

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 22 AUGUST 1923

Electronic reproduction of original hardcopy

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*) replied—

“1. The respective leases provide for annual rental charges as follows:—

(a) State Government Insurance Office—First two years, £6,500 per annum; third year, £7,000 per annum; fourth year, £7,500 per annum; fifth year, £8,000 per annum.

(b) Public Curator's Office—£1,863 18s. per annum.

(c) Main Roads Board—£660 12s. per annum.

(Annual rental is not assessed against the other State departments in the Government Insurance Building.)

“2. The superficial feet of the floor area occupied.”

CONTRACT FOR ERECTION OF SILOS ON ATHERTON TABLELAND.

Mr. EDWARDS (*Yanango*) asked the Secretary for Agriculture—

“Referring to the statement made by him in this House on 16th instant—that the Government had accepted a contract for erection of silos on Atherton tableland at a cost of £60,000 or £70,000—

(a) To whom has this contract been let?

(b) What is the exact amount of the contract?

(c) Were tenders called for this work and, if so, what tenders were received?

(d) On whose recommendation was this contract entered into?”

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

“I did not say a contract had been actually accepted. An offer, however, has been made by a reputable firm which is considered satisfactory by the Government, the maizegrowers, and the Council of Agriculture. The necessary specifications and legal documents are now being prepared for final acceptance by the parties.”

USE OF “MALLEE ROLLER” FOR CLEARING SCRUB.

Mr. EDWARDS asked the Secretary for Agriculture—

“Will he take steps to have inquiries made relative to what is commonly called in Victoria and South Australia the ‘mallee roller,’ and used for scrub-clearing purposes, with a view to supplying information to farmers as to the possibility of using it for rolling down scrub in this State, thus cheapening cost of clearing scrub lands for planting cotton and other crops?”

The SECRETARY FOR AGRICULTURE replied—

“Yes.”

COST OF ROADS CONSTRUCTED BY MAIN ROADS BOARD.

Mr. MOORE (*Aubigny*) asked the Secretary for Public Lands—

“1. What is the highest cost per mile of main roads constructed?

“2. What is the lowest cost per mile?”

WEDNESDAY, 22 AUGUST, 1923.

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

QUESTIONS.

RENTAL CHARGEABLE AGAINST GOVERNMENT DEPARTMENTS OCCUPYING STATE INSURANCE BUILDING.

Mr. KERR (*Enoggera*) asked the Secretary for Public Works—

“1. What is the annual rental chargeable against the State Insurance, the Public Curator, the Main Roads Board, and each of the State departments with offices in the State Insurance Building?

“2. What is the basis of computing such rent?”

"3. What is the average cost per mile of all main roads constructed by the Main Roads Board to 1st August, 1923?"

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

"1. £6,580 per mile. Heavy mountain range section, metalled 12 inches thick.

"2. £320 per mile. Coastal road, gravelled; easy country.

"3. £2,314 per mile. Exclusive of bridges over 20-feet span."

ADVANCE TO EGG POOL.

Mr. MOORE (*Aubigny*) asked the Premier—

"1. At election time did he promise the poultry farmers that he would finance the proposed egg pool to the extent of £15,000?

"2. When the Egg Pool Board applied to him for the amount, did he offer £250?"

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

"1. No.

"2. The Council of Agriculture considered that a temporary advance of £250 would be sufficient to enable the board to commence operations, but, eventually, I offered to guarantee a bank overdraft to the extent of £1,000, which was accepted by the board."

PRICES OF STALLIONS PURCHASED BY GOVERNMENT.

Mr. NOTT (*Stanley*) asked the Secretary for Agriculture—

"Will he give the purchase price of each stallion, also total cost of the six stallions recently purchased by the Government?"

The SECRETARY FOR AGRICULTURE replied—

"It is my intention to furnish full details of this transaction to-day on the second reading of the Stallions Bill."

SUGAR EXPERIMENT STATIONS ACT AMENDMENT BILL.

INITIATION.

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

"That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Sugar Experiment Stations Act of 1900 in certain particulars."

Question put and passed.

SUSPENSION OF STANDING ORDERS.

APPROPRIATION BILL, No. 1.

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

"That so much of the Standing Orders be suspended as would otherwise prevent the receiving of resolutions from Committees of Supply and Ways and Means on the same day as they shall have passed in those Committees and the passing of an Appropriation Bill through all its stages in one day."

The object of the motion is to get the

[*Hon. W. N. Gillies.*

usual temporary Supply Bill passed, as the Supply on account of this year is now exhausted. If hon. members will agree to suspend the Standing Orders to enable me to introduce the Appropriation Bill, I will give them any information they require at a later stage.

HON. W. H. BARNES (*Wynnum*): I would like to ask the Premier if there are any special reasons for expediting this particular matter to-day.

The PREMIER: We are not expediting it any more than is usual with temporary Appropriation Bills.

HON. W. H. BARNES: The Premier certainly did not give us much information. I am afraid that the tendency in connection with these things is for the hon. gentleman to go on step by step, and tell us that he is going to give us information later.

The PREMIER: We make progress step by step.

HON. W. H. BARNES: That may be, and probably the hon. gentleman has realised that by this time.

The PREMIER: It is better than revolution.

HON. W. H. BARNES: I am delighted to hear that the hon. gentleman is apparently changing his tactics, in view of his visit to London. As the hon. gentleman has promised to furnish us with full particulars when we get into Committee, it is better to wait and tackle him on the subject then; but before I sit down I want to express my gratification at the Premier having laid it down that progress is better than revolution.

The PREMIER: Hear, hear! (Laughter.)

HON. W. H. BARNES: I am glad to hear that, because the party with which the hon. gentleman has been associated has been going along the lines of revolution.

Mr. CORSER (*Burnett*): I am somewhat surprised at the remarks of the hon. member for Wynnum, considering that, when he was in a position similar to that of the Treasurer, he always acted along the lines suggested by the Treasurer in this motion to-day. (Laughter.) I am further surprised to see that the course which the Treasurer proposes and to which the hon. member for Wynnum objects is the very course to which the Treasurer objected when the hon. member for Wynnum, when in the position I have mentioned, brought it forward. (Renewed laughter.)

Question put and passed.

ADDITIONAL SITTING DAY.

PRECEDENCE OF GOVERNMENT BUSINESS.

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

"That during the remainder of this session, unless otherwise ordered, the House will meet for the despatch of business on Friday in each week in addition to the days already provided by sessional order, and that Government business do take precedence on Thursdays and Fridays."

This is the customary motion after the session has been in progress some time. It is necessary to have additional time in order to pass the large number of measures outlined in the Governor's Speech, and I think it will meet

the wishes of hon. members on both sides of the House if the session is not prolonged into the hot weather.

Mr. CORSER: Will it apply this week?

The PREMIER: No. I have intimated to the leader of the Opposition that it is not intended to sit on Friday of this week if it is inconvenient for hon. members.

Mr. TAYLOR (*Windsor*): I would like to know whether it is intended to make the motion apply to private members' day this week.

The PREMIER: It will operate this week so far as that is concerned.

Mr. FRY (*Kurilpa*): I wish to raise an objection to the cutting out of private members' day. It is the only day—

The PREMIER: The only day on which Opposition members can speak?

Mr. FRY: Oh, no! They can speak all the time, but it is their duty to conserve the rights of individual members, and I object to the House being run purely on party lines. Members are not sent into this House as part of a machine to be operated by the pulling of a cord outside. They should have the opportunity and privilege of introducing legislation or putting upon the statute-book of the State anything which they conceive to be in the interests of the people.

The PREMIER: There are no notices of private Bills in the business-paper.

Mr. FRY: Any amount are coming along. As a matter of fact, I have one to introduce myself. It appears to me, when I look at the business-sheet, that this motion has been introduced with the object of cutting out certain business.

The PREMIER: If that is the suggestion, I do not mind giving an undertaking that an opportunity will be given to take divisions on any motions now on the business-paper.

Mr. FRY: I am raising the same objection that I raised last time. Private members have the right to initiate legislation in this Chamber, and I am opposed to allowing Parliament to be conducted wholly and solely on party lines. We have a right, as representatives of the people, to speak individually and act individually. The Opposition have liberty of action, and may bring forward anything which they consider affects their own electorates or is for the good of the State as a whole. We are not bound hand and foot. By endorsing the action of the Government in connection with this motion we would be false to ourselves and false to the people who send us here.

The SPEAKER: Order! I would point out to the hon. gentleman that this motion will not prevent him introducing any Bill that he desires to introduce.

Mr. FRY: I quite recognise that point. (Government laughter.) Hon. members on this side are going to be deprived of well-recognised and honoured privileges. We are going to be deprived of the opportunity of doing something which we cannot do in any other way except in some technical way under the Standing Orders, or unless the Government consent to such action. You know very well that, if the Opposition once endorse the action of the Government to abolish private members' day, we shall be handicapped. The Government would immediately take steps to cut it out alto-

gether. During last session I heard one Minister say in this Chamber that private members' day was not wanted—that it was useless, and should be cut out. It is useless to the Government, because it gives the Opposition an opportunity of bringing forward things with which the Government do not agree. I object very strongly to the cutting out of private members' day. There appears to me to be no good reason why Parliament should conclude its business earlier than is necessary. We know that the Premier is going away, but surely he is not the lock, stock, and barrel and the brains of his party.

OPPOSITION MEMBERS: He is. (Laughter.)

Mr. FRY: If that is the case, and Parliament cannot carry on because the Premier is going away, and the hon. gentleman is afraid to trust his comrades in his absence, and wants to close down Parliament in order that he may have a safe passage and a safe seat, on his return, then we understand the position.

A GOVERNMENT MEMBER: You want to tell that to the Prime Minister of the Commonwealth.

Mr. FRY: When we have twelve months in the year to carry on the work of Parliament, the time should be so apportioned as to give hon. members plenty of time to consider the Bills and formulate opinions, and, if necessary, suggest alterations or amendments to improve them. Take the sittings of Parliament during the last session. Parliament only sat a few days comparatively—I think altogether about forty days.

A GOVERNMENT MEMBER: About forty nights? (Laughter.)

Mr. FRY: We certainly did sit a few nights besides days. We sat very few days, comparatively speaking. That statement can be verified by looking through the records of the House. We could carry on the sittings for six months, and attend to the affairs of the country and give mature consideration to all matters, and then we would get better results than we are getting to-day. We find that legislation is hastily passed through this Chamber, and then further Bills have to be introduced to amend that legislation. I object very strongly to the abolition of private members' day.

Mr. MOORE (*Aubigny*): I would like to suggest to the Premier that in adding Friday to the days of sitting in each week he should meet the convenience of hon. members as far as possible by meeting a little earlier on Friday and allowing the House to adjourn at 8.30 p.m. It makes a great difference to hon. members who have to come a considerable distance. It makes a difference of a day to those who desire to get home at the end of the week. I do not think my suggestion would make any difference to the effective result of the business in this House. It might prevent the Government from taking advantage of country members who have left for their homes by bringing in contentious legislation at 11 o'clock at night, and sitting the whole night through. I do not think that that is any advantage.

The PREMIER: No new business is ever taken after 11 o'clock at night.

Mr. MOORE: I have known it to be done on some occasions. Perhaps the Premier has

Mr. Moore.]

learned wisdom. If the suggestion that I have made were adopted, it would be a great convenience to members on this side of the House. I quite agree that we want to get through the business of the session before the hot weather commences, and, although we want to offer opposition to legislation which we consider will not in any way be for the benefit of the State, it will be admitted that the Opposition have not been captious in their criticism, and have assisted the Government in every way to get through legislation which we consider has been for the benefit of Queensland. If an extra day is added to the present sitting days, the Premier might consider the advisableness of meeting our wishes by starting a little earlier and adjourning correspondingly earlier on Friday to enable us to get to our homes for the week end.

Mr. BRAND: The same courtesy as Mr. Bruce extended to Labour members. (Laughter.)

Mr. KIRWAN: Yes—the axe. (Renewed laughter.)

Question put and passed.

SUPPLY.

FINANCIAL STATEMENT—RESUMPTION OF COMMITTEE.

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

POSTPONEMENT OF RESOLUTION FOR AIDE-DE-CAMP'S SALARY.

Question stated—

“That there be granted to His Majesty for the service of the year 1923-1924 a sum not exceeding £300 to defray the salary of the Aide-de-Camp to his Excellency the Governor.”

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

“That this resolution be temporarily withdrawn.”

Question put and passed.

VOTE ON ACCOUNT, £4,700,000.

The TREASURER moved—

“That there be granted to His Majesty, on account of the services for the year 1923-1924, a further sum not exceeding £4,700,000 towards defraying the expenses of the various departments and services of the State.”

Mr. TAYLOR (*Windsor*): We are not opposing the vote, although we want some explanation. In the first place the amount is an increase of £200,000 over the sum asked for for the same period last year. Last year the amount was £4,500,000, and this year it is £4,700,000. Last year £2,000,000 of the expenditure was from the Consolidated Revenue, £1,250,000 from the Trust and Special Funds, and £1,250,000 from the Loan Fund. I take it that the Supply asked for to-day is for a period of two months. I should judge that the amount will be ample to carry on the Government during that period. The expenditure for 1922-23 from revenue was £12,784,382. The Trust Funds expenditure for the same period was £5,467,668 and the Loan Fund expenditure £3,701,750, making a total of £21,953,800. The estimated expenditure from the Consolidated Revenue this year, according to the statement of the Treasurer yesterday, is

{Mr. Moore.

£13,057,063, from Trust Funds £5,962,366, and from the Loan Fund £5,038,156—a total of £24,057,585, being an increase of £2,103,785. I have just mentioned these figures to show that the operations of the Government are growing in so far as their financial administration is concerned. Of course we freely admit that, if the State is going to progress, it is necessary that the expenditure shall increase. The point I particularly wish to stress in this regard, and which I mentioned last week, is that every possible care should be exercised in the expenditure of this money. That has been one of the things the Government have been troubled with for some time, although members on this side of the House have pointed out quite a number of times the fact that the various enterprises and adventures the Government were embarking upon would probably result in failure and grave financial loss. What we pointed out in that direction has happened.

We are faced with the position that the Treasurer is going to London in order to renew certain loan moneys, and we want those moneys renewed at as low a rate of interest as possible. I take it that during the next six or seven months the Government will practically be on their trial as to the rate of interest they will have to pay for those renewals. I do not say for one moment that the people in England should be able to dictate to this or any other Government what their policy should be; but we all recognise that the man who has the money to lend has the power by virtue of having that money. I do not believe in going down on bended knees as suppliants, because I say that we as a State have the assets and should be able to get the terms required.

Some of the legislation that has been foreshadowed—I may be wrong and I hope I shall be wrong—is absolutely foredoomed to failure, and I do not think it will help the Treasurer one bit.

A matter I particularly refer to is the Palmerston Land Settlement scheme. That is one of the most fantastic schemes I have heard of for quite a long time. The land may be all right, but I think the Secretary for Public Lands is mistaken if he thinks he is going to get the right type of settler to go on that land, and yet the Government intend to put themselves to an expenditure of thousands of pounds in connection with the scheme.

The CHAIRMAN: Order! I hope the hon. member is not going to discuss a Bill notice of which is already on the paper. He will realise that he is not in order in doing so.

Mr. TAYLOR: I bow to your ruling, Mr. Kirwan. Without discussing the Bill, the legislation will not, in my opinion, assist the Treasurer in getting the terms he is so anxious to get and which the people of Queensland are so anxious to get. The figures I have quoted are taken from official sources and are correct, and the Government must recognise that they are the trustees of the contributions of the people of Queensland, and, as trustees, they are charged with a great responsibility in expending that money. They should expend it in the same way as they would expend their own money. Although hon. members might at times be inclined to think small matters do not count in finance, it is out of small matters that the big matters grow, and, if care is exercised in

every possible direction, so long as efficiency is not impaired, I do not think we have anything to fear. That is all I wish to say at this particular juncture. We recognise that the Appropriation Bill has to be passed so that the services of the country may be carried on, but I plead for the economical expenditure of the Revenue, Loan, and Trust Funds.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): In moving the resolution I should have mentioned the reasons why the aggregate amount is larger than last year. It is mainly required for increased Trust Fund disbursements. For the Trust Funds last year we asked £1,250,000. This year we are asking for £1,500,000. The extra transactions involved in connection with central sugar-mills, cotton trading, Main Roads Board's operations, and State Advances Corporation account for the extra amount. I referred to the extra commitments of the Government in the Financial Statement yesterday. I also gave the net balance at the end of the year. During the year we naturally expect that the Trust Funds will be recouped; the larger expenditure will involve larger recoupments. In the correspond-

[4 p.m.] ing Appropriation Bill last year we asked for £1,250,000 from the Loan Fund, while this year we are asking for £1,200,000. In connection with the previous Bill we had on account £400,000, while this year we have had on account £600,000. The expenditure, of course, is at a greater rate this year than it was at this time last year, and the total amount appropriated till October corresponds to the higher expenditure this year than last year.

Hon. W. H. BARNES: Approximately, how much do you appropriate from the end of the last financial year to the beginning of October?

The TREASURER: From Consolidated Revenue, £2,000,000; from Trust Funds £1,500,000; and from the Loan Fund, £1,200,000—a total of £4,700,000. The Loan Fund operations are assuming very considerable magnitude, but the Government have no desire, urgent as some of the works may be, to go beyond what is considered to be a reasonable amount.

Hon. W. H. BARNES: Your Loan Funds have been reduced very materially.

The TREASURER: The Loan Fund is in an excellent position. The hon. member will see the exact position from the Treasurer's financial tables, which were tabled yesterday, and also from my Financial Statement, delivered yesterday. We are keeping within the Estimates, and no doubt we shall carry on until about the end of next year without having to negotiate a further loan overseas for that purpose.

Mr. MOORE (*Aubigny*): I quite recognise that a temporary Appropriation Bill is a necessity, but I also recognise that a great deal of the money we are asked to provide is being expended recklessly. Every now and again we get a little illuminating flash which shows us the way in which public funds are being expended without proper value being obtained for the expenditure. I can call attention to one or two small items which are illustrative of what is going on all over Queensland. Take as an illustration the question I asked recently about the cost of sinking a bore on Gowrie. It cost £688

to sink that bore, while bores all round that district, sunk by private enterprise, cost only £65 to £70. Whenever the Government take on work of this nature they always seem to be unfortunate in having to pay about five times what the work is worth.

The SECRETARY FOR PUBLIC LANDS: Do you say that private individuals never get into these difficulties?

Mr. MOORE: They get into them now and again, but never twice.

The SECRETARY FOR PUBLIC LANDS: Private individuals get into the same difficulties, but you have no knowledge of it.

Mr. MOORE: What I object to is that the Government are continually getting into these difficulties.

The SECRETARY FOR PUBLIC LANDS: Bores are put down more efficiently and more economically by the Government.

Mr. MOORE: They do not put them down efficiently or economically, and they do not get value for the money expended.

The SECRETARY FOR PUBLIC LANDS: People with a grievance come to you about the failures.

Mr. MOORE: People do not come to me with grievances. I happened to see this myself, as it happens to be in my own district.

The SECRETARY FOR PUBLIC LANDS: If you saw that and knew that the man was not doing the correct thing, why did you not bring it under the notice of the Minister?

Mr. MOORE: I did not know what the man was doing or whom he was working for.

The SECRETARY FOR PUBLIC LANDS: But you made political use of it later on.

Mr. MOORE: As soon as I came into this House I asked a question as to what it had cost. It is the same in connection with the soldiers' settlement at Yarraman. It took about seventeen months to put down a bore there. We have all sorts of instances of reckless expenditure.

The SECRETARY FOR PUBLIC LANDS: Haven't you ever heard of private companies making similar mistakes?

Mr. MOORE: Of course, I have; but the Government are the guardians of the funds of the people, and they should take due care that these mistakes do not happen a second time.

The SECRETARY FOR PUBLIC LANDS: Do you know that in Cairns a man robbed Burns, Philp, and Co., Ltd., for twelve months without them finding it out? He robbed them of over £1,000.

Mr. MOORE: It is quite likely that these things do happen, but that does not make any excuse for the perpetual waste of public money that is going on throughout the length and breadth of Queensland. One need only read the report in connection with the Inkerman irrigation scheme.

Mr. COLLINS: The Inkerman mill crushed over 100,000 tons of cane this year.

Mr. MOORE: I am not talking about the amount of sugar-cane grown or the amount crushed; I am talking about the waste of public funds.

Mr. COLLINS: I got a bigger vote there this time than ever.

Mr. Moore.]

Mr. MOORE: If you can afford to pay people like that and do not get value for the expenditure, it probably does affect the vote. We find money is being expended unwisely in many directions. That is so in connection with Loan Funds. I am not objecting to new works that are being carried out, because I have not much information as to how they are being carried out, but I do say that on existing railway lines loan money is being double-banked. Whenever it becomes necessary to relay the rails or erect a navvy's cottage it all comes out of loan money.

The TREASURER: In relaying rails it is only the extra value represented by the increased value of the extra rails that is debited to Loan Fund.

Mr. MOORE: When it comes to strengthening bridges or other work that should be carried out from the Maintenance Fund it is charged to loan.

The TREASURER: There is a definite accounting practice as to what should be debited to Loan Fund.

Mr. MOORE: I very much doubt it. At the present time you see where a deviation is being made that is costing £25,000. Originally the line was paid for out of loan money, and the Government still have to pay interest on that money.

The TREASURER: What did the Denham Government do?

Mr. MOORE: Never mind what the Denham Government did. I am pointing out that we are double-banking loan money on some lines of railway.

The SECRETARY FOR PUBLIC LANDS: What about the shires when they are carrying out their work? You are a shire councillor. I can point to many blunders in your shire.

Mr. MOORE: I would like the hon. gentleman to point to one single instance where we have double-banked expenditure of loan money.

The SECRETARY FOR PUBLIC LANDS: You tip a load of stones into a mudhole and then say it is a road.

Mr. MOORE: That may be a very logical argument, but I cannot see how it applies to the double-banking of loan money in connection with our railways. The point I am making is that nothing is written off in connection with the railways. There is no Sinking Fund, and, whenever it comes to relaying, the putting down of new sleepers, or making deviations, it is all added on to the loan. That means that the Railway Commissioner is having a harder and harder task—I will not say to make the lines profitable, but to make the loss on these lines a little less than it is at the present time. That principle should not be carried out. Those expenses should be charged to revenue. When you are maintaining a system of railways the cost should be charged to revenue, the same as any other maintenance cost.

The TREASURER: Relaying, strengthening bridges, and deviation improvements are charged to loan.

Mr. MOORE: And the taking up of sleepers and putting down new ones.

The TREASURER: No.

Mr. MOORE: If the Treasurer looks at his tables, he will see that that is so.

[*Mr. Moore.*]

The TREASURER: I can assure the hon. member that it is not so.

Mr. MOORE: I am taking the hon. member's own Estimates, which show that the cost of replacing sleepers is charged to loan. It shows that they are paying twice for the same business.

The TREASURER: No; a due proportion is charged to loan where improvements are effected.

Mr. MOORE: I cannot agree with the Treasurer, who is inclined to excuse himself. In my opinion, we are getting into a state where the asset is depreciating all the time, and, instead of keeping up that asset out of revenue and writing up a certain amount of revenue every year to keep it in repair, we are charging a certain proportion to loan. In the end it will mean higher freights and fares, or else more money from the taxpayers to keep up an asset which is depreciating and which should be maintained out of revenue. Most of our money is sunk in railways, and the taxpayers have a very heavy burden to bear. I was in hopes of seeing this burden considerably lightened; but from the way things are going on one does not see any possibility of the burden becoming lighter, but the probability is that it will become heavier. The Treasurer should take into consideration the whole facts of the case at the present time. The Treasury should keep tight hold of the expenditure through their inspectors, and see that full value is got for money expended, and not wait until attention is called to these matters here by hon. members and then accuse them of making political capital out of it. It is a matter of whether the people's money is being expended in an efficient manner. When one mistake is followed up by another mistake of a similar nature, it is time to draw attention to it, and see if it is not possible to obviate useless expenditure and ensure that full value is received for the money which is spent.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I would like to reply to the statement of the hon. member that we are doing maintenance work and charging it to loan, which I agree with him would be a wrong practice if adopted, because the capital cost represented by the expenditure for maintenance of an asset ought to be an ordinary annual cost. Certain improvements are charged to loan, and also to revenue—a due proportion being allotted to each—and in the accountability system of the Railway Department, which is approved by the Auditor-General, certain improvements are charged to revenue account. For instance, there is an item of £275,356 on the Railway Estimates for labour for maintenance of permanent way, stores and contingencies, relaying, and replacements, Main Range, and there are similar items throughout the Estimates. The due proportion is arrived at by the accountants of the Railway Department.

Mr. VOWLES: Is that a uniform system right through?

The TREASURER: They have a uniform system, I have not the slightest doubt; it must necessarily be a uniform system. The Railway Department cannot carry on in a haphazard fashion by following out an old system and alternately substituting a new one. It is quite proper to charge permanent improvements to loan, but expenditure for maintenance ought to be charged to revenue, and is so charged.

Mr. VOWLES (*Dally*): I am at a loss to understand the arguments of the Treasurer. I have taken some figures from the table from which he quoted. I find the expenditure on buildings by Public Works Department from revenue and loan, respectively, from 1912-1913 to 1922-1923 to be as follows:—

Year.	EXPENDITURE FROM—		Percentage from Loan.
	Revenue.	Loan.	
1912-13	£ 165,438	£ 51,698	24
1913-14	169,750	68,819	29
1914-15	190,438	73,353	28
1915-16	135,145	127,924	49
1916-17	122,693	135,764	53
1917-18	98,122	105,259	52
1918-19	101,410	113,660	53
1919-20	89,547	168,583	65
1920-21	99,817	220,935	69
1921-22	79,991	161,120	67
1922-23	96,008	164,794	64

I cannot reconcile those percentages with the uniform system of accountancy which the Treasurer has told us about. It may happen, of course, that the payments required in connection with some of this expenditure were charged from one account to the other. It appears to me that we are utilising our loan moneys in a different way to what previous Governments did; in other words, we are spending money on maintenance from loan. It is necessary that the Government service should be carried on, no matter what happens, but I would like to remind the Treasurer that there is a good deal in what the leader of the Opposition has pointed out. The hon. gentleman is going on the market for loans, and a man has really to be judged by his actions. In the past, we have frequently had quotations made from the "Trustees' Quarterly Review," and I wish to quote from that journal. One would almost imagine that this was specially designed for the purpose of criticism on the finances of Queensland and more particularly the Treasurer himself. The "Trustees' Quarterly Review" of July last has the following:—

"A BANKER'S WARNING.

"Mr. Thomas Buckland, president of the Bank of New South Wales, in the course of his address to shareholders at the half-yearly meeting last month said:—'The good seasons and the very satisfactory prices which have been ruling for some time, and which still continue for our premier product, wool, together with the distribution recently of over £6,000,000 on account of 'Bawra,' have been the chief causes of a most buoyant state of affairs in our midst. As one travels about the great cities of Sydney and Melbourne one cannot fail to be impressed by the evidence of prosperity in the form of new buildings, which appear in all directions, and the signs of affluence are perhaps still more emphasised in the activity of the stock and share market. Government and industrial stocks have increased so very largely in market values during the last month or so that one might almost feel justified in the optimistic feeling that the prosperity of the moment would go on for all time. There are, however, three factors we cannot overlook. Firstly,

there is the uncertainty of our seasons (this very moment we are threatened by a severe drought); secondly, there is the question of a market for our goods. . . . The third factor to be considered, and considered seriously by thinking men of affairs, is our public expenditure, which in the present affluent circumstances is so lavish. It is easy (for the present) to pass this unpleasant subject over; so much more pleasant to ignore it, so infinitely comfortable to be a public man of the bold, courageous, optimistic order and squander money for the approval of those people who live for the day only. But there is a very much more serious view of the question. The system of money—say, finance—is the basis upon which the civilisation of the world is formed, and any country, municipal body, or other institution which ignores this fact and wastes money on unproductive, fanciful undertakings, or careless expenditure, must inevitably sooner or later fail, and ruin themselves and all concerned."

I think we would be perfectly justified in saying that he is referring to Queensland.

The TREASURER: He is a New South Wales banker.

Mr. VOWLES: I know that, but do not those remarks apply so far as Queensland is concerned? Have we not got a host of unproductive undertakings which have been financed out of these very moneys? Are we not carrying on unproductive, fanciful undertakings? Are we not experimenting with State enterprises in the hope of realising an ideal? These are the things which count with a bank. The expenditure to-day is almost double what it was when the hon. gentleman's party took office, and yet he is looking for more on every occasion.

The TREASURER: The Commonwealth expenditure has doubled.

Mr. VOWLES: Their position is quite different. They wanted it for war purposes. This year, according to the Treasurer's Financial Statement, we are going to expend from all sources a sum of £24,000,000 from the Consolidated Revenue, Trust Funds, and Loan Fund. What I object to in regard to that expenditure is that, instead of the huge sums which are being spent by the Government from Loan Fund being devoted to reproductive undertakings, they have been diverted to various State enterprises, with the result that we have not the progress which we should have for the money. Look at the State enterprises, which last year took something like £200,000 out of the pockets of the general taxpayers. It is time the Treasurer seriously considered the position and took a bold step and recognised that it is unprofitable and that the experiment has failed. He should close up the unproductive undertakings and not use the productive ones to bolster up the bad ones.

The TREASURER: I made no such suggestion as that.

Mr. VOWLES: I know that, so far as State enterprises are concerned, the hon. gentleman has done it in the past. He does not require legislative authority for that. I remember that our Auditor-General, on different occasions, has uttered a word of warning and asked the Treasurer to go steady and look ahead, in effect, but he has not done so. I offer the suggestion now that he should not

Mr. Vowles.]

go in for too much fanciful legislation. Too much money has been spent during the last few years which we are never going to get back. It is all very well to say that it is developing the State. It is not developing the State; it is merely creating a bad advertisement for the State. It is going to show that the State is not what it has been represented to be in the past. Had the money which has been wasted upon these undertakings been utilised by private enterprise in the direction in which the Government have utilised them, we might be in a very much better position than we are to-day. Instead of having development, we have secured a bad advertisement and got an inflated revenue.

Mr. ELPHINSTONE (*Oxley*): I would like to take this opportunity to ascertain from the Treasurer the position in regard to taxation matters. We know that this has been a subject of close discussion between the Commonwealth and the various States, and that an agreement has been arrived at with some of them. New South Wales knows exactly where it is, for instance. Some of us have pronounced views on this subject. There is concern on the part of all taxpayers as to what the position is with regard to the taxation returns, which are falling due for attention directly. Speaking generally, I think that Queenslanders are of opinion that it is a pity that the Commonwealth will not vacate the field of direct taxation altogether and leave it to the States. That seems to be the simplest way of dealing with the problem. If the Commonwealth attempts to extract some small part of taxation from Queensland, for example, it means that it has to retain a certain proportion of its expensive machinery, and the taxpayers do not get the relief for which they have been looking. The trouble, of course, has arisen because estimates which were placed before the States by the Commonwealth, upon which the suggestion of the Commonwealth was based, are thought to be unreliable. Some kind of agreement has been entered into by New South Wales for a period of five years, which indicates that there does not seem to be any hope of arriving at a permanent solution of the problem during that time. Queensland appears to be in a position of indecision at the present moment. If it were due to the unfortunate indisposition of the Commissioner, which we all exceedingly deplore, one could understand it; but, at all events, the taxpayers are looking for some announcement on the matter, and I hope that this occasion will present to the Treasurer an opportunity to say something in regard to the matter. As has been stressed by previous speakers, the public debt interest is mounting steadily year by year and reaching large dimensions. Relief should be given wherever possible, and if in giving it we can remove from taxpayers certain aggravating circumstances and at the same time tend towards efficiency, we are doing something which is very desirable. We are all agreed that one collecting authority is one means by which we can give relief. Therefore, I hope the Treasurer will take advantage of this opportunity to give us some little information on the matter. When I asked a question on the subject some little while ago, the hon. gentleman said that he would afford it as early as possible.

There is one matter which has been referred to on various occasions when discussing loan matters which has a particular

[*Mr. Vowles.*

bearing upon our seeking loan moneys in Great Britain. I have often heard it stated in this Chamber that we must not tolerate interference with our self-governing rights, and the inference is that the British Government have endeavoured unduly to interfere with the conditions which apply to loans.

The TREASURER: There is no suggestion to that effect.

Mr. ELPHINSTONE: The Treasurer has not made it, but certain interjections have been made by hon. members opposite, the inference from which is that the interference has been by the British Government. It must be clearly understood that that is not so in any shape or form. It is quite true that the British Government helped to finance certain parts of the Dominions from time to time, but that does not apply in any way to our loan transactions in the old country. We know quite well that the negotiations of the Treasurer when he goes home will be conducted with the representatives of the big financial bodies at home, which give the lead in financial circles in these matters. They are represented by certain brokers who are understood to be specialists in the matter of floating loans for the self-governing Dominions. The reason I stress this point is in order that I may again impress on all concerned the necessity of striving to create a feeling of security in the minds of these people and of these specialists, so as to make the Treasurer's mission as successful as possible. These brokers, of course, take the lead in such matters, and unless they put the hallmark on any proposal, then the banks and the insurance institutions and others who are such large contributors to these loans—

Mr. FERRICKS: And incidentally interfere with our self-governing rights.

Mr. ELPHINSTONE: Not at all. The hon. member might as well say that, when you go to a money-lender and ask him to lend you money, he is interfering with your freedom if he imposes some conditions. The position is that you go to those who control moneys in great Britain and who have nothing to do with Government activity, and you ask them to lend money to you, and in lending that money they stipulate [4 p.m.] the conditions on which they are prepared to recommend and underwrite same. The hon. member for South Brisbane, by his interjection, shows that he is not seized with the proper aspect of this matter.

The TREASURER: The hon. member for Oxley is wrong in assuming that the man who lends the money is the only person who attempts to dictate the policy. He is not the only one.

Mr. ELPHINSTONE: It is those men who say whether the loan transaction is a desirable one or not, and according to their decision the financial circles in London are largely influenced. The object of my raising this discussion is not to raise vexatious questions, but rather so that those who have to handle these problems will have a true appreciation of the position and cut our cloth accordingly.

Mr. FERRICKS: You come back to the same point again—to cut our cloth according to their desires.

Mr. ELPHINSTONE: No. If the hon. member for South Brisbane is not prepared

to agree to the conditions which the money-lender in England imposes, why go there?

Mr. FERRICKS: The people of Queensland are opposed to the imposition of such conditions.

Mr. ELPHINSTONE: There is no need for the hon. member to abuse the money-lender.

Mr. FERRICKS: I am not abusing that man.

Mr. ELPHINSTONE: Not to-day. I am not speaking individually. There has been a tremendous amount of abuse hurled at that circle in London, simply because they exercised the prerogative—which is every man's right—to dictate the terms on which money is to be lent.

Mr. FERRICKS: They went a great deal further than that.

The TREASURER: The hon. member for Oxley's assumption is entirely wrong.

Mr. ELPHINSTONE: That may be because the hon. gentleman does not agree with it; it may not be palatable. We approach this matter with a desire to assist the situation. I am certain that if the Treasurer, when he undertakes his mission in the immediate future, can rid these particular circles in London of the fear and doubt as to the security which we have to offer, it is going to make his lot and the lot of the taxpayers and the future of Queensland easier.

Mr. FERRICKS: That is if we submit to their dictation.

Mr. ELPHINSTONE: It is not dictation.

Mr. FERRICKS: They tried to dictate to us before.

Mr. ELPHINSTONE: The hon. member may interpret it in that way. If you go to a bank and say, "I have certain securities to offer, and I want a loan," because the banker says, "I am not impressed with the way that you conduct your business," is there any right to abuse that banker? That would be ridiculous. That banker is simply exercising his right or prerogative in his position, which he is entitled to do. That is exactly the position taken up by those who control money matters in London.

I wish to deal with a matter contained in an answer given to a question this afternoon with respect to main roads. When the Main Roads Act was before this House, every hon. member expressed appreciation that the Government were undertaking that activity. I do not think anyone at that stage recognised the enormous cost per mile that the construction of main roads would entail, and it came as a shock to me this afternoon to learn that the maximum cost in regard to the building of these main roads has been over £6,000 per mile, and that the average cost is £2,000 to £3,000 per mile.

The TREASURER: The average in the United States is equivalent to £9,000 per mile.

Mr. ELPHINSTONE: The main roads in the United States are made of concrete to a very large extent, and are of such a nature as to be everlasting. I have seen some main roads built in Queensland, and I would not for one minute anticipate that they are going to last one-tenth of the time of a concrete road.

The TREASURER: The Main Roads Board is laying down roads that are supposed to be durable. There is no limit to the life of those roads so long as they are maintained according to the specified standard.

Mr. ELPHINSTONE: We hope that those anticipations will be realised. I can give my experience in regard to the road between here and Ipswich, which has been given some attention by the Main Roads Board, and is certainly a very great improvement on what it used to be. I am not in any way belittling the efforts of the Main Roads Board; we want that board to succeed. It is the cost that we are concerned about. When you consider that its activity throughout the length and breadth of Queensland is costing an average of £2,000 to £3,000 per mile, that, in my judgment, is a colossal sum. That is a matter which requires very grave consideration, and it is a question that lends itself to close inquiry to see if the cost cannot be reduced. When tackling this cost we are largely tackling the Government on their policy of day labour. The road between here and Ipswich illustrates that, where a bridge was let by contract, it was finished long before the road leading to it was finished. They were started at approximately the same time, but one was built under the contract system, and the other under the day labour system. I contend that that leads up to a question where economy can be studied and can be effected, but in tackling the cost we tackle this question of day labour, to which the Government seem so hopelessly tied up. To be fair, I am prepared to admit that in a job such as the Government have in hand in the completion of the Treasury Buildings at the corner of George and Queen streets it may be argued that the Department of Public Works by the day labour system can complete that job more cheaply than under the contract system. They can do that simply because by reason of the magnitude of the job they can concentrate on it all the supervision that is necessary to make the job satisfactory, whereas, with widely spread jobs of much smaller magnitude I argue that the contract system is much more satisfactory and very much more economical. I just want to give an illustration—a rather humorous one—which shows the length to which the day labour question can be carried. There is a school in my electorate. The lock on the front door of that school was defective, and the teacher reported the matter to the department interested, which sent out an inspector to look at the lock. It meant a matter of a train journey for a few miles, and then a vehicle journey of 3 miles to get to the school. The inspector came back and reported that the lock was defective, and a man was sent down to remove the lock and bring it back to Brisbane. It was then repaired and taken back once more to this school, and put on the door, and within a fortnight it broke down again. I am tempted to say that that transaction cost the Government at least £10. It cost that amount to repair a lock which a local tradesman could have put on for a tiny fraction of that price. I know that is an extreme case, but it is by extreme cases that we can see how wasteful the whole system is, and how it adds to the cost of government in Queensland. It is having these particular illustrations in mind that causes one to suggest that a business commission appointed

Mr. Elphinstone.]

at this juncture, when economy is so sadly needed, could not but help to lift the burden of taxation that is coming increasingly upon us.

The question of irrigation has been referred to. There has been evidence of colossal waste in that direction. I presume that I am right in saying that the expenditure per farm irrigated in the Inkerman scheme is approximately £3,000. If £1,000 had been made available to each farmer in that locality, he could have had just as efficient a system as he has got to-day. He would have had permanent water on his ground, whereas now he has only got it periodically. It is going to cost such a colossal sum that the farmer will not be able to bear the burden of the interest and redemption and the upkeep of the system. Therefore, it is proposed to pass on to the taxpayer approximately £2 10s. per acre of the irrigable area, which is again increasing the burden of taxation. That is not a business proposition. That provides an illustration of contributing causes in regard to expenditure, and our object in raising these points is to impress upon all those concerned on occasions like this the need for economy, and to give what we believe are some reasonable suggestions as to how economy can be effected.

The TREASURER (Hon. E. G. Theodore. *Chillagoe*): The hon. member for Oxley has raised two or three points to which I would like to reply. One is about what is going to be done in connection with the proposed taxation agreement between the Commonwealth and the State. The hon. member assumed that the delay has been due to tardiness on the part of the State. There is no justification for that assumption.

Mr. ELPHINSTONE: I thought it was due to the unfortunate illness of the Commissioner.

The TREASURER: The hon. member is not correct in assuming that it is due to any cause for which the State is responsible. At the instance of the Commonwealth Government the Commissioner of Taxation proceeded to Melbourne, but, unfortunately, before an agreement was reached, he had to return to Brisbane on account of illness. The officer who has since represented the State in the negotiations with the Commonwealth has gone into the matter of the proposed agreement with the Commonwealth officials in detail. Since his return I have had his report and considered the draft agreement, and we have now agreed on the terms of the agreement. I have suggested certain modifications in the proposed agreement, which was returned to the Commonwealth two or three weeks ago. I have not since heard anything from the Commonwealth. The Commonwealth is naturally anxious to conclude an agreement with the State, but any delay that may be now taking place is due to their tardiness in coming to a decision in the matter. Taxpayers, however, will not be required to make any returns in addition to those they make to the State, as they will be ample for both Commonwealth and State purposes. The basis of the agreement, as hon. members no doubt are aware, involves the collection of the taxes by the State for the Commonwealth as well as collecting the State tax. The points of difference centre around the question of what part of the Commonwealth staff will be taken over.

Mr. KELSO: Is the Commonwealth going to pay the State for the work of collection?

[Mr. Elphinstone.

The TREASURER: I am not going to give any more detail at this juncture. When the agreement is concluded it will be laid on the table of the House, but, while negotiations are being carried on, I cannot say anything more than that.

The hon. member for Oxley also referred to the financial situation in London and the prospects of Queensland in London, and he explained the attitude of the people there who have in the past exercised certain influences on the operations of Queensland in a very innocent way. No one can dispute with him or with anyone else who makes the assertion that the man who has money to invest has a perfect right to invest it where he likes. A man would be very foolish to think that any Government had any right to suggest to the man in England with money to invest how he should invest it, or to think that the Queensland Government had any legitimate grievance if he did not invest it in Queensland stock. That would be a very foolish attitude to take up. The man who has control of his own money will naturally exercise his own mature judgment as to how he shall invest it. My complaint, however, is not that investors in England were attempting to dictate to Queensland, but that some persons in London, who exercise influence in the city and who never probably invest in Queensland stock, were dictating a policy and attempting to influence investors against investing in Queensland. Therein lies the whole gravamen of the charge against interference in London. I said, and I do not think it can be refuted, that a small coterie in London, consisting of not more than perhaps 100 individuals, exercise a great influence, and are able to exercise a sinister influence in preventing the successful flotation of a Government loan. In fact, a threat of that nature was really made in London. I am not mentioning this with a view to reopening old wounds or anything of that kind, but to clarify the atmosphere with respect to how we regard that threat. There are certain gentlemen in London who might have thought they were justified in the action they took, but although they were not directly connected with the loan flotation there, either as bankers, brokers, or investors, they were in a position to say whether the loan would be promoted or refused. As a matter of fact, one of the direct threats made was that, if we attempted in spite of the attitude adopted by these gentlemen to put our loan upon the market, we would be boycotted. The investors in London consist in the aggregate of, say, a million or more individuals. They are scattered throughout the length of the British Isles, and are not in any way concerned, directly or indirectly, with politics in Queensland, but they take their advice from the local brokers, who are guided to a great extent by the London brokers, underwriters, or institutions who circularise the provincial commission agents and brokers, and so on. They would be only concerned about investing in a Queensland loan if there was some decision on the part of the body controlling these operations in London. The London Stock Exchange committee is the most influential body controlling these matters. My complaint is that these interests attempted to influence the Stock Exchange committee to threaten us with the removal of our stock from the Stock Exchange list. It was not a question of the right of investors to invest their money where they wished, or whether they had a free right to invest their

money. It was a question of others coming in and threatening a boycott unless we yielded to their representations. No one will condone or attempt to justify that kind of action. It was a singular action, so far as a Government was concerned, in the history of public finance in London. The governor of the Bank of England told me that it was almost unbelievable that persons who were not underwriters, or brokers, or bankers, would attempt to impose conditions before a loan would be approved of by them.

Mr. KELSO: You admit this feeling existed in London before the delegation got there?

The TREASURER: No. How does the hon. member arrive at that conclusion? This all happened while the delegation was in London. I did not want to raise this issue again. The question is not the simple one the hon. member for Oxley suggested. It is not a question of the right of the investor to invest his money where he chooses. It is quite clear that the Government would have had no difficulty in getting the loan subscribed but for the fact that certain action was taken in financial circles in London to prevent investors investing in the Queensland loan, and that influence was attempted to be brought to bear on the committee of the London Stock Exchange to have the Queensland loans removed from the Stock Exchange list, and have the loan itself declared an unsuitable investment. I do not anticipate that power will be exercised again. I hope it never will be. The whole of the facts bear out the statement I have made frequently—that, so far as the credit of the State is concerned, it is high, that investors are not concerned about politics in this State, but are only concerned about getting a safe and reasonable investment. If an investor is prepared to pay as high a price for Queensland stock as for New South Wales or Victorian stock of the same denomination, it shows that he does regard Queensland as ranking as high in credit and as offering as safe security as the securities of those States. That has been the position all along in London. Generally most investors are prepared to accept Queensland stock as they do any other stock and to regard it as just as good security, and there is no reason why they should have any other views. No one has ever contemplated for a moment any default in the payment of the interest on our loans or of not meeting the liability of the principal when due. (Hear, hear!) It would be unthinkable in a State like Queensland—or in any part of the British Empire, or in any part of the civilised world—for a Government not to recognise its obligations. I reassert it is not a question of politics, but, unfortunately in this case, the high feeling existing in this State was carried to London instead of being fought out here in Queensland.

GOVERNMENT MEMBERS: Hear, hear!

HON. W. H. BARNES (*Wynnum*): The Treasurer has, I think, let in some side-lights in connection with the subject of his previous visit to the old country. I want to follow on the same lines as the Treasurer himself, and do not want to introduce at this juncture something which may cause a disturbance. The Treasurer has explained the matter in a way that it has never previously been explained, and I think he has revealed this one fact: that the influences which were supposed to be at work and used to the fullest extent in Queensland were not

the influences that affected the procuring of money when he was last in London.

OPPOSITION MEMBERS: Hear, hear!

HON. W. H. BARNES: The Treasurer has been emphatic in making that statement. He said that about 100 people got together.

The TREASURER: I said a body not exceeding 100.

HON. W. H. BARNES: I will take the Treasurer's own words. He previously said 100, but now he says a body not exceeding 100 got together. He said that this party, quite irrespective of any Queenslanders—

The TREASURER: I did not say anything of the sort. It was while the delegation was there.

HON. W. H. BARNES: Not for one moment did the Treasurer use the term with regard to any Queensland influences in England at that particular time. He said that there were certain people who controlled the finances, and he went further than that, and said that the manager of the Bank of England—I presume he means Sir Robert Nivison—

The TREASURER: No—the Governor of the Bank of England.

HON. W. H. BARNES: At any rate, he is one of the leading brokers in London. He said that the Governor of the Bank of England expressed surprise at the attitude of these brokers, &c., who had apparently effectively blocked the hon. gentleman's mission.

The TREASURER: The Governor of the Bank of England expressed surprise that they would contemplate such action against a Government like the Government of Queensland.

HON. W. H. BARNES: Evidently the Treasurer did not notice that he was giving away the true facts to Queensland in connection with the situation. He failed in his mission, not because of what has been previously alleged but for other reasons altogether. He has hitherto made something else the stalking horse to put the blame upon.

The TREASURER: Oh!

HON. W. H. BARNES: And here this afternoon deliberately, because he is leaving shortly for the old country, he wants to put the blame on someone else. He previously blamed other parties, and now deliberately names brokers in connection with the matter.

The TREASURER: I did not name anyone.

HON. W. H. BARNES: He named a class, at any rate, and designated them as a class of brokers.

The TREASURER: That is the crowd that the delegation got their work in with.

HON. W. H. BARNES: The Treasurer now tries to work that in. He knows that these people are readers of all the happenings in Queensland, and they adopted certain methods to try to block his mission. These people, irrespective of somebody else altogether, were entirely responsible for what happened. The Treasurer comes here to-day and lets the cat out of the bag by telling us the true position with regard to his mission to England.

I want to ask the Treasurer one or two other questions bearing upon the matters we have been discussing to-day. The hon. member for Oxley drew attention to the proposals which are being made, and which the

Hon. W. H. Barnes.]

Treasurer says he cannot disclose to any extent at this juncture. I can quite realise that. At the present moment we are getting from the Commonwealth Government a per capita payment. When is that likely to cease, and to be supplanted by income tax returns? Are they to cease from the first of next year, or is there any period fixed? The Treasurer will see at once that the whole of the fabric upon which he has built his finances must to some extent fall to the ground if the Commonwealth are going to operate in the way which has been suggested before the 30th June, 1924.

THE TREASURER: When the agreement is completed, it will operate for the present financial year. It will not affect the financial adjustments between the two contracting parties. They will continue the per capita payment, and we shall collect the income tax for the Commonwealth.

HON. W. H. BARNES: I am very much obliged to the hon. gentleman for giving the Committee and the country that information, which is valuable. I take it that that phase of the anticipations of the Treasurer cannot be upset during the coming financial year.

THE TREASURER: No.

HON. W. H. BARNES: That will be very satisfactory. There is another point which I think has not been touched upon. The Treasurer by interjection stated that the loan account was all right, and I am not suggesting it is all wrong, because the figures that have been placed upon the table of the House show that there was a substantial loan balance of between £3,000,000 and £4,000,000 in the Treasury at the end of June. On the other hand the Treasurer has admitted that the loan expenditure is going to be very heavy—at the rate of £400,000 or £500,000 a month. He has explained the reason for that. We are nearly through two months of the current financial year, and I am prepared to admit that the Treasurer has had some money invested by people over the counter. But by the end of October, notwithstanding that, we are going to be very short of loan moneys, unless new moneys are raised by the Treasurer.

Primarily the object of the Treasurer in going home is to make arrangements for £25,000,000 of maturing loans, at any rate for £12,000,000 or £13,000,000, which are maturing immediately. The hon. gentleman has not disclosed to the Committee whether he is, in addition, going to raise further loans outside of renewals.

THE TREASURER: That is not at present intended.

HON. W. H. BARNES: Then I think the Committee are entitled to know how the Government are going to carry on. It is perfectly certain that the Treasurer cannot go on with an expenditure at the rate of over £5,000,000 per annum unless he obtains further loan money. If he does not get this money in London, is he going to America again?

THE TREASURER: No.

HON. W. H. BARNES: The hon. gentleman a few days ago said, by interjection, that he was prepared to get money wherever he could get it best. I ask if he is going to confine his attention for the renewal of loans to London, and if, also, he is going to America to get more money to carry on the current affairs of the State. I ask this

[Hon. W. H. Barnes.]

because I want to stress another point which has not been stressed this afternoon. It is that, unless since June it has been provided for, there are about £800,000 of the State's deficits which have not yet been provided for. There has been an overdraft at the Commonwealth Bank which has not been provided for, and it is perfectly certain, therefore, that on that account the Government are paying interest for moneys that have been lost by the State and which have not yet been dealt with.

THE TREASURER: What overdraft are you referring to? We have no overdraft with the Commonwealth Bank.

HON. W. H. BARNES: What is the use of the Treasurer trying to sidetrack the matter? Does he not know that there have been on the one hand three sur- [5 p.m.] pluses and on the other hand there has been a considerable number of deficits, and there is an amount of about £800,000 still being carried over that has not been dealt with?

THE TREASURER: Yes, but we have no overdraft with the Commonwealth Bank. We have a credit balance there.

HON. W. H. BARNES: The hon. gentleman probably has a credit balance, but there is a debit of £800,000 because he has not dealt with that deficiency. It was always the practice of previous Governments to deal with deficits and get them out of the way.

THE TREASURER: Our accounts show that we are in credit.

HON. W. H. BARNES: There is no doubt that in connection with loan moneys the hon. gentleman is in credit, but this has to do with the revenue account, and the hon. gentleman must know that on revenue account he is short somewhere about £800,000. Does the hon. gentleman deny that?

THE TREASURER: You are on a very weak point. You say we have an overdraft when we have no overdraft at the Commonwealth Bank.

HON. W. H. BARNES: I say the hon. gentleman has not provided for £800,000, which has been accumulating year in and year out except on three occasions. The total deficiencies of this Government have been about £1,200,000, less about £30,000. On one occasion they did transfer a certain amount, but there is still an amount of £800,000 undealt with.

THE TREASURER: Do you say we have an overdraft with the Commonwealth Bank?

HON. W. H. BARNES: I say that there is an amount of £800,000 which, at any rate, is shown as a deficit that has not been dealt with by the State, and the Treasurer cannot deny it.

THE TREASURER: There is no overdraft in connection with the Commonwealth Bank.

HON. W. H. BARNES: Again and again the hon. gentleman has said that we left the Treasury in a state of bankruptcy when we went out of office.

THE TREASURER: You do not know how you left it.

HON. W. H. BARNES: I do know, because I took the precaution of taking the figures away with me. I hold in my hand a statement showing the public balances on 30th April, 1915, the year we went out of

office, signed by the Treasurer, which shows a balance of £3,336,632. That is from the Treasury Department.

The TREASURER: We had more than that last year.

HON. W. H. BARNES: Yes, but you have less than that now.

The TREASURER: I do not think the hon. gentleman is justified in saying that.

HON. W. H. BARNES: I am justified in saying it because I know the amount he has had to pay to cover expenditure meanwhile, and which was taken from the amount he had on 30th June last, and I also know his income, and it is perfectly certain that the present position is not good.

The TREASURER: Don't forget the large amount we received from the Commonwealth Bank.

HON. W. H. BARNES: The Treasurer stresses that in his Financial Statement. As a matter of fact, the Government are paying 1 per cent. more for money now than the previous Government paid.

The TREASURER: One per cent. more than what?

HON. W. H. BARNES: When we controlled the Savings Bank we paid 3½ per cent. for our money.

The TREASURER: No, you paid depositors 3½ per cent.

HON. W. H. BARNES: We paid 3½ per cent. to the depositors. The position to-day is that we pay 4½ per cent. to the Commonwealth Bank and we share in the profits and in the losses, and, if there is one crime more than another which the present Government have committed against Queensland, it is the crime of allowing the Savings Bank to get away from Queensland control and handing it over in their dire straits to the Commonwealth. They were traitors, politically, to Queensland in that regard.

HON. W. BERTRAM: You know that is not true.

HON. W. H. BARNES: I know it is absolutely true, and it is something that should never have happened in Queensland.

The TREASURER: You know we made a very good bargain.

HON. W. H. BARNES: I know the hon. gentleman made one of the worst bargains it was possible to make. I was very glad to hear the Treasurer's reference to the late Sir Denison Miller. The hon. gentleman was quite right when he made that reference, and it was a very proper one. Sir Denison Miller was a splendid man, but naturally he was a business man, and the records of the Treasury will show that Sir Denison Miller tried, when I was Treasurer, to get an agreement made in connection with the Savings Bank, and we turned it down with a thump because it was not good enough for Queensland.

The TREASURER: The terms in that agreement were not half as good as the terms we got. I have read it over and over again.

HON. W. H. BARNES: That is only a matter of opinion, but the Treasurer gave away the very best asset Queensland had, and we have lost it, at any rate for twenty-one years from the time it was made.

Question—That the resolution be agreed to—put and passed.

The House resumed.

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

The resumption of the Committee was made an Order of the Day for a later hour of the sitting.

The resolution was received and agreed to.

WAYS AND MEANS.

VOTE ON ACCOUNT, £4,700,000.

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

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

“(a) That, towards making good the Supply granted to His Majesty, on account, for the service of the year 1923-1924, a further sum not exceeding £2,000,000 be granted out of the Consolidated Revenue Fund of Queensland, exclusive of the moneys standing to the credit of the Loan Fund Account.

“(b) That, towards making good the Supply granted to His Majesty on account, for the service of the year 1923-1924, a further sum not exceeding £1,500,000 be granted from the Trust and Special Funds.

“(c) That, towards making good the Supply granted to His Majesty on account, for the service of the year 1923-1924, a further sum not exceeding £1,200,000 be granted from the moneys standing to the credit of the Loan Fund Account.”

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to certain resolutions.

The resumption of the Committee was made an Order of the Day for to-morrow.

The resolutions were received, and agreed to.

APPROPRIATION BILL, No. 1.

ALL STAGES.

A Bill, founded on the foregoing resolutions, was introduced, and passed through all its stages without discussion or amendment.

SUPPLY.

FINANCIAL STATEMENT—RESUMPTION OF DEBATE.

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

Question stated—

“That there be granted to His Majesty for the service of the year 1923-1924 a sum not exceeding £300 to defray the salary of the Aide-de-Camp to His Excellency the Governor.”

Mr. TAYLOR (*Windsor*): We all listened with a considerable amount of interest to the Treasurer when delivering his Financial Statement. Going back twelve months ago, when the hon. gentleman delivered his Financial Statement for 1922-1923 and forecast a deficit of £560,000 or £570,000, it is gratifying to know that the deficit is not nearly so much as the hon. gentleman forecast at that time. I am not prepared just at this moment to say whether it was due to

Mr. Taylor.]

good management or to a considerable amount of luck or good fortune that the figures turned out as satisfactorily as they have done. However, instead of having a deficit of over half a million pounds, we only have one of £184,979, which it is very pleasing to see.

I want to speak in regard to the Financial Statement from a non-party point of view and as a Queenslander. It is gratifying to note on page 2 of the Statement that each of the six heads of revenue mentioned shows an increase, and a total increase of £396,703 over the amount which the Treasurer estimated that he would receive from these particular activities. One of the principal causes of satisfaction to us is in regard to the figures relating to the Railway Department. The Railway Department, as we all know, has been subjected to a great deal of criticism during the last few years, and, in my opinion, rightly so, because, notwithstanding the fact that increases in salaries and cost of materials have, no doubt, had a great deal to do with the deficits which have occurred in the department, I still think that the railways, for a considerable time at all events, were overstaffed, and the running expenses were more than they had a right to be. I believe that, if overstaffing had not taken place, we should not have had to face the railway deficits we have had, which during the last eight years have aggregated £10,000,000. One of the surprises to me is that the income tax shows such a satisfactory increase—namely, £149,000—especially in view of the fact that men engaged in the cattle industry in Queensland have been losing considerable amounts of money during the past year. The only explanation, I take it, that can be offered with regard to that increase is that the incomes of those engaged in the wool industry were such as to help to make up for the reduced incomes of those engaged in the cattle industry. I sincerely hope that it will not be long before the State activities are in such a flourishing condition that, instead of having to be maintained as largely as in recent years from the contributions of the taxpayers, the railway revenue will be such as to give some relief from taxation. I think that the taxation in Queensland at the present time is of such a burdensome nature that it is not tending to promote the industrial expansion which we would like to see in Queensland at the present time. The Treasurer's explanation in regard to unforeseen expenditure is all right. He states that certain amounts had to be paid which could not have been foreseen when he prepared his Estimates last year, and, had that not been necessary, his figures would have been very much better.

We find that the State enterprises are still a very great burden on the taxpayer. The expenditure upon them last year was £1,034,000, and the receipts £831,657, giving an adverse balance of £202,224. I think that the Government would be very well advised if they adopted, in regard to some of these enterprises, the course which they took when they found that the trawling industry and the fishing industry generally were failures. They were told by hon. members on this side before they embarked upon those undertakings what they might expect, but they took no notice of any ideas to which we gave voice, and as a result the State lost a considerable amount of money in carrying on such activities. We are losing a considerable amount of money in carrying on other activi-

Mr. Taylor.

ties, and I think that the saving which would be effected by putting the pruning knife into some of these undertakings would result in a very much better condition of affairs in the State than exists at present. The fact is that we cannot afford to spend money on works of an unremunerative nature. I quite recognise that the taxpayers will always have to provide money to carry on certain State activities such as education, hospitals, and other activities which are the result of our humanitarian legislation, but when we have to find money to bolster up losing concerns—as we have had to do during the last few years—it is time for the Government to call a halt and use the whole of the money which is coming their way upon developmental work.

I notice that the Treasurer anticipates an increase in railway revenue during the present financial year of £300,000. I do not know whether that estimate will be fully realised. I notice that a considerable increase is expected in every division of the State. I am inclined to think that the estimates will probably be realised in the South and the Centre, but I am not so sure about the North. From what we can learn from reports of men engaged in the sugar industry, there is not going to be such a large output as we had last year, and that means a reduced carriage on our railways in the North. However, the prospects of the State generally are that we are going to have a moderately good season, and I sincerely trust we shall, because the railways have been one of the causes of our having to find the immense sums of money which we have expended during the last few years.

Another gratifying statement in the Treasurer's Budget Speech is that the Government are determined to keep the expenditure within the limits of their revenue resources, and to avoid the necessity of placing further burdens upon the general taxpayer. I am sure that we all welcome such an announcement. I for one am very pleased to know that the Treasurer recognises that the time has come when he must square his expenditure with his revenue. I have said on more than one occasion that, if ever a Government had a unique opportunity of making good, this Government had it. They cannot complain that their revenues have fallen away, and by and large they have had fairly good seasons. Whether the seasons have been bad or good, the Government have had the revenue necessary to carry on.

The SECRETARY FOR AGRICULTURE: They have had three very bad droughts.

Mr. TAYLOR: They do not appear to have affected the revenue to a very great extent.

We are all pleased to notice the announcement of the increase in the exemption under the Income Tax Acts from £200 to £250. I think that is a very wise exemption to introduce. It is pleasing to note also that the deductions for the wife, children, and dependent relatives of the taxpayer will be raised from £26 to £40 in each case.

The Treasurer has intimated that the super land tax will be continued for another year. I had hoped that, if he could not see his way to remit it altogether, there would have been some concession to help those who are contributing to the revenue in this way. However, I take it that the Treasurer thinks that the finances will not permit it, although it

would have been a very wise move to make some reduction.

The Government intend to impose a tax on bookmakers and upon betting. I certainly think that is a very justifiable form of taxation to impose, because a considerable amount of revenue is to be derived from that source—I think the Treasurer estimates about £25,000—and I think on the whole that it is a move at which nobody can cavil.

Let us compare Queensland with the other States of the Commonwealth in regard to finance. I find that of all the Governments in the Commonwealth, the Government of Queensland is the only one which shows a deficiency for year ended 30th June, 1923. It amounts to £185,000 in round figures. New South Wales had a surplus of £803,000, Victoria a surplus of £50,000, South Australia a surplus of £11,000, Western Australia a surplus of £225,000.

The TREASURER: Western Australia had a deficit of £405,000.

Mr. TAYLOR: If the hon. gentleman takes into consideration their contribution to their sinking fund, which they have to provide whether they have a deficit or not, he will see that I am right.

The TREASURER: They still have a deficit. I have a telegram from the Premier of Western Australia.

Mr. TAYLOR: The Commonwealth showed a surplus of £1,266,000, and New Zealand a surplus of £1,315,000.

The TREASURER: Tasmania also had a deficit.

Mr. TAYLOR: I find that the Queensland Labour Government, during the eight years in which they have been in office, have had the following surpluses and deficits—

Year.	Surplus.		Deficit.	
	£	...	£	...
1915-16	34,971	...	—	...
1916-17	—	...	253,493	...
1917-13	—	...	409,451	...
1918-19	—	...	171,988	...
1919-20	26,833	...	—	...
1920-21	9,830	...	—	...
1921-22	—	...	183,591	...
1922-23	—	...	184,979	...

The total deficits during those years amounted to £1,208,502, and the total surpluses to £71,454, leaving a net deficit of £1,137,048. From that has to be deducted £145,000, which was applied from revenue in 1920-21 towards the reduction of the accumulated deficits, making the net deficit for the eight years, as the late Treasurer pointed out, £992,048. During the last eight years of Liberal Administration there was a surplus each year, amounting in all to £179,957.

Mr. COLLINS: On "6 bob" a day!

Mr. TAYLOR: "Six bob" a day a few years ago was probably as good as "12 bob" a day now.

Mr. COLLINS: No.

Mr. TAYLOR: It went a long way towards it. At all events, when we had "6 bob" a day we had not to spend £170,000 per annum in doles—we have figures to show that there was no necessity to spend anything like that. I am not advocating "6 bob" a day for a moment. If a man could get for 6s. then as much as he can get for 12s. now, then he is no better off now.

Mr. WINSTANLEY: He could not, and he did not.

Mr. TAYLOR: I do not know whether he could or could not, but I know that I was able to get married and buy a house on 50s. a week. I had good health and constant work and I was able to pay it off. You could not do that to-day. I lived comfortably, and never had to go without a meal. In 1914-15 the expenditure from revenue was £7,199,399, and for the year 1922-23 it was £12,784,382, or an increase of £5,584,983. That bears out my statement that during the period that the present Government have occupied the Treasury benches the revenue has been of a particularly buoyant character. The only trouble has been that during the administration of this Govern-

[5.30 pm.] ment they have spent so much money in enterprises which they should never have entered upon, and which, if they had their time over again, I am quite satisfied they would not contemplate for a single moment. The amount of expenditure has grown rapidly since the advent of the Labour Government. I admit that an increase in expenditure in certain directions has been justified, but a certain percentage of it could have been avoided. It is the duty of any Government to keep the expenditure down to a reasonable level, provided that it does not sacrifice efficiency for economy, because the two should go hand in hand. If they can get efficiency and economy together, I feel satisfied that good work can be accomplished. During the regime of this Government, the public service has, no doubt, become largely overstaffed. That was shown by the fact that in the year before last 1,120 employees were deflated, and a system of pooling was introduced by which 4,247 employees were compelled to work short time. That proves beyond doubt that there was an excess of men employed in the various Government departments. There is another matter affecting the public service, and in which I think the administration is economically unsound, and that is in respect to a flat-rate automatic increase in salaries. Practically all the awards governing salaries prescribe a certain limited flat-rate with the usual increments. While that system is in operation, I do not advocate the withholding of increments from any public servant, as the Government did last year, in the case of officers receiving £300 and over per annum, but I do think there should be some discrimination exercised so that the actual increments will be variable, and will practically depend upon devotion to duty and efficient service. I think that the value of an employee's work should be paid for irrespective of what the man may be or what the increase may be. I do not believe in a flat-rate of increment. I believe that that is a system which tends to produce discontent amongst those employees who are ambitious to make a success in their chosen callings, and it is those officers who are responsible for keeping a high state of efficiency in the public service. I think that an officer's calibre should receive every possible encouragement. I know that the awards provide that, if an officer is not efficient, his increments may be withheld, but that is a dead letter, and is never made operative.

I would like to refer again to the question of taxation. We find that the taxation per capita increased from £1 8s. 2d. in 1914-15 to £4 4s. 4d. in 1922-23, or an increase of £2 16s. 2d. The Treasurer must realise that there is a limit to taxation. He has got right up to that limit at the present time.

Mr. Taylor.]

I do not think anyone realises more than he does himself that it is practically impossible for him to get very much more in the way of direct taxation from the people of Queensland. Direct taxation is responsible for unemployment and for a considerable amount of distress which exists at the present time, and which was responsible for the Government having to spend so much in doles during the last two or three years.

Mr. COLLINS: They have just reduced taxation in Great Britain, and still they have 1,500,000 unemployed.

Mr. TAYLOR: Great Britain has a population of about 50,000,000. According to some of the figures that I saw the other day, there are in the 1,500,000 that the hon. member for Bowen refers to, about 500,000 or more who belong to the unemployable class.

Mr. COLLINS: The Prime Minister said the other day that they had spent £400,000,000 on the unemployed.

Mr. TAYLOR: A very large sum has been spent. The latest figures I have dealing with taxation for all the States are for the year 1920-21. In that year the respective per capita taxation was as follows:—

	£	s.	d.
Queensland ...	4	17	11
New South Wales ...	3	10	8
Tasmania ...	3	6	7
South Australia ...	3	6	0
West Australia ...	2	17	9
Victoria ...	2	10	4

The British Government, the Commonwealth Government, and the Governments of other States and of New Zealand are making strenuous efforts to reduce taxation to a reasonable level with a view to lessening the burden on industry, and every effort should be made in that direction in Queensland.

Mr. COLLINS: To lift the taxation from the wealthy?

Mr. TAYLOR: If there is any hon. member who ought to know who is paying the taxation, the hon. member for Bowen ought to know. He ought to know that the workers are paying the taxation.

Mr. COLLINS: No.

Mr. TAYLOR: The Treasurer said so.

The TREASURER: No; there is a more equitable system and more equitable incidence of taxation now. If the wealthy people did not pay the taxes, they would not be singing out so much about it.

Mr. TAYLOR: Does the hon. gentleman say that the worker does not pay it now?

The TREASURER: Some of the workers pay it.

Mr. TAYLOR: All the workers pay it.

The TREASURER: No; that was the case before this Government came into power.

Mr. TAYLOR: Did your Government alter it?

The TREASURER: We have entirely altered the incidence of taxation.

Mr. TAYLOR: Excessive taxation acts detrimentally to the State in many ways. Firstly, in the case of businesses and industries which are able to pass the taxation on to the purchaser, it causes increased cost of living, which in turn requires increased wages and consequently increased cost of production

—a vital matter in any country or State which is striving to establish new industries.

The TREASURER: Do you dispute that?

Mr. TAYLOR: No. Secondly, it brings about, directly or indirectly, the closing down of many of those industries which have to compete with other States or countries, thus increasing unemployment. Thirdly, it tends to divert to other States where taxation is less new capital which is available for the establishment of industries. Fourthly, it diverts into non-producing channels such as Government securities—especially those free from taxation—much capital which otherwise would be employed in industries and create more wealth and more employment.

The TREASURER: There is a lot of sound sense in that. Who said it?

Mr. TAYLOR: I do not think there can be any doubt that in whatever way taxation is levied, when it becomes excessive, it eventually falls most heavily on the worker. The Treasurer himself—when in opposition—pointed this out on many occasions. A reference to page 44 of "Hansard" for 1912 will show that I am correct in making this statement. The Treasurer also said, when in opposition, in reference to taxation, "It is the producer who pays, and the worker who suffers."

The TREASURER: That is direct taxation.

Mr. MORGAN: You have scientific taxation now.

Mr. TAYLOR: It is taxation all the same.

The TREASURER: The Commonwealth Government levied £32,000,000 in indirect taxation through Customs duties, which the producer has to pay.

Mr. TAYLOR: Similar assertions have also been made by Labour members even during the present session of the Federal Parliament. Take, for instance, on page 101 of Federal "Hansard" for the current session, the statement of Mr. West—Labour member for East Sydney—who, referring to loans, said—

"Every man, woman, and child in Australia will have to contribute at least £1 per head for thirty years."

The TREASURER: Even the little children have to pay.

Mr. TAYLOR: That quotation shows that Mr. West realises that the taxation necessary to pay the interest on loans eventually falls on everyone in the community. Again, on page 109 of Federal "Hansard," we find the following statement by Mr. Yates—Labour member for Adelaide—

"In this case the considered opinion of the hon. member for Balaclava demonstrates that I am not pleading the case of the working man without justification."

This is what the hon. member for Balaclava said on 15th August, 1915, on a Supply Bill—

"Although competitive forces may not be fully operative during the period of war, yet, in the long run, the war taxes get down to bedrock of human effort, which is wages of the manual or unskilled labourer."

"Mr. Bowden: That is true of all taxation.

"Mr. YATES: I am very glad of the interjection from the Minister for Defence. The worker earns it all."

Let me continue my quotations from the speech of the hon. member for Balaclava—

"Through the varied strata of human

[Mr. Taylor.

activity there is a filtering process down to bedrock, and that is the unskilled worker. In some shape or other, although it will not be always tangible or provable, his rents and prices will rise, or his wages will fall, and in that sense he will be an indirect contributor to the taxation, although otherwise he escapes."

Mr. FERRICKS: Indirectly.

Mr. TAYLOR: I said so. That is what we have always contended.

Mr. FERRICKS: He pays it through the Customs and other directions, as the Treasurer pointed out.

Mr. TAYLOR: It does not matter whether he pays it directly or indirectly. That is what we have always contended, and the hon. members opposite and the financial advisers of the Government do not spread the net in sight of the bird, but they snare him just the same. The net is covered, but the Government get the money nevertheless, and the people have to pay. It is time we exposed this welter of lies about finance.

The TREASURER: A certain amount of taxation can be passed on.

Mr. TAYLOR: Hon. members may retort that Queensland, which is the highest taxed State, has also the lowest cost of living. But this is an apparent anomaly which is capable of simple explanation. Queensland has the lowest cost of living because of its many natural advantages over other States. It had the lowest cost of living in 1914, but since that year the rise in the price of food and groceries has been proportionately higher than in any other State, with the exception of Victoria. Take such an item in Queensland as fuel. Every hon. member knows that expenditure of the people of Queensland in this connection is very light compared with the expenditure in Victoria. In Victoria out of 365 days in the year fires, not only for cooking but for housewarming purposes, are probably burning for 300 days. We do not want fires here practically all the year round.

The TREASURER: On the other hand in Queensland we want ices in the summer.

Mr. TAYLOR: You need ices down there too. In regard to clothing, for about eight months of the year people in Queensland do not want nearly the heavy clothing or the expenditure required for it to keep them comfortable as the people in Victoria.

The TREASURER: Look at what we have to pay for laundry work.

Mr. TAYLOR: I know what you will have to pay for laundry work when you get the Bill operating to cut out the Japanese laundries.

With regard to the cost of living, the latest figures supplied by the Commonwealth Statistician are these—

	Index Number.		Increase per cent. since 1914.
	1914.	1923.	
Queensland	1,082	1,609	48.7
Victoria	1,105	1,648	49
New South Wales ..	1,165	1,704	46.3
Tasmania	1,201	1,748	45.5
South Australia ..	1,247	1,703	36.6
Western Australia ..	1,412	1,786	26.5

The TREASURER: The hon. member is quoting since 1914. This Government came into power in 1915, and the greater proportion of the increase occurred in that year. Take it from 1915, and you will find the increases entirely different.

Mr. TAYLOR: I am giving the figures from 1914. It may also be pointed out that wages are nominally higher than in, say, Victoria, but in considering wages we have also to take into consideration the relative percentages of unemployment in each State. A high rate of wages contained in an award is not of any value to the man who is out of work. The average unemployment figures shown by the Commonwealth Statistician during the last nine quarters is—Victoria 6.3 per cent. and Queensland 10.5 per cent. The average weekly wage is stated to be—Victoria £4 11s. 4d. and Queensland £4 13s. 10d. But, taking the unemployment percentages into consideration, we find the average wage actually paid to be—Victoria £4 5s. 6d. and Queensland £4 3s. 11d. I think this proves conclusively that the workers of this State are being detrimentally affected by the excessive taxation which prevails here, because I have no hesitation in saying that Queensland is possessed of greater natural advantages than Victoria, and yet the average wage actually paid is less and the number of unemployed more.

The TREASURER: We can all juggle with figures like that to prove anything.

Mr. TAYLOR: There is no juggling about this matter. What is the juggling about?

The TREASURER: Making out that 10 per cent. of the workers of Queensland are unemployed.

Mr. TAYLOR: If there is one man in Queensland earning £10 a week, and a number of others out of employment, what is the use of it?

The TREASURER: That is not the case.

Mr. TAYLOR: It is, according to the figures of the Statistician. Turning to the Loan Fund, we find that the expenditure of loan money by the present Government during their eight years of office has amounted to £26,244,969, as against £16,363,745 during the last eight years of Liberal administration, an increase of £9,881,226. Only a few days ago I read a speech made by the present Treasurer on the Financial Statement in 1912—I hope the hon. gentleman will listen to this, as he has probably forgotten all about it—where he advocated the construction even of railways out of revenue.

The TREASURER: That is an ideal policy.

Mr. TAYLOR: The hon. gentleman has had eight years' experience in office now, and he has not adopted that policy yet.

The TREASURER: Not considering that we pay out of revenue yearly over £3,000,000. If we had that amount to build railways, look what a long way we could go.

Mr. TAYLOR: The Government have lost money in State enterprises throughout Queensland sufficient to build quite a lot of railways, and moneys they need not have lost if they had taken ordinary care. The hon. gentleman pointed out in that speech that 200 miles of new railways could be built each year out of revenue at a cost of £1,000,000—

The TREASURER: In those days.

Mr. Taylor.]

Mr. TAYLOR: And that this amount could be raised by a slight adjustment of taxation.

The TREASURER: I had very high ideals then.

Mr. TAYLOR: There is no doubt that the ideals he had then have since been scattered to the four winds of heaven.

The TREASURER: What year was that?

Mr. TAYLOR: 1912. I will give the hon. gentleman the exact date if he likes; I was reading it only this morning.

The TREASURER: I think it very unkind of you to raise it now.

Mr. TAYLOR: Our loan works and services are not at present making anything like the return to us that they should, as evidenced by the following figures relating to the past nine years:—

Year.	Actual Charge on Revenue.	Percentage of Actual Charge on Revenue.
	£	
1914-15.. ..	267,852	3.72
1915-16.. ..	828,631	10.75
1916-17.. ..	1,138,353	14.44
1917-18.. ..	1,507,586	17.75
1918-19.. ..	1,928,057	20.48
1919-20.. ..	1,653,356	14.64
1920-21.. ..	2,118,422	16.81
1921-22.. ..	2,238,787	18.18
1922-23.. ..	2,131,397	16.92

That shows how we have been going to the bad in that particular direction.

The TREASURER: We are not going to the bad. We can adjust that by fixing rates and fares.

Mr. TAYLOR: I do not recommend that. I have said this before and will say it again now, that the city does not pay its just amount of fares. The people of the metropolitan area are travelling cheaper than they ought to travel, and I have advocated, with justification, an increase of these particular fares.

Our national debt has increased from £56,869,046 on 30th June, 1915, to £88,005,001 on 30th June, 1923, an increase of £31,135,955 in eight years, and the interest charge per capita from £2 18s. 5d. to £4 10s. 10d.—an increase of about 55 per cent. I expect to see the national debt increase. If we are going to increase and develop our resources, I think the time has come when we should make more stringent efforts to provide a Sinking Fund to redeem some of our loans. We cannot go on as at present piling up deficits.

The TREASURER: I am providing this year for a Sinking Fund of £200,000.

Mr. TAYLOR: I think that the Government activities should provide more revenue. They would if they were given a fair chance. They could provide the necessary revenue, and there would not be a tremendous amount of loan money as at present and a vast amount taken out of revenue to make up deficits in other directions.

The Railway Department has shown its usual deficit of about £1,500,000: to be precise, £1,495,272. This brings the total deficit of the railways under Labour Administration to, approximately, £10,000,000 in eight years. That the railways were handed over by the previous Government as a paying concern is shown by the fact that for the last year

of that Government a clear net profit of £48,651 was shown. Since then railway affairs have been going from bad to worse, until now they are in a condition which should cause the Government to take stock of the situation and make up its collective mind to make every endeavour to effect an improvement as quickly as possible. The Treasurer, in his Financial Statement, attributes the deficits to the fact that fares have been raised since 1914 by only 12 per cent., and freights by 17 per cent.

The TREASURER: It should be the other way about—freights by 12 per cent., and fares by 17 per cent. We have reduced the rates by 40 per cent. on livestock.

Mr. TAYLOR: We do not know, however, how these figures are arrived at. We do know that fares have been increased up to 30 per cent., and that increases in freights have taken place such as the following:—Wool, 42 per cent; cattle, 63 per cent. (since reduced 20 per cent.); sheep, 61 per cent; copper, 35 per cent; coal, 47 per cent. These are items which comprise a big percentage of the freight of the railways, and it is therefore hard to see how the average increase can be only 17 per cent. Surely, cattle cannot afford to bear the same freight as wool.

The TREASURER: We are carrying livestock now cheaper than any other commodity in Queensland.

Mr. TAYLOR: We find also that in 1914-1915, 4,970,873 tons of goods and livestock were carried for a revenue of £2,516,380, equal to an average of 10s. 1d. per ton. The corresponding figures for 1921-1922 were 3,732,413 tons, for a return of £3,105,485, equal to an average of 16s. 8d. per ton. The average increase in freight per ton is therefore over 65 per cent. That shows a decrease of 1,000,000 tons of freight during the year, and that is not a state of affairs that we want. If there is one thing that is going to help the railways to pay more than another, it is by increasing the traffic. By slight additional expenses and extra labour the railways would probably carry 60 per cent. more goods than they are carrying at the present time. This is what we should set ourselves to do. We are not going to do it by constructing new railways in quite unknown country, as some people would like to do, but by developing land alongside existing lines and by increasing its production, which will result in a corresponding freight increase.

To summarise the financial position—the expenditure from revenue as compared with the previous year shows an increase of £284,413, when we should be decreasing our expenditure from this source. The expenditure of loan money shows an increase of £1,102,177, but, as I said before, this may be justifiable if the money is wisely spent. We cannot, however, shut our eyes to the fact that the percentage of revenue required for payment of interest on the public debt has increased from 3.72 per cent. in 1914-1915 to 16.92 per cent. in 1922-1923. The Government have in hand many expensive schemes—which are extremely unlikely to return any interest at all for some considerable time, so that the percentage of interest required and the payment of interest is likely to increase rather than decrease.

The Government, of course, have the Dawson Valley scheme, which I have always supported and believed in, also an irrigation scheme. However, schemes such as that will

[Mr. Taylor.

not be reproductive for some time. We quite realise that it behoves us to take care and see that in every possible direction money should be expended in profitable ventures and in profitable directions.

The Treasurer in his Financial Statement congratulates himself on the fact that the deficit was only £185,000 instead of the estimated deficit of £577,000. This year the Treasurer anticipates a small surplus, and, as he is usually not over-optimistic in this regard, it is probable that he will succeed in finishing the year with a larger surplus than he anticipates. I sincerely hope that he will.

The TREASURER: I hope so, too.

Mr. TAYLOR: It is most essential and important for a Financial Statement to include a survey of the financial administration of the Government. I have given such a survey and a comparison with what some of the other States have done with regard to finances. I think we should take a lesson from those other States and put our own house in order in a financial way. The State is a business, and to be successful must be conducted on business lines—not, as the hon. member for Bowen occasionally charges us with desiring, by sweating and paying 6s. a day. I do not believe in that, and the hon. member knows it; it is merely a catch-cry of his at times. If an industry can afford to pay a wage, it is better for the whole of the community; but we have to recognise that we are only one State of the Commonwealth, and we must consider what conditions are operating in the other States regarding hours of work and wages paid. We have to put up in Queensland with a terrific lot of competition in connection with our industries. The State of Queensland is simply honeycombed with commercial travellers representing industries and distributing companies of Victoria and New South Wales. Yet, if you went down to Melbourne to-morrow and tried to get a gathering of men there representing Queensland industries, you would probably only get about twenty. Why? There must be some reason why we are not expanding in that particular direction. I am prepared to admit that, when federation became an accomplished fact, Victoria already had a fine tariff, and so had the start of all the other States of the Commonwealth.

Before the dinner adjournment I stated that Western Australia had a surplus of £225,000, and the Treasurer interjected that that was not correct. The figures [7 p.m.] I quoted were taken from the "Daily Mail" of 9th July, and they specifically state that Western Australia had a surplus of £225,000.

The TREASURER: The statement was proved to be inaccurate.

Mr. TAYLOR: During the adjournment I looked up further information in connection with the matter, and I find that Western Australia had a deficit for the year of £405,351. Against that the sinking fund was increased by £594,198, which makes then really £188,847 to the good.

The TREASURER: The surplus from revenue for the year just closed was not so much as the hon. member stated.

Mr. TAYLOR: I certainly do not wish to quote any figures that are not accurate, and I took the opportunity to look the matter up during the dinner hour.

The question we have to ask ourselves at the present time is whether it is a wise or

the best course to carry on public services from loan money, free or partly free, and charge the loss as a direct taxation on industry, or make our loan money pay its own interest plus redemption, and thereby give private enterprise a chance of expansion. It is a foolish policy to make up the losses by taxation, and the time is ripe when the loan money should have to earn sufficient to pay interest and redemption, and not have the loss made up by taxation.

In regard to secondary industries, I would like to quote the last available figures. We have a lesser number of factories now than we had in 1913. In 1913 Queensland had 1,338 factories, while in 1922 we only had 1,310 factories. The hands employed in 1913 numbered 42,363, while in 1922 the hands employed numbered 43,248. It does not need much comment on these figures to show that we are not advancing in that direction as we should advance. I claim, and always have claimed since I have been in Parliament, that there is a tremendous scope for expansion in the secondary industries in the State of Queensland; but the industries cannot expand nor can new industries be created unless those engaged in those industries have not the handicaps in the way of excessive taxation which they have to submit to at the present time.

Take, again, the number of factories in New South Wales and the other States. New South Wales in 1913 had 5,346 factories, and in 1922 had increased the number to 6,351, an increase of 1,005; Victoria in 1913 had 5,613 factories, and in 1922 had 6,753, an increase of 1,140; South Australia in 1913 had 1,353 factories, and in 1922 had 1,432, an increase of 79; Western Australia in 1913 had 763 factories, and in 1922 had 986, an increase of 223; Tasmania in 1913 had 623 factories, and in 1922 had 686, an increase of 63; while we in Queensland show a decrease of 28. With regard to employees, New South Wales in 1913 had 120,400 employees, and in 1922 had 143,482, an increase of 23,082; Victoria in 1913 had 118,744 employees, and in 1922 had 144,876, an increase of 26,132; South Australia in 1913 had 28,511, and in 1922 had 31,171, an increase of 2,660; Western Australia in 1913 had 17,299 employees, and in 1922 had 18,119, an increase of 820; Tasmania in 1913 had 9,784 employees, and in 1922 had 10,127, an increase of 343; while in Queensland we show a decrease of 115. Those are figures which should cause us to think and ask ourselves how it is that a large primary producing State like Queensland, which is producing a lot of material necessary for the establishment and maintenance of secondary industries, is not making satisfactory progress. In our State we have gone back, while other States of the Commonwealth have progressed in that direction. The cause is due, in my opinion, to insufficient control of the expenditure of public moneys. The expenditure unauthorised by Parliament from 1919 to 1922 is as follows:—

—	Revenue	Trust Funds.	Loan Funds.	Total.
	£	£	£	£
1919 ..	327,791	102,397	616,286	1,046,475
1920 ..	654,988	99,040	509,189	1,263,217
1921 ..	295,739	14,988	210,764	521,491
1922 ..	135,168	114,812	253,417	503,398

Mr. Taylor.]

We find that expenditure not authorised by Parliament, but merely by Executive minute, has taken place in connection with certain railways, viz.—

	£
“Mundubbera to North Burnett	30,000
Murgon to Proston ...	80,000
Munbilla to Mount Edwards ...	40,000
Monto to Rannes ...	30,000
Many Peaks to North Burnett	70,000
Mackay to Proserpine ...	67,000
Proserpine to Mackay ...	55,000”

The TREASURER: In each case Parliament authorised the vote.

Mr. TAYLOR: It was expended before Parliament had the opportunity of authorising it. I say that is a wrong principle. There are two ways open to the Government in the immediate future to balance their accounts; the first is by increasing taxation, and the other by making our services pay. I hope that a greater effort will be made in the future to make the various services of the State pay more than they are doing at the present time, because to continue as we are at present means the creation of deficits, which will have to be converted into loans and added to the public debt. It is time we made a change in that direction. The whole of the activities of the Government should be directed in the way I have indicated. The Treasurer on one occasion said that finance was the test of government, and so it is. He said some things then which are as true to-day as they were then, but during the period he has had control of the affairs of Queensland he has not carried out what he advocated at that time. However, I trust that the year we are now entering upon will be financially and industrially and in every other way brighter and better than past years. I certainly think that the prospects for a good year are better than they have been for some considerable time, and I hope that we shall find that the Treasurer's Estimates have been more than realised when we come to receive his Financial Statement in 1924.

Mr. VOWLES (*Dalby*): Before supporting the motion before the Committee that £300 be granted for the salary of the aide-de-camp to His Excellency the Governor, I would like to address myself to the Financial Statement as delivered by the Treasurer. His opening remark was this—

“Few people, and certainly not those who understand anything about public finance, will envy the Treasurer his position at the present time.”

Then he goes on to tell us that a large amount of loan money is falling due within a short time. Perhaps it would have been more correct for the hon. gentleman to say that people who understand anything about political morality would appreciate the position of the Treasurer in this condition of affairs. He has practically to appear before the bar of public opinion, inasmuch as he has to make application for the renewal of these loans, that he has to go to the old country and explain his actions of the past few years and how he stands with regard to the future. I think he is turning over in his mind those sayings of our copy books such as, “Be sure your sin will find you out”—(laughter)—or, “We have left undone those things we ought to have done, and we have done those things we ought not to have done.” (Renewed laughter.) The hon. gentleman reminds me of a man who has

[*Mr. Taylor.*

pawned his boots and consoles himself by thinking that he has still got his socks. But, nevertheless, we do appreciate the position. We realise that the Treasurer has to face the music, and we do not want to make his task unnecessarily hard, and consequently we would probably be a little kinder than otherwise we might be.

The Treasurer also informs us that he finished up the year with a smaller deficit than he expected. He says—

“The actual deficit was £184,979, as against an estimated deficiency of £576,840, and the deficit would have been still further reduced had we not made adjustments in connection with the losses, amounting to £53,540, on the wheat and cotton guarantees.”

When you take into consideration the fact that his receipts exceeded his expectations by £396,703, the result does not seem such a tall order. In fact the expenditure exceeded his estimate, but his receipts from all sources showed increases over his estimates. So he takes credit to himself for the result, and in effect adopts the attitude that, though things are bad, they are not as bad as they might be.

The TREASURER: Western Australia is worse off.

Mr. VOWLES: I would remind the Treasurer that, so far as the States and the Commonwealth are concerned, there is only one State with an actual deficit—that is Queensland.

The TREASURER: How do you make that out?

Mr. VOWLES: That is, if you take into consideration the sinking fund in Western Australia.

The TREASURER: Last year we paid £120,000 into a Sinking Fund, otherwise we would have shown a surplus. Tasmania and Western Australia both show deficits.

Mr. VOWLES: That is so if you like to put it that way, so far as Western Australia is concerned. If one looks at the figures dealing with the excess of actual revenue over estimated revenue, it will be found that one of the biggest items contributing to that excess of revenue is taxation. I cannot understand why the Treasurer did not anticipate that revenue. There was nothing extraordinary happened during the year. The Treasurer should have anticipated within a reasonable figure the amount of money that would have been received from taxation during the last financial year. We are told that the railways produced an excess of £100,320 of revenue over the estimated amount. The Treasurer, in his Financial Statement, said—

“Railways showed increased earnings over the previous year of nearly £275,000, and £100,320 more than the estimate for the year 1922-1923. In view of the depression in the mining industry in the North, and the position of the meat business, this result must be considered highly satisfactory, and seems to indicate that our railways are at last entering upon a period during which we may expect reasonable buoyancy on the revenue.”

The railways certainly did earn £275,000 more than the previous year, but the Treasurer did not tell us that during that

financial year there was a deflation of men who were employed in the service. I find that there were 1,120 men dismissed from the Railway Department, and 4,247 were put on part time. The Treasurer did not tell us that the wages which were saved—whether rightly or wrongly—I am not dealing with the merits of the matter—helped to make up that increased revenue. He does not tell us that the increased revenue which was obtained from the department was got at the expense of the workers who had been engaged in the department, nor does he tell us that the 5 per cent. reduction from salaries, which was applicable to many men in that department, also helped in a very big way to make up that increase in revenue.

THE TREASURER: Do you criticise that action?

MR. VOWLES: I am not criticising the action one way or the other. When the Treasurer was claiming credit for the increased earning of £275,000 in that department, he should have shown that it was got in a scientific way by reducing the cost of running the department and by the 5 per cent. reduction imposed on railway men in common with other public servants. The Treasurer, in his Financial Statement, sets out that the estimated revenue for 1923-1924 is £13,064,000 in round figures. I think it might be just as well if we took into consideration the amount of money that was received from all sources last year and the amount of money to be handled from all sources during the current year. The revenue for the year 1922-1923 was £12,599,403, and, in addition to that, there was expended from Trust Funds £5,467,668, and £3,701,750 from Loan Fund, making a total expenditure of £21,763,821.

That was easily a record year for revenue and expenditure for Queensland. But this year we are going to expend from revenue £13,057,063, including from Loan Fund £5,038,156, and from Trust Funds £5,962,366, or a total of £24,057,585. When you come to consider that in the year the Government took over the Treasury benches the total revenue received from the same sources for consolidated revenue purposes amounted to approximately £7,500,000, and now it is necessary to have £13,057,063 to-day for the same services, and, when one realises that, with a reduced revenue the Governments of the past were always able to show a credit balance, whereas we are always disclosing a debit balance, one often wonders whether it is due to those increases in the cost of services and materials we hear so much about to-day, or whether it is due to the fact that the business ability is not there to manage the affairs of State like it was when we had the previous Government in power. In the undertakings on which the Government have embarked, more particularly in connection with State enterprises, with very few exceptions it has been shown without doubt that they are not capable of running them on commercial lines. That is where their want of business ability is shown, and I can only come to the conclusion that the same thing obtains in the larger field of Government administration generally. Take a comparison of figures, and you will find that when the Government obtained possession of the Treasurer benches the receipts from income tax were £517,000, from land tax nothing by the previous Government, licenses £88,000, stamp

duties £321,000, and totalisator tax £27,000, or a total of £954,457. Then look at the figures of 1922-23, and you will find that the amount of £517,000 from income tax expanded to £2,149,000. Whereas there was no land tax at all in 1914-15 the Treasury now receives from this source £417,865. License fees are practically the same—only a difference of £10,000 in favour of 1922 as against 1914-15; stamp duties have practically doubled. In rising from £321,000 to £611,000, the totalisator tax has doubled itself. The poor unfortunate sports are, I understand, going to catch it again, too—(laughter)—while the total amount received from taxation has increased from £954,000 to £3,530,000. The ratio of increase in income tax is 316 per cent. As there was no land tax in 1914-15, I cannot give the increase so far as land tax is concerned unless I take it as 417,865 per cent. (Laughter.) The other increases were—license fees, 12 per cent.; stamp duties, 90 per cent.; totalisator tax, 95 per cent.; while the increase right through has been 249 per cent. That goes to show how our per capita taxation has gone up. That per capita taxation, which in 1914-15 was £1 8s. 2d., has now reached somewhere in the vicinity of about £4 5s.

MR. COLLINS: What are you trying to prove?

MR. VOWLES: I am trying to prove that in an ordinary business having similar opportunities for expansion to what the Government have, you would certainly expect to see that business running on sound and solvent lines and showing valuable profits and a great amount of prosperity.

THE TREASURER: I will show you a credit balance next year.

MR. VOWLES: The Treasurer is rather optimistic on this occasion. He proposes to show a credit balance next year, but that remains to be seen.

THE TREASURER: Why not defer your criticism until then?

MR. VOWLES: I am referring to the events of the last financial year. I would refer much better to them were I in the position that I and every hon. member present would be for the purpose of discussing the Financial Statement—if I were in possession of various departmental reports that are missing. You will notice, if you read through the Financial Statement, that, when he gets to the subject of State enterprises, there is an eloquent silence.

THE TREASURER: No.

MR. VOWLES: He merely tells us that the reports will be submitted at a later date.

THE TREASURER: That is not silence.

MR. VOWLES: I would expect the Treasurer to adopt such a position, particularly when it is found that in connection with the one sink which is absorbing the profits made from other enterprises—State stations I refer to—we have no figures. We have not got the figures and have no opportunity of discussing the balance-sheet. These activities for the last financial year will be presented to Parliament as early as possible, and the Treasurer will make it his special business to see that that and certain other matters to which I have made reference are never brought before the Committee for consideration.

Mr. Vowles.]

The TREASURER: You made that charge before about the Auditor-General's report, and it was proved to be wrong.

Mr. VOWLES: I am saying that the hon. gentleman will not bring forward these matters for consideration. They will never have an opportunity of being brought into the light of day.

Mr. COLLINS: You are making a very poor "fist" of it.

Mr. VOWLES: I should like to hear the hon. member get up and give his views and his criticism on some of these matters and on the Inkerman irrigation scheme that we have heard so much about. He will not explain to hon. members or to his electors why these things are being turned down now.

Mr. COLLINS: I got the biggest majority I ever had at the last election.

Mr. VOWLES: You can fool the people a part of the time, but you cannot fool them all the time.

Mr. COLLINS: You have done it for a long time.

Mr. VOWLES: The people of Bowen are asking the hon. gentleman now where the iron and steel works are.

Mr. COLLINS: There was nothing said about the iron and steel works in the last election.

Mr. VOWLES: There is another rather strange thing on page 3 of the Treasurer's Financial Statement. I am rather astonished and also disgusted to find in the table there published that a sum of £23,445 which was appropriated for the Department of Public Instruction is regarded as a saving. This in face of the fact that the Treasurer told many persons in country districts that there were no funds available for doing the necessary school work in the country, and that applications would have to be held over for consideration until after 30th June.

The TREASURER: Do you know that we spent a million and a-quarter on education last year? Your Government did not do anything like that.

Mr. VOWLES: I do not care what you spent. Minor requests of from £10 to £100 have been refused. I know of applications for expenditure affecting the comforts of school children, both in summer and in winter, which have been pressed upon the department, and the reply has invariably been that the Minister was not in a position to do anything, but that the matter would be considered when funds were available. We find that funds were available all the time—that there was £23,000 which we said was to be used in a certain direction kept in order to square the ledger.

The TREASURER: Some votes were exhausted.

Mr. VOWLES: We know that some votes were exhausted, but what is the object of voting money for specific purposes for the Department of Public Instruction, which we are told has always been starved [7.30 p.m.] in the past, if the money is not to be expended? We have been complaining in season and out of season that the children of the country do not get the consideration they are entitled to—that they do not even get decent accommodation to protect them from the weather. At Milmeran the people were distinctly told—there was correspondence on the subject, and the

matter was urgent—that nothing could be done. Why? Because there were no funds. Now we find the funds have been there all the time.

I notice that it is intended to make special provision for a certain class of public servants under the Salaries Act, and that those receiving £400 a year and less are not to be affected by certain legislation. During last session on two different occasions I placed the whole of this matter before this Committee. I told the Treasurer that an anomaly would arise—that there would be dissatisfaction, that injustices would be inflicted, more particularly upon a section of the public service who were not affluent—who had big responsibilities, many of them had families to maintain—in that he was taking away automatic increases and at the same time reducing their salaries 5 per cent. I see he realises that, but only to the extent of those receiving £400 a year.

The TREASURER: You wanted us to reduce them even more.

Mr. VOWLES: I did not, but I wanted to see justice done. In 1916-17 there was an embargo in regard to increases of salaries over £200; in 1918 it was raised to £300; in 1919 it was raised to £500; in 1920 it was raised to £600; in 1920-21, after the election was over, it was brought down again.

The TREASURER: It was not brought down. It was lifted, and there was no embargo at all.

Mr. VOWLES: It was lifted for the purposes of the election.

The TREASURER: You said it was done after the election.

Mr. VOWLES: It was lifted for the purposes of the election and put on immediately after the elections were over. In 1922 the embargo was on salaries over £500, and in 1922-3 it was on £400. By certain Orders in Council, which I referred to at the time, certain classes of employees were withdrawn from the jurisdiction of the Arbitration Court; certain agreements were entered into with different sections of the public service, such as police magistrates, school inspectors, and parliamentary officers, and all those arrangements were broken without consulting in any way the persons who were affected. I pointed out, too, that very gross anomalies existed in regard to certain persons who were in the employ of various departments, more particularly architects, bank officers, engineers, surveyors, and teachers in non-governmental schools, who were placed unfortunately in a worse position than persons engaged in exactly the same class of work outside the service because the awards did not apply to individuals in the Government service. Consequently, those who were working outside were getting higher emoluments, and in many instances responsible persons in the Government service were getting lower salaries than persons who were subordinate to them in the work they were doing.

Dealing with the railways, the Treasurer gave us a comparison of freights, and I want to challenge his comparison straight out. Although the figures which he has quoted are to some extent true, they are misleading, and I think they have been used designedly. The Treasurer has taken the most favourable figure in dealing with one class of produce, and that is farm produce, and he has not told us that the figures given are what are called the port rate, that is the rate from where the

[Mr. Vowles.]

produce is produced down to the city. On page 10 of the Financial Statement he says—

“The following table shows the relative position of Queensland as compared with other States and countries in the matter of increased freights and fares since 1914—

Percentage increase in freight rates over 1914:—

	Per cent.
Queensland ...	12
New South Wales ...	52
Victoria ...	43
South Australia ...	44
Western Australia ...	29
New Zealand ...	40
South Africa ...	29

In that table the Treasurer did not tell us that he had not given the starting point in 1914-15, and that in 1914 the freights in Queensland were higher than they were in New South Wales.

The TREASURER: That was the time of the Liberal Government.

Mr. VOWLES: I know it was the time of the Liberal Government. I remember being in this Chamber at the time, and I remember the then hon. member for Maranoa, Mr. J. M. Hunter, afterwards a member of the Labour Cabinet, referring to this matter and pointing out what an iniquitous thing it was that the selectors up country should pay a higher rate of freight than they were paying in New South Wales.

The TREASURER: They were higher then; now they are lower.

Mr. VOWLES: The hon. gentleman is simply juggling with figures—to use his own words of this afternoon.

The TREASURER: Not at all. They are unimpeachable.

Mr. VOWLES: What is the starting point?

The TREASURER: 1914.

Mr. VOWLES: I admit that the increase has been higher in New South Wales, and it has been higher because the freights were lower than they were in Queensland at the time. The rate was brought up to our level. It was brought from a low rate gradually up to the Queensland equivalent, and it was subsequently brought further than that, but, when the hon. gentleman says the ratio is as 12 to 52, I say he is not correct.

The TREASURER: That is correct so far as the average increase is concerned.

Mr. VOWLES: That is the misleading part of the whole thing. Then the hon. gentleman makes a comparison between the cost of carting potatoes on the railways in England and on the railways in Queensland. Even there he does not tell the people that he has chosen the most favourable item. He has chosen the port rate of 10s. 2d. again; but if you go to the Railway Department you will find that, if you want to send a ton of potatoes from Brisbane to Dalby, you will have to pay 16s. 4d. per ton and not 10s. 2d.

The TREASURER: Who does that?

Mr. VOWLES: We do not grow potatoes, particularly in seasons like this, nearly sufficient for home consumption. We have to import the whole of our potatoes, and we pay 16s. 4d. per ton railage, and yet the Treasurer says the rate is 10s. 2d. The Secretary for Railways, during last session, put a table into “Hansard,” and he also used the most

favourable figures. He used the port rates and did not use the back rates to the country. I have here the correct figures on agricultural produce. The port rate per ton is 10s. 2d. for 100 miles, while the up-country rate per ton is 16s. 4d. per 100 miles.

The TREASURER: The farmer is concerned in getting his produce to market.

Mr. VOWLES: There is a cheap rate of freight to bring produce down to feed the people in the city; but, if it should happen that the man in the country wants to buy produce, he has to pay a rate, not of 10s. 2d., but of 16s. 4d. per ton on exactly the same class of goods. For 200 miles and 500 miles the ratio is the same. Look at flour. The rate on flour from the country to Brisbane—the port rate—is 10s. 2d. per ton per 100 miles. That same flour sent back to the country has to pay a freight of 23s. 1d. per ton. Is it any wonder that people flock away from the country to the cities? The man in the back country should be given encouragement in connection with railway freights.

The HOME SECRETARY: Why did you not do it yourself when you were on this side?

Mr. VOWLES: There was never any revision of rates or freights while I was on the Government side of the House. Mr. J. M. Hunter, when sitting on this side as hon. member for Maranoa, advocated what I am urging now—that for longer distances, instead of there being an increase of freight, there should be a decrease.

The SECRETARY FOR AGRICULTURE: Why did you not do it when you were over on this side?

Mr. VOWLES: The hon. gentleman always advocated the same thing when he was in opposition. If he is honest, why does he not do it now? Why should the Treasurer, when he is making a public announcement, take the most favourable rate of freight for comparison, and only give the rate from the producing area to the port and not say a word about the rate of double the amount imposed on produce going back to the country? The rate of freight on butter to port is 21s. 9d., while the rate on butter going into the country is 40s. 7d. per 100 miles.

The SECRETARY FOR AGRICULTURE: Who buys the butter in the country?

Mr. VOWLES: I do not know.

The SECRETARY FOR AGRICULTURE: The store-keeper.

Mr. PEASE: You have a butter factory in Dalby.

Mr. VOWLES: We have a butter factory in Dalby; but Dalby is not the only place in Queensland with a butter factory. We pay higher rates from Brisbane to Dalby than from Dalby to Brisbane, and the same thing applies to Cunnamulla. So long as it is up-country the freight is a high one, but it is made much lower from the country to Brisbane for the benefit of the people in the city.

The HOME SECRETARY: Is it not an advantage to the producer to get his butter cheaply to market?

Mr. VOWLES: Of course, it is; but there are other people besides producers in the country. There are consumers as well, and their interests should be protected the same as those of anybody else.

A GOVERNMENT MEMBER: You want butter to go back and compete against the local producer.

Mr. Vowles.]

Mr. VOWLES: I do not want anything of the kind. The Treasurer quoted figures to show that our railways have the lowest rates of freight, but I say that is not so, and that the figures are all wrong.

The SECRETARY FOR AGRICULTURE: They are all right.

Mr. VOWLES: They are wrong, and absolutely fraudulent, to my mind.

The CHAIRMAN: Order! The hon. member has stated that the figures quoted by the Treasurer last night are fraudulent. I ask the hon. member to withdraw.

Mr. VOWLES: I withdraw, certainly. I say that, at any rate, they are not genuine. (Laughter.)

The CHAIRMAN: Order!

Mr. VOWLES: I say that they are incorrect—that is a parliamentary expression.

Hon. J. G. APPEL: They are misleading.

Mr. VOWLES: They are misleading, even if they are not fraudulent. The Treasurer did not tell us, when he gave his comparison, that the rates charged in New South Wales are considerably lower than they are to-day in Queensland. I might quote from a debate last year the figures with regard to the railway freights. We find that the freight in New South Wales for 50 miles is 29s. 2d., in Victoria 32s. 6d., in Queensland 51s. 10d., in South Australia 40s. 1d., in Western Australia 40s. 1d., and in Tasmania 46s. 1d. The average is 42s. 9d.; while in Queensland it is 51s. 10d.

A GOVERNMENT MEMBER: Give the rates for 100 miles.

At 7.47 p.m.,

Mr. DUNSTAN (*Gympie*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. VOWLES: I will give the figures for 100 miles. In New South Wales the rate is £3 16s.; in Victoria £3 3s.; in Queensland £4 9s.; in South Australia £3 17s.; in Western Australia £3 17s.; in Tasmania £3 12s. The average is £3 12s., while the rate in Queensland is £4 9s.

A GOVERNMENT MEMBER: For what class of goods?

Mr. VOWLES: All kinds of goods.

Mr. BRUCE: That statement is incorrect. (Laughter.)

Mr. VOWLES: Surely the hon. member will withdraw and apologise. (Laughter.) When you corner hon. members opposite on the figures, they say the statement is not correct. After that, it is scarcely worth my while to deal with that line of argument any further. In New South Wales last year there was a profit on the railways of £89,590, while in Queensland there was a loss of £1,496,272. Our accumulated railway deficits since the Labour Government came into power are in the vicinity of £10,000,000.

The SECRETARY FOR RAILWAYS: They were big enough before we got in.

Mr. VOWLES: I am not talking about what they were before. I am talking about the position on the railways since the hon. gentleman has had charge of them. They have certainly done a little better last year, the interest return on capital invested being more than it was before, but it is not half

as much as it was in the last year of the Denham Administration.

The SECRETARY FOR RAILWAYS: That is not a fair comparison. The working cost and the price of material have gone up enormously.

Mr. VOWLES: The hon. gentleman will have an opportunity of speaking on railway matters. I would like him to refer to the tables which he put in previously, and also to my criticism on the salient points with regard to rates which I mentioned in replying to the Treasurer. From 1914 to 1922 you will find that there has been an increase of 42 per cent. in the freight on wool.

The SECRETARY FOR RAILWAYS: Take cattle.

Mr. VOWLES: There was an increase of 63 per cent. on cattle, but that has been reduced since; and on sheep of 61 per cent.

The SECRETARY FOR AGRICULTURE: Sheep are a good price.

Mr. VOWLES: There was an increase on copper of 35 per cent., and on coal of 47 per cent. There has certainly since been a reduction of 20 per cent. in these items, and there has been something allowed for starving stock in certain districts, but the fact remains that, although the cost of material went up, provision was made in the Estimates each year for that increase by allowing a further amount of money to be handled by the department for these purposes.

The SECRETARY FOR RAILWAYS: We could make the railways pay by increasing the fares and freights.

Mr. VOWLES: It is no use the Minister saying that they could make the railways pay if they increased fares and freights. There has been a gradual reduction in price of materials. The hon. gentleman and his friends reduced the wages of public servants by 5 per cent.

The SECRETARY FOR RAILWAYS: There has been an increase in prices since 1914.

Mr. VOWLES: There have been big increases right through, I admit, but prices are gradually declining. Wages are being compulsorily reduced by deflation and the 5 per cent. reductions.

The SECRETARY FOR RAILWAYS: There has been a substantial increase in the price of steel rails, for instance, as compared with 1914.

Mr. VOWLES: I am talking about the way prices went up about the middle of the war. I admit that there is no comparison between the cost of material and services generally in 1914 and 1922, but I say that the time of high prices has passed. If the Government did have a deficit on the railways of a million and a-half or a million and three-quarters—whatever it was—in a war year, there is no justification for a deficit in 1922.

The SECRETARY FOR RAILWAYS: Your party advocated increased fares and freights.

Mr. VOWLES: Who did?

The SECRETARY FOR RAILWAYS: The leader of the Opposition.

Mr. VOWLES: He did not. He said that the people in the city were in a better position than the people in the country, and that the fares and freights should be put in better proportion.

The SECRETARY FOR RAILWAYS: No; he said there should be increased fares and freights. Look at "Hansard" for 1921.

[*Mr. Vowles.*]

Mr. VOWLES: I do not know how the statement has been twisted, but I do know that the fact is that he said that the people in the city were receiving better treatment from the Railway Department than the people in the country, and that they both should be put in the same position. The Treasurer, in his Financial Statement, says—

“The heavy railway losses in Queensland compared with the other States are directly attributable to the policy of continuing the low freight charges. It is considered by the Government to be sound policy to keep the freights at a low level and charge up the losses on the railways to the Consolidated Revenue each year, rather than reduce the taxation of city dwellers at the expense of rural industries.”

I wonder if the hon. gentleman considered whether he would not be nearer the mark if he had said that a good many of the losses on the railways had been due to political interference.

The SECRETARY FOR RAILWAYS: You were guilty of that yourself.

Mr. VOWLES: I was?

The SECRETARY FOR RAILWAYS: Everyone of your members. You asked me to override the decision of the Commissioner with regard to a certain gatekeeper.

Mr. VOWLES: Fancy a Cabinet Minister descending to such “tuppenny ha’penny” things as that!

The SECRETARY FOR RAILWAYS: It is a fact. It is on record.

Mr. VOWLES: It is on record. There were some gatekeepers who were doing postal work—

The SECRETARY FOR RAILWAYS: You could not get from the Commissioner what you wanted, and you came to me and asked me to reverse his decision.

Mr. VOWLES: I went to you?

The SECRETARY FOR RAILWAYS: You wrote to me.

Mr. VOWLES: I wrote to you as leader of the Country party and asked that certain women who were getting a maximum of 5s. a week for acting in the capacity of sellers of postage stamps should be kept on for the benefit of the public, and here is a Minister telling us that I tried to upset the running of the whole of his department because I suggested that a maximum of 5s. per week should be paid in order to provide people with a convenience.

The SECRETARY FOR RAILWAYS: You got the decision of the Commissioner and it did not suit you, and you wanted me to override it.

Mr. VOWLES: I did not think that there was such a paltry individual in the Chamber. Five shillings a week to an unfortunate gatekeeper! Commend me to the friends of the widows and orphans of whom we hear so much! Let the hon. gentleman get up and have his say; he will probably explain what effect that would have had on the deficit of the railways.

The SECRETARY FOR RAILWAYS: It is the principle of political interference. You were leader of the Country party.

Mr. VOWLES: What we did in the way of political interference we did openly in black and white—we sent it to the Minister—but the political interference to which I am referring is not done openly or in black and white. It is the sort of political interference

which goes to the Minister and says, “Put my pal on, or my brother’s pal; he is a supporter of the Labour party.” That is what has brought down the finances of the railways, and has led to the deflation which the Government were compelled to make.

Hon. F. T. BRENNAN: They did not pass a special Retrenchment Act like your Government did in 1893.

Mr. VOWLES: Do you not call the Salaries Act passed last session a special Retrenchment Act? I would not mind the public servants having their salaries reduced 5 per cent. had not the Government told them that they were their friends and would never be a party to salary reduction. It is the immorality of the thing I object to—going openly, as did the hon. member for Paddington a month or six weeks before the legislation was introduced, as a candidate for election—and telling them that the Government would never be a party to a reduction of salaries.

Time is getting on, and although there are many things to which I might have referred, I shall take the opportunity later on of doing so. I certainly am in favour of the vote for the salary of the aide-de-camp, but I am reminded that in all the bad times during the war, when the cost of living had increased from 50 per cent. to 100 per cent., one of the few public servants who was overlooked, when even members of Parliament were increasing their salaries—one of the unfortunate individuals was the aide-de-camp concerned in the motion, who, perhaps, all the time lived in fear and trembling that he was going to be deprived of the sum we are asked to pass.

Mr. PEASE (*Herbert*): To my mind, it is marvellous that the Treasurer has produced a Budget, under all the circumstances, which discloses a surplus at the end of the year. The leader of the Opposition criticised the results of the last election, and attacked a table which the Attorney-General presented showing the detailed figures in respect of the seats contested by the Labour party. He put forward some figures which he had prepared, but which certainly are not correct. I have here a table which I shall quote—prepared, not by the Attorney-General or any Labour organisation, but by the Country party organisation itself—

“Comparing the voting at the elections of 1920 and 1923, the table gives the following results as between the Nationalist and Labour candidates:—

Metropolitan Seats.—Labour gain of two seats, and 3,748 votes.

Northern.—Labour gain of two seats, and 2,371 votes.

Central.—Labour gain of 525 votes.

Southern Towns.—Nationalist gain of 671 votes.

“The total gives Labour a net gain of 7,973 votes.

“In the case of seats contested by Country party candidates, the results were—

Country party.—Increase of 4,870 votes.

Labour party.—Increase of 8,153 votes.

Net result.—Increase of 3,283 votes to Labour.”

As compared with the 1920 elections that summary shows a gain to Labour of 18,853

Mr. Pease.]

votes. As everybody knows, the result of the elections was that every sitting member on the Labour side was returned and six seats were gained. Now, I propose to compare those figures with the results of the last Federal election, and on this question I am going to quote from the official organisation paper of hon. members opposite—the "National Review."

At 8 p.m.,

The CHAIRMAN (Mr. Kirwan, *Brisbane*) resumed the chair.

Mr. PEASE: The last Federal Senate elections in Australia show that Labour secured 792,229 votes, and the anti-Labour party secured 701,613 votes, or a majority in favour of Labour throughout the whole of Australia of 90,616 votes. Although six Ministers and thirty-seven members supporting the anti-Labour party were defeated, yet the Labour party are not in power. What on earth have the Opposition to squeal about? What are they trying to compare? The result is that in the Federal arena—which is more important than the State, because it controls the whole of Australia—a minority Government are in power; and here, according to the Country party figures, a majority Government are in power. What have they to complain about? The leader of the Opposition also criticised the redistribution of seats, and said it was unfair. After the election campaign, to excuse the defeat of Mr. Green, the then deputy leader of the United party, it was alleged that he had lost his seat owing to the unfair redistribution which was engineered by this Government. It was stated that votes were taken from the Townsville electorate to make it safe for Labour—so the Opposition contend—and placed into the Kennedy electorate; but what happened? Here we have Mr. Bruce, the worthy Labour representative of the Kennedy electorate, returned to carry Labour's banner. The Opposition's argument falls to the ground on examination. I find that these figures which the leader of the Opposition has quoted are printed in every paper opposed to Labour throughout Queensland. The hon. member for Bowen gave me to read Upton Sinclair's book, "The Brass Check," and I quite realise that the figures which we quote here will not go out to the people. The only figures the people of Queensland will get are the figures quoted by the leader of the Opposition. They will go out as figures dealing with the result of the elections. The only figures that the people will get will be those published by the Press controlled by the Opposition. Unfortunately, Labour has only got our local paper in Brisbane, and a few papers scattered throughout Queensland. The Opposition try to show the people of Queensland, and also the world, that we are a minority Government, and yet, when the figures taken from their own organisation papers and the figures supplied by the Government are examined, it is found that we represent the majority of the people. What happens then? We find that none of the local papers opposed to Labour will publish those figures. "The Brass Check" says that Mark Twain said—

"If you give a lie half an hour's start, truth chases it round the world, and then does not catch it."

I wish now to quote from the "Round Table." Commenting on the 1919 Federal elections, it states—

[*Mr. Pease.*

"In the Senate elections the iniquity of the system was evident, since one party—the Nationalists—polling less than half the total votes, won eighteen out of nineteen seats—a travesty on representation which would not have been worse if the former block system had been retained. As a matter of fact, the system used was designed to make the block vote effective in returning one party only."

What have the Opposition to complain about? Here we have the "Round Table," a magazine of some weight in the world, complaining of the system which was invented by the anti-Labour people in the Federal arena to keep Labour out of power, and which, unfortunately, has been successful. Now hon. members opposite come into this Chamber and complain about our redistribution of seats. I will undertake to say that a careful examination of the redistribution will disclose that it could not have been done better. As a matter of fact, the Attorney-General has pointed out that all the complaints about that redistribution came from hon. members on this side and not from the Opposition. I would like to show the leader of the Opposition why Labour won the elections. I will quote to him the statement made by Mr. Clayton, the secretary of the Murrumba district of the Primary Producers' Union—

"It was strange that their member (Mr. Warren) should suddenly throw up the sponge and declare for a party with 'a single objective'—that of opposition to 'communism.' If they imagined they could stampede and frighten the people of Queensland with the bogey of 'communism,' they would be disappointed."

The "Courier," reporting this matter, said—

"These remarks were heartily approved of by the meeting."

That was not a Labour meeting—it was their own party meeting. The "Graziers' Review" of 16th February, 1923, says—

"The truth is the Queensland Opposition has little brains and no leaders.

"Messrs. Taylor and Vowles do not lead, because they have no leading to give.

"They are content to be 'bossed' while appearing to be 'bossing.'

"Suggests the Country party and Nationalist party mix their policy with brains.

"At present evidence in that direction is sadly lacking."

That is why they lost the elections. No doubt the leader of the Opposition in speaking was leading up to the argument that a minority Government should not govern. Is that the crux of his argument? It appears to me to be so. What is the position to-day? In what position are the British Government—the Government which controls the destinies of the Empire—the Government which can plunge Australia into war at any time? I heard the Australian Prime Minister—Mr. Bruce—deliver his speech in the Exhibition Hall. The leader of the Opposition was there, and he heard, as I heard, the Prime Minister practically start his speech by a reference to "the rumblings of war." I heard his speech, and I was very much impressed with it. I consider that he knows more than hon. members here know. I contend

that for half an hour he led everyone in that audience to understand that the war drums were throbbing. Who is making those drums throb? This Government at the other end of the world, who are a minority Government, were making those war drums throb. Hon. members opposite say that we have no right to govern Queensland, although the figures prove that we are a majority Government; and yet in the same breath they accept everything that comes from the Empire Government, which is a minority Government. I am going to prove that statement by quoting remarks made by Lloyd George at the last elections in England, which were held under a limited franchise. That franchise does not give to the people of England the right of getting a true expression of the will of the people. In England the franchise can only be exercised by males who possess a residential or business qualification. A woman cannot vote until she reaches the age of thirty years, and then only if she has a residential qualification or is married to someone who has.

The SECRETARY FOR PUBLIC LANDS: That is what hon. members opposite would like to have here.

Mr. PEASE: Yes. Everybody who reads knows what is likely to happen in England at the next elections. The people are waking up. Although they have only a limited franchise, the people of England will not have a Government of the kind that is in power to-day. This is what Lloyd George said—

“Six million votes were cast for the present Government and 9,000,000 votes cast against it.”

Here we have a Government representing 6,000,000 people—the minority—who have the right to plunge the whole of the British Empire into war. They can do that, notwithstanding that 9,000,000 people voted against that Government. Now we have the Opposition saying that a minority Government should not govern. Lloyd George, on 22nd November, 1922, said:—

“The Prime Minister claims to have received a vote of confidence from the people, but out of a total poll of 15,000,000 his candidates have secured less than 6,000,000 votes.

“That means that two-fifths of the voters showed confidence in the administration, whilst three-fifths showed confidence in the other leaders or groups.

“I place the fact that those who voted for the Government represent only 40 per cent. of the votes in the forefront.

“It is the first time since the Reform Act that a pronounced minority has succeeded in securing control of Parliament and of the government of this country.

“Therefore, if the Government is wise it will bear this fact in mind and not commit itself to policies which challenge the 9,000,000 who represent the minority.”

What has happened since then? How many Ministers of the British Parliament who went before the people were re-elected? They have been defeated. Not only have the Government been discredited at the polls, but they have been discredited since then. Not a single Minister appointed by the British Crown could hold his seat at the by-elections, yet that Government controls the destinies of the Empire. They are the Government which the Prime Minister of

Australia pointed out at his meeting in the Exhibition Hall took millions of pounds from Australia in the way of preferential treatment and they have only given us back about £93 in one year. I never saw any of the Press opposed to Labour report that statement. There, again, I see the words of “The Brass Check.” Why was that statement by the Prime Minister not reported in the Queensland Press next morning? I took particular notice of it and searched the Press the next morning, but there was no mention of it. Why? I do not know whether he suppressed it or not, yet that Government which has taken our millions in preference and given us back a paltry pittance is a minority Government and cannot get any one of their Ministers re-elected at a by-election.

The Opposition were talking about making the railways pay. When I was in the North at election time, I read the policy speech of the leader of the United party, who is now leader of the Opposition, wherein he found it necessary to put forward one of his bright ideas of making the railways pay. Do you know what it was? That the goods sheds were closed on the 17th March, and therefore the railways did not pay! I was surprised to find that statement in the policy speech of the leader of the United party. In the speech that he delivered to-night he made a lot of criticism which I do not think was fair. In that connection a good deal of loose criticism is levelled at the railways, and yet, when the people who make it are brought to book, they qualify their statements. I have here a statement made by Mr. Hertzberg, who was president of the Brisbane Chamber of Commerce last year. The Commissioner for Railways, Mr Davidson, considered it of sufficient importance to reply to. We cannot get it in the Press controlled by those concerned I have mentioned, so we will get it into “Hansard”—

“The railway service must still be heavily overmanned, otherwise how comes it that with an increased revenue and greatly reduced service—which latter should mean saving of working expenses, the earnings per employee are so much less than they used to be.”

I think the leader of the Opposition made practically the same statement. Here is the Commissioner's reply—

“The position is quite the reverse. In the year 1914-15 the railways paid over 4 per cent., which was the best result achieved in any one of the past ten years, and before the effects of the war had been felt. The revenue per employee last year (1921) was 27.7 per cent. higher than in 1914-15, and rates and fares were only increased to the extent of 19 and 17 per cent. respectively. Notwithstanding also the introduction of eight-hour day for station and running staff, and tradesmen and fettlers' hours have been reduced $8\frac{1}{2}$ per cent. Number of employees per mile of opened line was 13.3 per cent. less than in 1914-15. Revenue per employee showed increase of 41.5 per cent., and number of employees per mile of line a decrease of 20.8 per cent. Mr. Hertzberg's statement has evidently been made without investigation. Passenger train miles had been increased 9.3 per cent. since 1914-15 whereas goods tonnage had decreased 16.52 per cent. A reduction of 30.5 per cent. had been

Mr. Pease.]

effected in goods train mileage by improving wagon and train loads. This was equal to a saving of 1,249,065 train miles and which at average cost of working meant saving effected of £623,251. For the half-year ended 31st December, 1922, the revenue was £2,768,265, an increase of £149,527, and the expenditure £2,400,531, a decrease of £40,346. The net revenue thus improved to the extent of £189,873 for the half-year."

That is the trouble. The whole of the statements made in connection with the railways are picked up by the people controlling the anti-Labour forces. A lot of loose statements are made at dinners or functions when possibly champagne is flowing, but the damage is done. It is serious at the present juncture because these statements go throughout the world and might do us a lot of injury. Mr. Davidson further said—

"The concession in railway freight to keep Mount Morgan going meant £34,000 to 31st December, 1922."

That meant thousands of people being kept off the books of the Labour bureau—

"Concession of 20 per cent. freight on starving stock, etc., March to November, 1922—£81,000.

"Services were maintained to foster the dairying industry and convey cream to factories and which meant loss to department.

"Additional amount paid financial year 1921-22 in consequence of wages awards amounted to: Permanent staff, £189,695, construction staff, £5,583."

Why do not the Opposition give the Commissioner for Railways and his staff credit for doing those things? Why are they not fair? Why should they only criticise? All these have to be met, and yet nothing is said about them. The hon. member for Dalby made some comparisons that he took from the Commonwealth "Official Year Book," No. 15. He was not fair. He picked out a few cases here and there, but he never picked out any instance that reflected credit on our railways. I will quote from the Commonwealth "Official Year Book," No. 15, page 560, with regard to the working expenses per average mile worked during the year ended 30th June, 1921—

	£
New South Wales	2,198
Victoria	1,849
South Australia	1,138
Queensland	881
Average for all States, £1,371.	

Working expenses per train mile run—

	d.
New South Wales	116.17
Victoria	118.21
Queensland	112.86
South Australia	111.56
Average for all States, 115.10d.	

These figures show that our working expenses are the best of any railways in the Commonwealth. The Opposition do not say anything about that. Then take the rates—

The rates for agricultural produce in truck loads in State railways in 1921, as given on page 576, are—

CHARGE PER TON IN TRUCK LOADS FOR A HAUL OF—

	50 Miles.	100 Miles.	200 Miles.	300 Miles.	400 Miles.	500 Miles.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
South Australia	9 1	12 11	19 2	25 4	31 7	37 8
Tasmania	8 4	12 11	16 8	16 8
West Australia	8 3	10 11	14 1	19 0	24 0	26 0
New South Wales	7 4	11 6	14 5	16 1	17 7	19 0
Victoria	7 0	10 10	14 4	16 6	18 8	20 8
Queensland	5 8	10 2	12 0	13 0	14 6	15 6
AVERAGE ALL STATES—(Compare Queensland with these).						
..	7 7	11 6	15 1	17 9	21 3	23 9

The ordinary passenger rates on State Railways, June, 1921, as given on page 575, are: For a journey of—

	50 Miles.		100 Miles.		200 Miles.		300 Miles.		400 Miles.		500 Miles.	
	1st Class.	2nd Class.	1st Class.	2nd Class.	1st Class.	2nd Class.	1st Class.	2nd Class.	1st Class.	2nd Class.	1st Class.	2nd Class.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
New South Wales	11 0	7 2	22 0	14 7	43 11	27 3	65 4	39 9	86 10	50 9	101 6	57 10
Tasmania	10 6	6 9	20 9	13 9	41 0	27 6	61 3	41 0
South Australia	9 9	6 7	19 9	13 3	39 3	26 0	58 6	29 3	78 0	52 0	83 6	55 9
Victoria	9 9	6 6	18 11	12 7	37 9	25 2	52 9	35 2	64 0	42 8	75 3	50 1
Queensland	9 4	6 3	17 0	11 0	32 0	20 6	46 0	28 9	59 0	36 0	71 0	43 0

Then, in regard to parcel rates, for a parcel weighing from 84 to 112 lb. (distance of 500 miles), the comparisons are—

	s.	d.
New South Wales	18	8
Victoria	16	11
Queensland	16	3

I am now quoting from the Victorian parliamentary debates. "Hansard," No. 9, of 2nd September, 1922. Questions were asked in the Victorian Parliament by those interested as to what was the percentage increase of railway fares in the metropolitan area since 18th July, 1918. The answer was—

"Stations in tram competitive area.—Over-all increase, average of 12.875 per cent.

"Stations in non-competitive areas.—Increase of 35.7 per cent.

"Per cent. increase in railway fares, country districts, since 1st July, 1918 (similar to non-competitive tram areas), was 35.7.

"Issue of return tickets to and from country districts was abolished on 17th May, 1920.

"Adjustment of the basis of holiday fares was made, and the cumulative increase was 41 per cent."

These people talk about Victoria being the great State of the Commonwealth. Everyone knows, of course, that Victoria is settled so far as railways are concerned, and that they have not the problems that Queensland has to contend with, yet the increase on holiday fares amounted to 41 per cent.

"The percentage increase in railway freights on agricultural produce since 1st July, 1918, was 18 per cent."

Now, the Queensland railways are not the only railways in the world that do not pay. I have here a copy of a Reuter's cable from Ottawa, Canada—

"Figures presented show that the Canadian Government railways last year lost £12,000,000—a slightly better showing than the previous year, though the appalling deficit is still one of the chief national problems, and promises no solution for several years."

Mr. KERR: What do you think of the Italian railways?

Mr. PEASE: Then we have a quote from the Sydney "Bulletin"—

"After repeated cutting down of service, the New Zealand Railway Department admits that it is losing £3,000 a day. Everyone is complaining of overcrowded trains, of delay in despatch of goods, and so forth, and the department is having a trying time."

Sometimes a letter of appreciation is sent to the Railway Department. I have one here to the Commissioner for Railways from the fruitgrowers of Stanthorpe. It appears in the "Agricultural Journal" of June, 1923. I am glad the hon. member for Carnarvon is here—

"Stanthorpe District Council of Fruit-growers write to Commissioner expressing satisfaction with the manner in which the fruit train from the Granite Belt was run during the past season.

"The department carried out all details of the special fruit train in a way highly satisfactory to the growers, and the train

invariably arrived at Roma street well up to time, which enabled those in charge of the transport scheme at the Brisbane end to have the fruit unloaded in good time for the opening of the markets."

To show that the secretary of the Fruit-growers' Association was fair, he explains why it was necessary to send this letter. No doubt, he had been reading "Hansard." He said—

"In view of the criticism which was sometimes directed at the Railway Department, the council considers it only fair to say that it was very well pleased with the efforts of the Railway Department on behalf of the fruitgrowers during the past season."

GOVERNMENT MEMBERS: Hear, hear!

Mr. PEASE: Mr. Mehan, the manager of the Stanthorpe Tomato Pool, wrote—

"To the Commissioner of Railways.

"Now that the operations of the Stanthorpe Tomato Pool have ceased, I am instructed by the board to thank you for the assistance given them throughout the season. Train staffs, gatekeepers, and station employees have carried out their duties to the mutual advantage of your department, my board, and the growers. It is with pleasure I forward the board's instructions."

GOVERNMENT MEMBERS: Hear, hear!

Mr. PEASE: It is with very great pleasure that I place both of these letters in "Hansard." I am also going to quote from the "Farmers' Bulletin" regarding the situation in America, where the railways are controlled by private enterprise. Listen to this—

"The Government seems to be helpless, having turned back the roads to their owners under a guarantee of rates sufficiently high to produce 6 per cent. on their capitalisation. Unfortunately, the rates have to be uniform, so that a bare return for a weak road means an extravagant bonanza for a strong road. There was a condition attached that the excess earnings of the big roads should be applied to deficits on the small roads, but there has been no pretence of carrying out this provision. The roads do their own book-keeping, and figure out that all their big earnings are absorbed by high wages, but do not produce figures to substantiate their statement. The whole situation is muddled beyond anything we ever dreamed of."

That is by the smart Yankee—the great business man who is controlling the railways by private enterprise. The article goes on to say—

"Coal of the poorest quality is being sold at extortionate prices, and in many parts of the country it scarcely can be had at any price. There is plenty of coal at the mines, but the railways have neither sufficient motive power nor sufficient rolling-stock for its transportation. In many of the soft coal districts the mines are working only two days a week, in spite of the ravenous demand of the public for fuel."

I can just imagine the hon. member for Bowen shaking up our Commissioner for Railways if he had not sufficient trucks to supply the necessary coal for transportation.

Mr. SIZER: Shifted into the sea, or what?

Mr. Pease.]

Mr. PEASE:

"The operators say there is no use bringing the coal to the surface unless cars are there to receive it. A similar breakdown in service causes perishable products like fruits and vegetables to rot on the ground in many States, at a loss estimated at £20,000,000. The movement of grain to the seaboard was retarded last summer when there was a considerable market in Europe. The Farmers' National Council of the United States says that the ending of graft by private ownership, and the economies possible only through unified Government operation of the railroads, would save farmers at least £120,000,000 a year in freight and passenger rates—without any reduction in wages paid railroad employees. Former Director-General of Railroads McAdoo has shown that private operation of the railroads is costing 32 per cent. more than it cost under Federal administration during the war."

That shows you what private enterprise is doing. It shows a loss to the farmers of America of £20,000,000, and it shows their grain was retarded when they had a good service.

There you have a fair sample of private enterprise business as compared with that controlled by the Government. Everybody knows that it is necessary that transportation should be controlled by the Government. If the Government ceased to control the railways, the position in Queensland would be exactly what it is in America. Everyone realises that the big steel trusts in America get their claws into great enterprises by first buying up the railways. They are then able to smash up everybody who gets in their way. Possibly, if the members of the Opposition had their way, they would hand over the railways of Queensland to private enterprise and let those people flog the farmers as they did in America.

Mr. KERR: Tell us what are the rates of taxation in America.

Mr. PEASE: I am going to talk to you about State enterprises. The leader of the Opposition was unfair; he practically condemned all State enterprises. The hon. member for Dalby, the late leader of the Country party, also said the same. Why do they not say which State enterprises they attack? They cannot attack them all, surely? I am going to point out a few State enterprises which they cannot attack. I have here a pamphlet printed by the United party. First, the United party pledged themselves to the Union Jack; they did not say anything about the Commonwealth flag—

"Leaflet No. 20.

"WORK OR UNEMPLOYMENT?"

"Queensland needs an influx of money. There is no other method of restoring prosperity. The Nationalists, if returned to power, will encourage private enterprise. Surely it is better to let a private individual spend his money in this State, and take the risk himself, rather than borrow huge sums for losing State enterprises, and force the people to pay exorbitant interest on the loans.

"The Labour party says quite frankly that it does not want private investors' money, but desires to 'socialise' everything. The Labour party warns off the 'capitalist'—the man with money. The

[Mr. Pease.

Nationalists want him to come here and spend his money in providing constant employment.

"WHICH IS THE BETTER?"

"Constant employment at good wages, or unemployment and Socialistic dreams?"

"THE CHOICE IS YOURS.

"You have had over seven years of Labour rule, and have seen where it has already led the country. Can you point to any one who has not been out of work himself during the last few years, or who does not know any neighbours or friends who have been unemployed?"

"Change the Government and give Queensland a chance.

"VOTE FOR THE UNITED PARTY CANDIDATE."

OPPOSITION MEMBERS: Hear, hear!

Mr. PEASE: The article ends up by saying that they favour the establishment of new enterprises, including cotton and woollen mills. How? Are they going to do it by private enterprise?

Mr. KERR: That is not under the State Enterprises Act.

Mr. PEASE: Look at what is happening in the Commonwealth, while the United party in Queensland are putting out these new pledges. The good sense of the public would not allow them to be guiled by them. Just look at the absurdity of it! The Anti-Labour party here are advocating the establishment of State woollen mills, while the Commonwealth Government are advocating the scrapping of the mills. (Opposition dissent.)

The CHAIRMAN: Order!

Mr. SIZER: Not State enterprise.

Mr. PEASE: I am afraid that that cartoon, showing the United party without a head and with two tails, was certainly correct. Let us take the Commonwealth

Bank, which was initiated and [8.30 p.m.] made possible by a Labour Government. The bank commenced with a temporary loan of £5,000 from the Commonwealth Treasury, and the last balance-sheet showed accumulated profits totalling £4,198,965. Is there anything wrong with that State enterprise? Sir Denison Miller—and I certainly voice the sympathy of this party in the loss of a great man such as Sir Denison Miller was—pointed out, as reported in the Commonwealth "Hansard," No. 15, page 1792, that—

"In raising the various war loans, etc., if the pre-war methods of underwriting and costs of flotation as paid in London had been adopted, it proved that the Commonwealth Bank had saved to the Commonwealth £5,586,941."

That saving was only made possible by a State enterprise started by a Labour Government, yet hon. members opposite condemn all State enterprises. Now we come to the Commonwealth steamers. Mr. Mackay, a member of the House of Representatives, who spoke during the Federal elections at Sandgate on 29th November last year, stated—

"Primary production was of little use without export, and at a critical time, when it was impossible to get their products away, Mr. Hughes, by a stroke of genius, purchased fifteen ships in the old country for the Commonwealth Government."

That is what Mr. Mackay said at Sandgate.

I have not read of Mr. Mackay getting up in the Federal House and opposing the sale of the Commonwealth steamers, which they are now going to scrap; but he comes to Queensland and points out to the people what a great thing these steamers were to the primary producers—

Mr. SIZER: At the time.

Mr. PEASE: At the time. It was only necessary to gull the people at the time. The time is now over, and therefore they are going to sell these steamers.

Now let us turn to State enterprises in Queensland.

The State Insurance Office commenced with a temporary loan from the Treasury of £3,570, which was repaid first year. The total profits since inception to the end of the financial year 1922 amounted to £293,446. In addition to that, the benefits have been doubled and the rates reduced, and household policies have been renewed free from 1918 to 1923.

Then we come to the Public Curator. The Public Curator commenced in 1916 without any cost to the Government. The profits to 31st December, 1922, have amounted to £25,276. In addition to that, the people of Queensland are obtaining many legal benefits at nominal cost, and poor prisoners are defended free of cost.

The next enterprise is the State butcher shops. The accumulated profits to 30th June, 1922, in connection with the State butcher shops were £140,426. The estimated saving to the people of Queensland was over £3,000,000 between 1916 and 1922. What is the situation in New South Wales and in Victoria to-day? The price of meat in New South Wales and in Victoria ranges from 1s. 2d. to 2s. per lb. According to the Federal "Hansard," No. 15, page 1710, Mr. Jowett said—

"The member for Bass had lately visited Brisbane, and found there was enormous difference between the retail prices of beef there as compared with the other States.

"Mr. Gabb interjected: 'There are State butcher shops in Queensland.'

Mr. Rodgers, the Minister, was asked the prices of meat in the different States, and his reply was as follows:—

"AVERAGE RETAIL PRICES OF BEEF—
CAPITAL CITIES.

	Melbourne.	Sydney.	Brisbane.
	d.	d.	d.
April, 1922...	6½	7½	5½
May ...	7	7½	5½
June ...	7	7½	4¾
July ...	7	7½	4¾

Will anybody say that the State butcher shops should be shut down? I understand that the hon. member for Wynnum on one occasion introduced a deputation to the Minister which asked for a State butcher shop at Wynnum.

Several members conversing in loud tones,

The CHAIRMAN: Order! I appeal to hon. members to obey my call. Some consideration should be extended to the "Hansard" staff and to the Press. The hon. member is speaking against a continual hum of conversation, and I hope hon. members will cease to converse in loud tones.

Mr. PEASE: Take the railway refreshment rooms. The accumulated profit to 30th June, 1922, was £52,361. Those profits have

been secured without increasing prices to the public at any period during the war or because of increased wages, etc. Anyone who uses the State railway refreshment rooms must admit that the service is better than they get outside.

Now we come to the State hotel. The accumulated profit to 30th June, 1922, in connection with the State hotel was £6,830. The State hotel maintains a standard which is not equalled by any hotel in Australia. Mr. Hughes, the late Prime Minister, when up in Cairns speaking at a public meeting, made it his business to pay a tribute to the Queensland State hotel. When the Prime Minister of Australia considered it worth while at a public meeting to pay a tribute to a State enterprise, then I am quite satisfied hon. members opposite will realise that we have in our State hotel something of which we ought to be proud.

Let us take the State cannery. The State cannery was opened before it was ready, and worked at a loss solely to pack the produce of soldier farmers. The State cannery is the only outlet for soldier settlement products. In 1921-1922, sales of preserved pineapples totalled £18,166; jams, £57,177; tomato sauce, £2,508; total, £77,851. Then the State cannery and the State enterprises manager and the Minister inaugurated a scheme for the direct sale of pineapples, by which means they found a market for thousands of cases. The State enterprises manager, by his control of the State enterprises of Queensland, was enabled to enlist the services of railway refreshment rooms and other State concerns in the marketing of various farm produce.

Then take the State Produce Agency. The State Produce Agency in 1921-1922 handled 13,907 sales of consignments for farmers, as against 6,575 in 1918-1919. That proves, as the Minister pointed out, its increased value to the farmer.

Now we come to State sawmills. The accumulated profits in connection with State sawmills as at 30th June, 1922, totalled £14,625. I know something about that. There is a State sawmill on Maria Creek near the soldier settlement at El Arish, one of the most successful soldier settlements in Queensland. The settlers there were enabled to get their timber from the State sawmill at about one-third of the price they would have had to pay to private enterprise. The State sawmill took their logs and immediately gave them seasoned timber from stock, and only made a nominal charge for cutting the logs.

Now take the State coalmines. Will anyone say the State coalmines should be closed up?

Mr. SIZER: What about Warra?

Mr. PEASE: Warra was not opened by a Labour Government. The State coalmines have meant an immense saving to the Railway Department in the supply of coal, especially to the Northern railways, which are now supplied from the Bowen coalfield. The Minister points out that this means a saving of from £1 to £1 10s. per ton of coal. This also applies to Government steamers.

Now we come to the State stations. The State stations, as the Minister points out, have a total area of 30,000 square miles, and the total purchase price was £1,184,461. At the 30th June, 1922, taking cattle at £3 13s. 8d. per head and horses at £7 per head, the value of stock on hand was £816,627, leaving a debit balance of £367,834. An increase in value of 30s. per head of the cattle would wipe out the deficit on State stations and

Mr. Pease.]

turn the deficit into a surplus. The position to-day is that, instead of cattle being worth £3 15s. 8d. per head, a scheme is being brought forward by those interested in the meat industry by which they hope to stabilise prices and increase the value of cattle to £7 10s. per head. If cattle were worth £7 10s. to-day, where would the howl about State stations be?

Now we come to the Government Printing Office. The Auditor-General's report shows that in connection with the Government Printing Office for the year 1921-1922 there was a net profit of £21,808 after writing off £4,000 for depreciation.

The Victorian Farmers' Union, at a meeting in Melbourne on 30th July last, appointed a committee of their own members for the purpose of marketing their commodities to better advantage, in view of the excessive prices paid by consumers and the low prices received by the producers. They are tired of the way in which the Government in Victoria are handling these matters. They have found that it is utterly impossible for them to get any consideration from the State Government, and they have had to take matters into their own hands. The Opposition should take note of the facts which I have given with regard to State enterprises, and not raise such a howl when they are criticising those activities. They should realise that we are faced with the pending renewal of our loans, and that it is not well to depreciate our State enterprises. I challenge members of the Opposition to refute the statements I have made.

The hon. member for Oxley has made frequent reference to the necessity of appointing business committees to run the affairs of Queensland. One body which he favoured was the Geddes Committee, which was appointed in England to go into certain matters. One of the proposals made by that committee was to reduce the education vote by £18,000,000. They practically said, "Do not educate people," because they realised that, if the people are educated, they themselves will be swept from power.

GOVERNMENT MEMBERS: Hear, hear!

Mr. PEASE: I remember some hon. members pointing out that the department which Sir Eric Geddes controlled was inquired into, and found to be the worst managed department in the service. I have here a quotation from a speech made by Mr. Asquith in the House of Commons on 13th February, 1922—

"As regards the Geddes Committee, I retain the opinion which I have previously expressed in this House, that its appointment was unsound in principle and absolutely unjustified by past experience. It amounted to a delegation to an outside and irresponsible authority of the functions which ought to be discharged by the Treasury, subject always to the ultimate control and supervision of the House of Commons."

Like the hon. member for Bowen, I say that we are sent here by the people of Queensland to attend to their business, and no one on this side is going to admit that we are not capable of doing it; yet members of the Opposition keep on saying that we should appoint a business commission to control our affairs. I realise that the Opposition want a business commission to get them out of their difficulties. The anti-Labour Federal Government are rapidly handing over their

functions. Senator Gardiner, speaking in the Federal Senate on 8th August, said—

"The Federal Government is rapidly transferring its powers to boards, supervisors, commissions, etc., and if continued Parliament will soon be of no use."

He points out that on the Commonwealth Treasury Finance Committee there are three members who are all paid officials of big public companies interested in handling Government loans. These people are paid immense salaries by the anti-Labour Commonwealth Government to do the business which the people of Australia elect the members of the Federal Parliament to do; and, if the present Federal Government are not capable of doing it, the sooner they get out and allow a Labour Government who are capable of doing it the better it will be.

I wish to refer to the American loan, and to show what a Labour Government can accomplish. I contend that there is nothing in the financial history of the world which is a better example of business management than the American loan. The hon. member for Dalby, speaking in 1921 on the matter of loans, said—

"Then we are going to lose about 4s. in the £1 in exchange on interest payments."

The hon. member for Wynnum on the same occasion said—

"When the loan is paid off it is going to cost Queensland £250 for every £100 received.

"The Premier: That is absolutely ridiculous.

"Hon. W. H. BARNES: But, after all, there has been broken a connecting link between ourselves and the old land."

The Hon. Mr. Hawthorn, speaking in the Legislative Council, quoted the "Telegraph" headings, viz.:—

"£250 FOR EVERY £100.

"QUEENSLAND'S COSTLY LOAN.

"£7 7s. 4d. per cent.

"We stand to lose a very great deal and the whole thing is a gamble.

"The loan is not as favourable as the Government try to make out."

Hon. W. H. Barnes, on page 1322, said—

"It was purely a gamble."

The Treasurer on page 1327 said—

"The Government had checkmated the financial group in London and beaten them at their own game. The Government had blazed the track for the other States."

The hon. member for Burnett, on page 1329, said—

"Was there something in the suggestion that the hated trusts and combines in America wished to get hold of Queensland. Most people in Australia know that America to-day held the purse and wanted to get control of the Pacific. Queensland was the only State in the Commonwealth which had borrowed elsewhere than in Great Britain. They had to look at this matter from the standpoint of their protection as a separate nation in the Pacific. They did not want America or any foreign power to get hold of them."

[Mr. Pease.

Hon. W. H. Barnes, on page 1333, said—

"It was said the loan would cost £250 for every £100 borrowed. The Treasurer laughed at this statement. It was apparent that the Treasurer was trying to make the best he could of what might be a bad job."

The hon. member for Aubigny said—

"They voted against the Loan Bill because they thought the loan was obtained on bad terms. They had had a great deal of trouble with American interference before. He did not think the American loan was satisfactory, because they did not want to be under an obligation to America."

The hon. member for Oxley said—

"There was a large sentimental objection in his mind to breaking away from the British Empire and going to an alien country to borrow money."

"The tariff on wool, hides, wheat, and tallow was so prohibitive that the doors of America were practically shut against their primary products."

What has happened since? Australian exports to the United States, according to Mr. J. W. Sanger, the United States Trade Commissioner, show a very great increase for the eight months of the current year to 28th February. For that period the American purchases ran to 30,000,000 dollars, against 8,600,000 dollars for the corresponding period of the preceding year. For February, 1923, the United States bought a gross total of 8,890,000 dollars' worth. The London "Times" of 9th June, 1923, said—

"The United States has recently been buying abroad to a far greater extent than a year ago."

"Shipments from Europe, Canada, and Asia have been less than twelve months ago, while those from South America, Africa, and Australia have been greater."

"These countries are thus receiving an impetus to their own purchasing power which will enable them in turn to buy more from Europe."

The hon. member for Enoggera, on page 1338, said—

"The Government had sold the birth-right of Queensland to secure this loan in America."

The hon. member for Warwick, on pages 1339 and 1340, said—

"The hope of the Government was that the value of the dollar would work to their advantage."

"The chances were it would work to their disadvantage. The deal might not be so good as it looked."

"Any other Government would have obtained the money in London at a lower rate of interest."

What is the position to-day? The city editor of the London "Times," on 21st November, 1922, said, with relation to Australia—

"Why not borrow money from America"

"Why not have a material tie with this great people speaking our tongue, and sharing our exposed position and the same dangers?"

"Americans are equally concerned with the problems of the Pacific, and there

may come an occasion when they will be able to lend us swifter aid than even the strong arm of Great Britain."

Then Mr. W. L. Baillieu, who is mentioned as likely to be one of the Commonwealth Bank board of directors, as also G. Swinburne, J. J. Garvan, with Massy Greene as chairman, is reported in the "Courier," 31st January, 1923, as follows:—

"I do not subscribe at all to the contention that it is against British interests that we should go to America for our loans."

"On the contrary, as Australia is a vital part of the British Empire, we would, as I see it, be serving British interests by establishing big financial connections with the Americans."

"Isolated as we are on the Pacific, it is of the utmost importance to us from a national standpoint that the Americans should be materially interested in our safety. Friendship follows trade, and if the Americans invest their money here it will tend to build up in the United States a greater knowledge of Australia and also give us a larger measure of safety in a time of possible crisis."

Then the "Courier" said—

"If the Treasurer at 1st July, 1924, cannot get conversion in London, we may be assured that there will be a movement to get it elsewhere, and New York is at once suggested."

"Mr. Baillieu advises us that Americans are eager to invest abroad, and Australian credit stands so high with them that ample funds may be had for the asking, both for Australian private enterprise and for the use of the various Governments."

"The strong premium quotation for the stock of the two Queensland loans floated in New York encourages the idea that Mr. Baillieu's views are correct."

The "Courier" sums up—

"If the United Kingdom cannot find money for the conversions which are ahead, the Australian Government will be forced to look elsewhere."

"No Britisher could object to that, and, further, of the seven Governments in Australia that of Queensland is the one most likely to be forced away from the London market."

"The trade question is more important now than a year ago, since the conversion of the £1 sterling into dollars at New York is much less costly. In other words the exchange difficulty is much reduced, and that will deprive the United Kingdom of the benefit of the former substantial invisible tariff against the United States."

And there you have the "Courier's" blessing on the American loans.

What a contrast with what happened in 1921! Did hon. members, whose opinions I have read from "Hansard," anticipate that the "Courier" and the London "Times" would be practically suggesting to Australia, "Go to America for your money, so as to make the tie closer"?

I want to contrast what this Government's handling of the American loans means in comparison with the Commonwealth Government's handling of another loan. On the

conversion of the first American loan, the gain was £523,713, and on the second loan, £191,096, or a total of £714,809. That is the gain to the people of Queensland through the Labour Government's handling of that financial matter, although they are supposed to have no financial ability. I want the people of Queensland to realise that here we have a Government in power who are condemned by the Opposition for their bad business knowledge, but who have pulled off the biggest financial coup that has ever been made in the history of finance. On the other hand, what did the Commonwealth anti-Labour Government do? I am quoting from Federal "Hansard" No. 1, page 96. The Commonwealth Government, who are supposed to represent business men, floated a loan of £5,000,000 in London on the 7th February, 1921, at £95. The amount received was £4,750,000, the cost of flotation was £166,303, so that the net amount received in London was £4,583,697, and the Government had to repay £5,000,000 in principal. When the hon. member for Oxley was speaking the other night, the Treasurer pointed out that not only did we save £714,809, but we also did a service to the people of the United Kingdom by stabilising the pound sterling. Let me quote what Mr. Fenton pointed out, as reported in Federal "Hansard" No. 15, page 1792—

"The Queensland Government operated through the Commonwealth Bank on the money market of New York, and by obtaining a loan of 22,000,000 dollars had influenced the London money market.

"Ever since the flotation of that loan in New York there had been a reduction in the interest rates between London and New York. Therefore the Commonwealth Bank had, at the instance of the Queensland Government, performed a valuable service, not only to the taxpayers of Australia but to the taxpayers of many other countries."

I am sorry that I have not time to deal with these matters in full; but let me just sum up by saying that the difference in handling these loans by the Government of Queensland and the Commonwealth Government has meant in pounds to the people of Australia no less than £788,125—that is to say, through the business ability of the members of our Cabinet, who are, as hon. members opposite say, professional politicians—of course, they are; they make politics their business; they do not give the fag-end of a day to it, they give of their best—we have on record a result not equalled in any Parliament of the world in the handling of finance. When the leader of the Opposition got up yesterday on the motion—"That the Speaker leave the chair"—he spoke of paltry matters of £30 or £40. In these matters the Cabinet have shown their business ability to the extent of about £750,000 by going to America for their loans, by seizing the proper moment, by converting at the proper moment, and not allowing the speculator into the business. If the Opposition were in power, no doubt they would have handed the matter over to their advisers, as the Federal Government did, and there would have been a "rake off." There is no "rake off" with this Government. Every penny of those loans has gone to the people of Queensland. And these are the men who, in comparison with the giants of finance, as hon. members opposite term them, have no business ability! To my mind,

[Mr. Pease.

no other matter should have been placed more prominently before the people of Queensland by members of the Opposition than this; but they were not fair enough to do it. I noticed that the hon. member for Wynnum asked a question as to the amount that was made by conversion, but when he was told he did not pursue the subject any further.

I claim that I have shown—at any rate, I have done my best to show—that the Government have handled matters in a manner which certainly deserves the commendation of the people of Queensland. I know that they have certainly earned the reward the people gave them by returning them to power, and I am quite sure that in the next three years the people of Queensland will not have cause to feel ashamed of what they have done.

GOVERNMENT MEMBERS: Hear, hear!

Mr. KERR (*Enoggera*): The first thing that strikes one in reading the Financial Statement is its absolute barrenness of any proposals for the current year. Anyone perusing the Financial Statements of previous years will find that every Treasurer set out to give something concrete or make some proposals for the year ahead, but in no instance have this Government indicated in this Statement how they are going to handle the finances of the State. We are to be kept in the dark, although it is only right that the people of Queensland should, per medium of the Financial Statement, be advised of what is proposed. It is also right that at this stage we should proceed to examine the accounts for the previous year. We have heard the hon. member for Herbert make a good speech from his point of view, but I cannot understand how a comparison can be usefully drawn between Australia and America, or England, or Spain, or Portugal, or Italy, or any other country in the world. I think that, if he would make a study of the finances of Queensland rather than of the finances of other parts of the world, he would come to a different conclusion in respect of the wonderful financial ability of this Government than that to which he has given expression. The financial ability of the Government has practically got the State into a very bad position indeed. Like the leader of the Opposition, I am not suggesting anything in the nature of insolvency of the State, but I do say that the people who are providing the State with income per medium of taxation are gradually going out of existence. If that continues, taxation is going to cease, and perhaps the object which the Government set out to achieve—the socialisation of industry—may come into being and have a trial. Nobody will deny that capital is on its trial. It has not had a fair "go" yet. Many wrongs have certainly to be righted. We all acknowledge that we are seeking a way out, but I am satisfied that if the Government persist in their present methods of finance, it will not be long before the people from whom our taxation is coming will produce no longer.

I want to ask hon. members opposite—the hon. member for Herbert especially—what the State is going to do about its public debt. On 30th June, 1922, it amounted to £85,691,228, and on the 30th June last it had risen to £87,315,513, of which sum £73,000,000 was raised by loans under the various Loan Acts. In 1923 on those loans we have to find £3,589,714 in interest. If we are spending

that amount of money, we naturally look for some return. If in a business you expend

£10,000,000 and you are paying [9 p.m.] 6 per cent. for that money, and all you are getting out of the business by way of profit is 1 per cent. on the capital, how long is that business going to last? The public debt to-day is £85,000,000 on which we are paying over £3,000,000 per annum in interest, and the only return we got for that money in 1922 was £1,047,308, which is actually £2,236,777 short of the amount required. In 1923 we received £1,458,317, which is £2,131,397 short of the required amount. That is what we see from a Government with marvellous financial ability, according to the hon. member for Herbert. We are not getting sufficient return from the £85,000,000 we have invested to enable us to pay the interest on that money. We are over £2,000,000 short in that amount. Where is it going to come from? The leader of the Opposition said that our public debt represented our services in this State; that is correct. The Government are giving those services free or partly free, and charging them to someone else. I want to ask the Government, with their marvellous financial ability, how long is this going to last. We have to admit frankly that we have reached the limit of our taxing ability. We must acknowledge that the amount received in services from the expenditure of loan money is coming down, and we are getting free or partly free services. That is very nice. I applauded the idea of travelling about Queensland on the railways free. If you keep on making those services free, then the returns from that direction will stop. They have stopped to-day. The returns from taxation are less this year than last year, and less last year than the year before.

The SECRETARY FOR PUBLIC WORKS: Do you want to increase them?

Mr. KERR: The hon. gentleman is only having a joke, and I am here on a serious mission. Where are our finances going to lead us? The public debt is not giving us the return that we should be receiving. I would not be justified in criticising the finances in this way if every State in Australia was adopting the same procedure as this Government. They are not. I want to show what each State is receiving in the way of services. In Queensland we have to impose taxes to make up the insufficient return from public services. We utilise £352,000 more than a quarter of the total revenue for that purpose. In New South Wales they get along on £1,660,000—less than a quarter of the total revenue; in Victoria £1,300,000; South Australia £164,000; and Western Australia £845,000—less than a quarter of the total revenue for that purpose.

The SECRETARY FOR PUBLIC LANDS: We gave £250,000 to the hospitals.

Mr. KERR: The hon. gentleman knows that the revenue is being relieved by the "Golden Casket."

The SECRETARY FOR PUBLIC LANDS: To what extent?

Mr. KERR: I understand that the various hospitals were asked what amount they would require as a subsidy for the financial year, and that the amount fixed was £205,000. Now we find that an amount of £185,000 has been placed on the Estimates for that purpose. Where does the amount come from to go to the hospitals? It comes from the "Golden Casket."

The SECRETARY FOR PUBLIC LANDS: Victoria gives nothing to the hospitals.

Mr. KERR: I do not care a continental rap what Victoria does. I am proving my argument. The hon. gentleman knows that the "Golden Casket" has relieved the revenue. This is what we have from this wonderful financing by this Government. During the time they have been in office they have added £31,000,000 to the public debt, and the returns from services are less than they were in 1914. If that is not giving services free, then what is giving services free? I have figures to substantiate my statement. Let me quote the percentage amount of consolidated revenue required to meet the interest on the national debt—

	Per cent.
1913	5.58
1914-15	3.72
1921-22	18.18
1922-23	16.92

Now let me give the amounts in actual money—

	£
1913-14	389,399
1914-15	267,852
1921-22	2,238,787
1922-23	2,131,397

Because the amount of revenue has increased that is no justification for appropriating more of it for the interest on the public debt. We find that, whereas the revenue has doubled, the amount taken for interest on the public debt has been increased ten times. No reasonable person can object to any increase in the public debt. The public debt in Queensland could well be doubled, but it can only be doubled on condition that it makes a sufficient return. In 1914, when we were paying 4½ per cent. for our money, the return in services was equal to 4½ per cent. on that money. The taxpayers of Queensland were then called upon to find less than £1,000,000 to keep our hospitals, insane asylums, and other humanitarian institutions going. Those institutions were commenced long before this Government were ever thought about. I wish also to deal with some of the State enterprises—not some of those undertakings that were nationalised long before the Labour party were ever thought about.

The hon. member for Herbert brings in the Public Curator's Department, which has been in existence in this State for twenty-five years. What has that got to do with Labour Administration? It has nothing to do with Labour Administration—no more than the Workers' Dwellings Act and the Advances to Settlers Act. The hon. member talks about the State Insurance Department as another State enterprise and glories in the fact that the profit derived from it amounts to £290,000. Why do not the Government pay the injured worker for the first three days of the period of injury instead of adding that £290,000 to the Government debt by taking out debentures? Instead of distributing their profits in the right quarter—to the people who should get the benefit—he would rather see that money go into the State coffers for a return of 1 per cent. Those are the things that this hon. member should tackle. He should tackle the finances of Queensland, and let England and America look after themselves. Let him tackle the affairs of this great State, and see where we stand.

OPPOSITION MEMBERS: Hear, hear!

Mr. Kerr.]

Mr. KERR: I want also to state that our loan expenditure for 1921-22 was lower per head of population than the loan expenditure of any other State in the Commonwealth. New South Wales spent £4 18s. 2d., Victoria £7 12s. 3d., South Australia £5 7s., West Australia £7 6s. 6d., Queensland £3 7s. 6d., and Tasmania £9 12s. 1d. I want to emphasise that it is an unfortunate phase of our administration that we, a great State requiring our vast deposits in the ground to be developed by means of loan money, are spending less loan money than any other State. Our factory figures are also lower than those of any other State. We are taxed higher, the average increase in five years being 116.68 per cent. as a whole.

It is noteworthy that the income tax has increased in five years by 190.15 per cent. The hon. member for Herbert used it as a good argument that this State is progressing under a Labour Administration. If that argument holds good, why is it that Queensland to-day is spending per head of population a lesser amount of loan money—in some instances 50 per cent. less—than the other States? For the simple reason that the Government have recklessly spent money and put it into non-returning investments.

Mr. PEASE: Name one of them.

Mr. KERR: The Railway Department is one instance, and I can show the hon. member where loan money has been put into State enterprises—coal mines for instance—besides a number of others. I will deal with the figures in connection with our railways in a minute. No hon. member opposite can tell me that this State is getting the right thing done by such administration. The Labour Government have been in power for eight years. We, as a United party, have never had that chance of making Queensland the State that it should be. We have not had the opportunity of expending loan money in the right avenues. What would you think of a local authority, such as the Metropolitan Water and Sewerage Board, if they invested £2,000,000 or £3,000,000 the same as they are doing in their works, and said to the people, "We do not want you to pay interest on the loan. That does not matter; we will charge it to posterity?" If they said, "We will give you water at half the price," we as a community would be very glad for the time being, but it would soon react. So it will be with the Government. They have been giving services to the people at half cost, but the time is past when they should look to votes and votes only. There is a much brighter future for Queensland than any Labour Administration can give to-day under the present system. There would be a much brighter outlook if money would only flow into this State. The number of factories is going down, fewer persons are employed, and agricultural production is diminishing because of the Government's excessive taxation and leasehold tenure. If we had the proper financing of this State by a wise and careful Administration, instead of pampering individuals, we would have a wonderful outlook. Would the Government say to the local authorities to-day, "You can have the £7,000,000 we have loaned you, and you need not charge the rate-payers 5½ per cent. or 6 per cent. in their rates for it?" Yet this Government expend loan money and want no return for it. If they said to the local authorities, "Here are £5,000,000 or £6,000,000; give us 1 per

cent. and we will be satisfied," the local authorities would enjoy the situation. But the Government would not lend money to the local authorities on such terms. They get their full pound of flesh on whatever money they advance to local authorities; but, when they come to invest £85,000,000 in the railways of the State, they only charge 1 per cent.

I want to say one or two words in regard to the vexed question of the finances of the Railway Department. It is claimed that the Government, in developing the State by railways, are assisting primary production, and that the Railway Department, as a service, should not be called upon to pay. The Government say that the railways are for the development of the State, and particularly to assist primary production. If that is so, I want to ask the Government, who are contending through their various speakers that the progress of Queensland is something phenomenal, why there is a drop of 1,000,000 tons in the tonnage of the Railway Department since 1914-1915—a matter of 17.9 per cent. Can this great Government of ours, who are doing so much for the good of Queensland—the only thing they are doing is wasting money—tell me how they are doing such a tremendous lot for the primary producer? The only thing they have done so far is to appoint organisers; and even the organisation scheme is incomplete. When any producing industry appeals to the Government for assistance, do they use the Local Producers' Association, which is costing £25,000 a year? They do not. These industries have to go in for their own organisation and work out their own destiny. The Act making provision for the formation of pools is excellent so far as it goes, but it is useless, because no assistance by way of advances is given.

There is a great deal too much talk and too little action with the Government. They have been successful in deceiving a lot of people by putting a wrong interpretation on their actions. It seems that, if you talk long enough about certain matters, you can make the people believe you really have or can accomplish certain things. We have not been able to secure any return showing the cost of the Ministerial tours or the special trains in which they travel around the country. We, as a party, have never been able to get around this vast country. When you talk about the tropical North, the far North, and the North and Central West, the people there have never heard our politics, and the result is that the Socialists get twenty seats whereas we only get two. The present is an opportune time to enlighten the people in that part of the State, and they will be enlightened between now and the next election. Things have been taken too calmly, with the result that the Labour party are now suffering from their very promises. They have buoyed up the population and the officials of the Trades Hall with these promises, and if they do not materialise there will be trouble. There is no doubt that there are factions in that party to-day, and that will have a result on the financial situation. Certain things will be done at the request of one section, while the other section will contend that they should be done otherwise. The finances are going to suffer. If Queensland is the State that is progressive in regard to finances, why should there be a deficit of 1,000,000 tons in the railways? That has not happened in any other State in Australia. The Government have defended themselves by talking about

[Mr. Kerr.

the high cost of material and the war, and have applied every other adverse condition in the world to themselves. If these conditions exist for Queensland, they exist for other States, too. While the tonnage on the Queensland railways has decreased by 17.9 per cent., that of the railways in every other State in the Commonwealth has increased—New South Wales to the extent of 21.9 per cent., Victoria to the extent of 38.4 per cent., South Australia to the extent of 36.1 per cent., and Western Australia to the extent of 2 per cent.

At 9.22 p.m.,

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

Mr. KERR: That is the state of affairs in regard to our railways. I do not want to dwell on this too long, but I have here some facts which I desire to have inserted in "Hansard." It has been said that the railways have gone to the bad during the last eight years to the extent of £10,000,000. We have had a great deal of argument to-day in regard to the freights charged on the railways, and I intend to give a comparison as to what is known as the highest class of freights per ton. This includes such articles as boots, groceries, furniture, crockery, and drugs. These are considered luxuries, and carry the highest rates. In a comparison of mileages between 50 and 300 miles Queensland has the highest charge of freight of any State in the Commonwealth. Regarding the lowest class freights, including agricultural products, manures, coal, coke, timber, and rabbit-proof fencing, we find that Queensland again, over a mileage of 50, 100, 200, or 300 miles, has a greater haulage charge than any other State in the Commonwealth. I can go to any railway in Australia and pick out a specified article, and I can show that our freights are lowest in comparison with other States on that one article; but, if you take an average of the whole lot on what is known as the lowest rate, you will find that the Queensland rates are higher than those of any other State.

The facts given in the Treasurer's Financial Statement are certified by the Government Statistician to be correct. Regarding the railways, taking into consideration our narrow gauge, we are at a great advantage in regard to the capital cost. This Government, instead of claiming to be at a disadvantage, should be at a great advantage, owing to the smaller capital cost. The following figures show the relative cost of railway construction per mile in the different States as at 30th June, 1921—

	£
New South Wales	16.321
Victoria	14.016
Queensland	7.192
South Australia	8.259
Western Australia	5.155

There is no doubt that the cost per mile in Queensland is £7,000—in some cases as much as £8,000 per mile. Mr. Davidson at one time in a report stated that our railways were over-capitalised. That may be a fact. If our railways are over-capitalised, the whole of the Queensland State is over-capitalised. If the majority of people were told that we paid the salary of part of the public servants out of loan money, they would say it was an incorrect statement. It seems to me that to say that certain salaries or part of them are

paid out of loan moneys, on which we are paying interest at the rate of 6 per cent. would be a correct statement. With the exception of Western and South Australia, Queensland is the only State in Australia during the last twelve months that has paid salaries out of loan moneys. This is a deplorable state of affairs, and the worst possible thing that could happen. The Government have been responsible year after year for carrying out works and paying salaries for those works out of loan money. That, of course, has added to the public debt. Where we are going to end by financing under this scheme I think the highest authority only can answer. It seems to me that, where at one time payment for most of our works was made out of revenue, that procedure is not now possible.

The time is opportune for some further action to be taken to remedy this state of affairs. Another advantage that the Government have had over previous Governments is that they have not paid anything to the trustees of the Public Debt Reduction Fund. In 1906-1907, the previous Government paid to the trustees of the fund from revenue as much as £396,000.

Can you imagine that under a [9.30 p.m.] Labour Administration? The Treasurer remarked in a speech in 1912 that we ought to be able to build railways out of revenue. Of course it is possible, but not under the financial management of this Government. If the Treasurer and his colleagues would determine to make the railways pay their way, there would be such large surpluses that they could build £3,000,000 worth of railways out of revenue every year.

The SECRETARY FOR PUBLIC LANDS: Do you advocate that?

Mr. KERR: The only thing to achieve success in connection with our finances is to create a surplus.

The SECRETARY FOR PUBLIC LANDS: Do you advocate making the railways pay so that we can create a surplus to build railways?

Mr. KERR: I say the users of the railways certainly should pay for them, but not under mismanagement and not dominated by political control. That is the point I am getting at. If you placed the whole of the returns from our public lands to the credit of the Railway Department, they still would not pay their way. That is the position that has to be tackled, and the Government are not game to do it. They appointed an Economy Board in the Railway Department. What for? To reduce hands. Is that tackling the question? No. Is it not better to tackle this question in another way? I agree that the Treasurer is on the right track, but his colleagues will not allow him to go on. That is the trouble.

The SECRETARY FOR PUBLIC LANDS: We cannot hold him back. (Laughter.)

Mr. KERR: The previous Government, in one year, paid as much as £396,000 out of revenue to the trustees of the Public Debt Reduction Fund for the reduction of the public debt. But what have this Government paid in eight years? They could only pay £70,000. They had no surpluses to pay more. In eight years they paid less than one-fifth of the amount that the previous Administration paid in one year, and don't forget that the previous Administration balanced the accounts. Where is the marvellous financial ability of this Government? I am waiting to see it. I am anxiously waiting for this

Mr. Kerr.]

Government to make a start. For nine consecutive years previous to the Labour Administration the Government were able to allocate a certain amount towards the reduction of the public debt, but this Government have done nothing. Instead of reducing the public debt they have added to it by deficits. Previous Governments each year paid a certain amount towards the reduction of the public debt.

Mr. DASH: By starving their employees.

Mr. KERR: What do you know about it? Young man, all that you know about this matter won't hurt anyone. (Laughter.)

The SECRETARY FOR PUBLIC LANDS: Satar reproving an, all right.

Mr. KERR: One would think that this Government, being a continuous Government, would be a material factor in the financial prosperity of this State. They have not been so, although they have been lucky inasmuch as the interest on the public debt is lower in Queensland than it is in the other States in Australia. If we had to pay the same rate of interest as Victoria pays on her public debt, the revenue to-day would have to find an extra £286,000. There is an advantage there to Queensland of £236,000, which could well be shown as a surplus.

The SECRETARY FOR PUBLIC LANDS: How are you going to make the railways pay?

Mr. KERR: I will deal with that when the Estimates are on. As a matter of fact, I think I have told the hon. gentleman broadly what I think about it.

The SECRETARY FOR PUBLIC LANDS: You have not told us definitely—that is the trouble.

Mr. KERR: I have told the hon. gentleman before what I think in regard to the Railway Department, and I will tell him again many, many times, possibly, before I have finished. Perhaps the hon. gentleman is looking for the garb of the Secretary for Railways. I know the present Minister would desperately like to get out of it. (Laughter.) The rates, as I have shown to-night, are not lower in Queensland on the average than they are in the other States. We have the unhappy position in the Railway Department of hundreds of men who are alleged to be on the basic wage of £4 a week who are only getting a wage of something between £2 15s. and £3 5s. a week. That is maladministration which should not be allowed to develop.

The SECRETARY FOR PUBLIC LANDS: It developed while you were an employee in the department.

Mr. KERR: I was out of Australia from 1914 to 1919. The hon. gentleman's statement, as usual, is not based on fact. I want to refer to the fact that previous Governments were able to build schools, police buildings, and other public works from revenue. As the Treasurer once said, we might build railways out of revenue.

The SECRETARY FOR PUBLIC LANDS: Mr. Fihely at one time thought of making you Deputy Commissioner. (Laughter.)

Mr. KERR: I should not be at all surprised if he did. From 1911 to 1914-1915, the sum of £77,362 was spent on police buildings out of revenue, but under the present Government the police buildings in Queensland have got into a deplorable condition. That is the condition of the police building at Newmarket. At Indooroopilly, in my electorate, we have a private house rented as a police

station. This Government have spent £20,000 less from revenue in five years than was spent under the previous Administration. If a school is required, loan money must be used now, because the revenue has gone. The condition of things is deplorable. At the end of the year 1920-1921 we had a credit balance of £1,046,286 in the Trust Funds, which in 1922 was reduced to £780,373. This year, however, there is a debit balance of £34,974. I would draw the attention of the hon. member for Herbert to the debit balance in our Trust Accounts with regard to State enterprises. That money is lent to the Government by the people on trust. The State Enterprises Fund went in 1921-1922 from a debit of £589,000 to a further debit of £760,000. The Irvinebank State Treatment Works went from £50,000 to £54,000 on the wrong side, while the State Smelters went from £64,000 to £294,000 on the debit side.

A GOVERNMENT MEMBER: What is wrong with that?

Mr. KERR: If these enterprises were giving a return, we could put our loan money into them and get a return from the investment. Our Trust Accounts, Loan Account, and Revenue Account have all a balance on the wrong side.

The SECRETARY FOR PUBLIC LANDS: You are on the wrong side. (Laughter.)

Mr. KERR: I am on the right side. I notice a very peculiar statement on page 4 of the Financial Statement. The Treasurer states—

“During the present financial year I propose making some adjustments in the Trust Accounts with the object of using part of the funds in the healthy accounts to strengthen the position in the weaker ones.”

There is a suggestion there to amalgamate the Trust Funds, but I say that we should not amalgamate those funds. If one Trust Fund is successful in its operation, let us keep it so, and not make it one of the losing funds. We have a credit balance in the Insurance Fund under the Real Property Acts of £129,000. Does the Treasurer propose to balance the losses on State enterprises with that money? The Public Service Superannuation Fund is in credit to the extent of £400,000. Is he going to utilise that money to balance the deficit on the Chillagoe ventures? I say the principle is wrong.

OPPOSITION MEMBERS: Hear, hear!

Mr. KERR: What does the Auditor-General say in regard to such a system? He said on one occasion that it was to the detriment of the State finances to use trust money to pay the interest on loans. We cannot tell where we are going under a Government which finances a State in that way. We have had an amalgamation of the State enterprises so that, as a whole, they may show a profit. We have now an endeavour to make the Trust Funds balance by hook or by crook. The Government are going to use superannuation funds for the purpose of balancing a fund which is on the wrong side of the ledger—they say they are going to amalgamate them. The hon. member for South Brisbane, I understand, is a financial man. If he will justify that procedure, I shall be glad to listen to him. I contend that it is not possible to reconcile it with sound business or the principles of finance.

[Mr. Kerr.

I am sorry that the Treasurer has not seen fit to give us some indication of the Government's financial proposals for the current year. He has in no way indicated what they are likely to be. He has given a résumé of the transactions of the past year—which are obtainable from the tables, but that is not much satisfaction to this Committee. We know that we are not balancing our accounts, and I think we should be told where we are going to stand in the future. It would give hon. members an opportunity of going into the question. The leader of the Opposition pointed out to-night that certain money which had been passed by Parliament for advances to local authorities had been diverted by Executive minute to another purpose. The Treasurer may claim that that was necessary, but that in itself is a bad principle. It is, in effect, a defiance of Parliament, but that is what this Government have done. I have seen Governments in the South soundly thrashed in words for similar procedure in small matters, permitting Parliament to allocate money for certain purposes and then diverting that money to purposes for which it was not intended.

The hon. member for Herbert, as did the Treasurer in his Financial Statement, referred to the American loan. The Treasurer made a couple of bald statements that they were sound business. I frankly acknowledge that luck was in their favour, but it was nothing more or less than luck. Nobody can get away from the fact that those loans were floated at the highest rate of interest which Queensland has ever paid for a loan—£7 per cent. Certainly a profit was made on the conversion into sterling, but, had the exchange receded instead of rising, we would possibly have been paying 8 per cent. instead of the nominal rate of 7 per cent. I admit that the conversion, the circumstances of which were mere luck, possibly made the loans cheaper than the Government could have got the money for in London.

At 9.45 p.m.,

The CHAIRMAN (Mr. Kirwan, *Brisbane*) resumed the chair.

Mr. COLLINS: If your crowd had done it, they would have called it brains and not luck.

Mr. KERR: We would have called it by its proper name. We cannot yet say how much interest will be paid, and until we do that we cannot say what the loan is going to cost. Never mind quoting long newspaper extracts about the cheapness of this loan. In 1914 in England we raised five times the amount of the first American loan at a cost of only £1,000 more. The expenses in connection with brokerage on the first American loan were tremendous. I invite the Treasurer to go into those figures. I shall be very much surprised if he can prove them incorrect. We paid as much in brokerage for raising £2,000,000 in America as we paid in brokerage in raising £13,000,000 in London. The efforts of the Government in America can be put down to their lucky financing ability. The number of dollars to the £1 sterling increased, and that is why the American loan may be termed a success.

Mr. COLLINS: There must have been a big gamble when the hon. member got in for Enoggera.

Mr. KERR: I got a larger majority than the hon. member for Bowen.

Mr. ELPHINSTONE: And without any iron and steel works to help you.

Mr. KERR: I hope next time to go to the Bowen electorate to help to unseat the hon. member for Bowen. If we had less men holding his views in this House our finances would be in a better condition, and the Premier would be able to place the finances in a better position. When the hon. member for Bowen talks about the welfare of the community, he only thinks about the number of votes that can be obtained. The best test of good financing is in the examination of the public debt. If we received sufficient services for that money we should be able to relieve taxation by £3,000,000. In America secondary industries are relieved of taxation. The United party proposed to exempt new industries for five years from the payment of taxation. That was a good proposal, because at the end of that time there would be a larger number of taxpayers. What do the Government propose to do with regard to the cotton industry? They intend to socialise that industry. Capital to-day is on its trial. We know that human nature comes into these proposals. I am not talking about combines and trusts. I am talking about the individual who saves £200 and puts it into the Savings Bank at $3\frac{1}{2}$ per cent. Give him a chance to put that into industry. That is the capital that I refer to. I am not referring to whom hon. members opposite call "Coal Barons." I am not typifying the owners of capital in any way.

The leader of the Opposition, when discussing the conversion of the loans, spoke of the wonderful outlook for Queensland as regards what we can produce, if the people were only given an opportunity. He also outlined what the wealth of this country actually was. Every man in the community has got to share it. I sometimes think there is a germ in some of the hon. members opposite. I do not know what will be the result if it is going to be allowed to germinate. What are they going to socialise? The vital question of their policy is certainly a question of finance. They must realise that, if they socialise an industry, they cannot get blood out of a stone. If to-day they get the money to pay interest on the public debt and provide the wherewithal to carry on the public service from the industries they propose to socialise, where would they obtain that money if they socialised them? Are they going to erect public buildings and establish services, and not pay for them? If they sat down and logically worked out the first plank of their platform, they would see how unattainable it is.

Mr. COLLINS: You do not know it.

Mr. KERR: You have it in your pocket.

Mr. COLLINS: What is the first plank?

Mr. KERR: The first plank is the nationalisation of industries.

Mr. COLLINS: The first plank of the platform is the cultivation of an Australian sentiment.

Mr. KERR: I am not talking about that. That is a very fine sentiment, but it is men like hon. members opposite who can kill it. I understand that the Government party at the present time have various committees, one of which is working on finance. To my way of thinking, for the way they advised the Treasurer the other night, I would shoot them all. Let this sub-committee on finance go into this very question, turn to the Treasurer's tables, and find out the return from our public services; then let them think who

Mr. Kerr.]

is suffering the loss and where the taxation is coming from. They will come to the conclusion that the money has got to come from somewhere. If it is the man who pays income tax, then he in turn has to get it from somewhere. He does not lose it; he obtains it from the people who buy his goods. He provides for that taxation in his overhead charges. Therefore, if that money is going to come from somewhere, it is from the people who buy—the workers.

Mr. FOLEY: Do not the Arbitration Court judges give them something to buy that with?

Mr. KERR: I hope they will continue to do so, and I hope no action will be taken to pool work so as to dodge the Arbitration Court. If there is one thing the present Labour Government are guilty of, it is that. They introduced an Industrial Arbitration Act. It sounds nice, and has an appealing effect on some people, but in running their own service they undermine their own Act. They run their service at a loss. I have a statement by his Honour Judge Macnaughton where he pointed to the fact that the Railway Department is of less than average prosperity. Mr. Steer, the representative of the Commissioner, said so, too. Because of that fact, what did the judge do? He reduced the basic wage. It is the duty of the Government to make those railways pay, and pay a fair wage.

The bell indicated that the hon. member's time had expired.

The House resumed.

The CHAIRMAN reported progress.

The resumption of the Committee was made an Order of the Day for to-morrow.

The House adjourned at 9.56 p.m.