been a very secure investment for the Trust Funds. I was rather at a loss to understand why the alteration was made; and when we get a Bill like this on top of it, I would like to know whether it is the intention of the Government to compel local authorities and all other local bodies to secure money from the banks rather than from the Government because the Government have other uses for their Trust Funds. Do they want them to invest in State enterprises rather than in the development of the State through local authorities? The Treasurer did not give any explanation as to whether there was to be a limitation so far as the amount borrowed from the Government was concerned, and whether the Government were going to suggest to the local authorities, when they were approached for a loan, that they had far better get it from a bank with a guarantee from the Government. If that is so, I do not see that it is going to be of advantage either to the local bodies or to the State. There is a great deal of money in the Trust Funds that should be available at the present time for carrying out developmental work, and the more the local authorities secure of that money from the Government the better it is going to be for them and the better it is going to be for the State. If they have to go to a bank, there will be very stringent conditions imposed, and there will be greater risk to the Government. Is it the intention of the Government to continue allowing local authorities to borrow from the Government the amounts that they require, or is it the intention of the Government to say, “No, you must get the money from the bank”?

The TREASURER: We will endeavour to finance them as far as practicable. On this year's Estimates we are providing over £600,000 for the Loan Funds.

Mr. MOORE: The Bill says the money has to be obtained from the Consolidated Revenue, which is a different thing. I want to be quite sure, before the Bill goes through, as to whether we are going to be pushed on to the banks wholly and solely or not.

The TREASURER: No.

Mr. MOORE: I take the Treasurer's word for it; but it seems a peculiar thing that two Bills should be brought in at the same time both relating to local authorities, and apparently a special Bill had to be brought in to enable local authorities to secure the money they require, and they must have Government backing to enable them to borrow at a reasonable rate. I hope there will be no curtailment of the amount which we have been able to secure in the past from Trust Funds.

Question put and passed.

COMMITTEE.

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

Clauses 1 to 7, both inclusive, put and passed.

The House resumed.

The CHAIRMAN reported the Bill without amendment.

The third reading of the Bill was made an Order of the Day for Tuesday next.

The House adjourned at 9.45 p.m.

[*Hon. E. G. Theodore.*]